Financial Transactions and Reports Analysis Centre of Canada

2019–20

Departmental Results Report

The Honourable Chrystia Freeland P.C, M.P.
Deputy Prime Minister and Minister of Finance
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Message from the Director and Chief Executive Officer

As we mark our 20th anniversary, I am pleased to submit to Parliament and Canadians the Departmental Results Report for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

The arrival of the global pandemic at the end of the fiscal year has had a significant impact on FINTRAC’s operations, just as it has had on Canadians across the country. Our thoughts are with those who have suffered health or economic difficulties because of this disease, and even more so with those who have lost loved ones to COVID-19. These have been tremendously challenging times but Team Canada has remained strong and we have been effective in battling this disease together.

With this same determination and the dedicated efforts of our staff and thousands of businesses throughout Canada, we have continued to receive and analyze vital financial transaction reporting throughout this crisis and to provide actionable financial intelligence in support of the investigations of Canada’s police, law enforcement and national security agencies. Our financial intelligence is more important than ever as criminals and terrorists have looked to take advantage of the pandemic to enrich themselves and advance their illicit enterprises.

Over the past year, FINTRAC provided 2,057 unique disclosures of actionable financial intelligence in support of hundreds of investigations of money laundering, terrorist activity financing and threats to the security of Canada. The number of disclosures that we generated has increased by more than 25 percent over the past five years, and many of our disclosure recipients have told us that they will not start a major, project-level investigation without seeking out our financial intelligence.

In addition, FINTRAC generated strategic financial intelligence such as operational briefs and alerts and other strategic information for federal decision makers and businesses across the country to assist them in identifying suspicious financial transactions and improving their reporting to FINTRAC. This work was so valued by our federal partners that FINTRAC was asked to join some of the most important national security, intelligence and assessment meetings in the Government of Canada.

The impressive results that FINTRAC achieves for Canadians would not be possible without the dedicated efforts of Canadian businesses subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA). During the year, we finalized a new five-year
Compliance Engagement Strategy, setting the priorities for the Centre’s outreach and engagement activities. As part of this strategy, we engaged extensively with real estate regulatory bodies, associations and businesses across the country to strengthen compliance in that sector. In addition, we hosted a highly acclaimed and well-attended national Casino Forum and a Major Reporters Forum that brought together representatives from Canada’s largest financial institutions that provide more than 90 percent of the reports that the Centre receives every year. In recognition of our collaborative approach, the Community of Federal Regulators recognised FINTRAC with an award for Excellence in Regulatory Openness and Transparency.

Internationally, we continued to make extensive contributions to worldwide efforts to combat money laundering and terrorist activity financing, including providing financial intelligence disclosures to our foreign counterparts, contributing to international training and capacity building efforts and supporting multilateral research and the development of trends analysis and strategic financial intelligence products through the Egmont Group and the FATF.

Finally, the Centre put in place a number of measures to strengthen FINTRAC’s financial, human resources and governance foundations. During the year, we established our first Risk-Based Audit and Evaluation Plan, oversaw the update of our Performance Measurement Framework, and refreshed a range of operational plans and policies to increase accountability, transparency and collaboration within the Centre. Our Access to Information and Privacy Office continued to respond to requests with on-time response rates that greatly exceeded the federal government's overall average response rate and, most significantly, we were able to advance a number of initiatives to enhance workplace wellness, help us recruit and retain top talent and ensure we remain an employer of choice. Because of this work, FINTRAC improved upon our already outstanding Public Service Employee Survey results with significant gains in many areas.

As we mark twenty years as Canada’s financial intelligence unit and anti-money laundering and anti-terrorist financing regulator, I am honoured to share the impressive results that the Centre achieved for Canadians and to congratulate FINTRAC's highly skilled and dedicated workforce for the successes achieved in the past fiscal year.

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Nada Semaan
Director and Chief Executive Officer
Results at a glance and operating context

The global nature of the banking system and transnational nature of money flows make money laundering and terrorism financing increasingly vast and complex. The interconnectedness of communications, technologies and financial payment systems provide immediate accessibility across the world by removing physical barriers.

Sophisticated and dynamic criminal groups relentlessly develop new ways to exploit the vulnerabilities of financial systems, especially during these unprecedented times, to launder the proceeds of crime. Similarly, extremist and terrorist organizations seek out opportunities to secure financing to fund their activities and operations.

As business and consumers embrace new and evolving technologies, Canada's financial sector is becoming increasingly agile with: the introduction of non-traditional banking models (such as virtual currency); the entry into the financial system of technology companies; and the endless possibilities being driven by financial technology (FinTech) and regulatory technology (RegTech) as examples. Some of these changes are incremental in nature, but many are revolutionary, providing a significant challenge to regulators in understanding new financial products and combatting criminal exploitation. Importantly, new and emerging businesses may not understand their money laundering and terrorist financing risks or have in place appropriate programs or resources to protect their businesses from these criminal threats.

Within this operating context, FINTRAC has established its vision and strategic priorities, built on a foundation of three pillars that, together, bring to life the vision of Safe Canadians, Secure Economy: Contributing to the safety of Canadians and the security of the economy, as a trusted leader in the global fight against money laundering and terrorist activity financing.

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<tr>
<th>Total actual spending for 2019–20</th>
<th>Total actual full time equivalents for 2019–20</th>
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<tr>
<td>$55,282,766</td>
<td>352</td>
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Pillar 1: Promote a culture of accountability

FINTRAC’s objective is to have a resilient, agile workforce accountable for achieving the Centre’s priorities within a culture that values diversity, collaboration, civility and ethical behavior.

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<tr>
<th>FINTRAC Priorities</th>
<th>2019–20 Results Achieved</th>
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| Maximize the potential of our people | • Through tailored engagement activities and robust people management initiatives, FINTRAC continues to attract, develop, retain and maximize the contributions of its dedicated and talented workforce.  
• In 2019–20, FINTRAC launched its new People and Culture Strategy 2019–24, called Our Talent, Our Future, which is based on the vision and priorities laid out in FINTRAC’s Strategic Plan. Our Talent, Our Future is focused on promoting a culture of accountability through empowerment and change; preparing FINTRAC for the future through continuous growth and modernization; and collaborating to strengthen results. This new five-year strategy will ensure that FINTRAC remains an employer of choice that empowers its employees through dynamic and challenging work, complemented with flexible work-life balance and an overriding commitment to mental health and well-being.  
• In parallel with FINTRAC’s new People and Culture Strategy, the Centre also launched a People Management Policy Suite and Framework renewal exercise to ensure that the Centre has the right policies, tools and procedures in place for the effective and efficient management of its human resources.  
• FINTRAC’s participation in, and response to, the Public Service Employee Survey (PSES) is another element of the Centre’s ongoing commitment to maximizing the potential of our people. In January 2020, the results of the 2019 PSES Survey were consolidated, analyzed, compared by sector and across different demographics, and shared with all employees. FINTRAC’s results were once again impressive. For example, 93 percent of employees said that they were proud of the work they do for Canadians and 83 percent said that they would recommend the Centre as a great place to work, both results well above the public service average. These numbers are backed up by FINTRAC’s strong participation rate, which was the second highest across
Following extensive engagement with staff, the Centre published its PSES Action Plan in April 2019, which contains a number of comprehensive initiatives grouped under four key themes: mindful leadership; transparency and communication; healthy, respectful and inclusive workplace; and career development and talent management.

**Ensure transparency through results and performance**

- FINTRAC is an organization that values a culture of accountability to each other and to Canadians.
- As part of continuing efforts to establish a modern performance information system for FINTRAC that support fact-based decision-making, the Centre updated its Departmental Results Framework and conducted a full review of its outward facing performance indicators and logic models for each of its core programs. The updated performance indicators were introduced in FINTRAC’s 2020–21 Departmental Plan with newly established targets and thresholds.
- In addition, FINTRAC continued to enhance its review and evaluation capacity by developing and approving its first Risk-based Management Review and Evaluation Plan (RBMREP), to ensure that FINTRAC has internal review and program evaluation that adequately examines areas with the greatest exposure to risks that could affect the Centre’s ability to achieve its objectives and desired results.
- Further, a performance measurement strategy for FINTRAC’s new governance model was implemented and an initial review of the structure was completed at mid-year to ensure that the approach was meeting expectations of enhancing management’s strategic focus on key issues, and to ensure effective allocation of resources to priorities, alignment of activities to outcomes and the sound management of accountabilities.
- Lastly, FINTRAC has been working with Public Safety Canada and the security and intelligence community to develop and implement the tenets of the National Security Transparency Commitment. As part of this Commitment, FINTRAC has participated in each meeting of the National Security Transparency Advisory Group to date. The group is comprised of national security experts from academia and civil society organizations and examines how to increase transparency in government among small, medium and large departments and agencies.
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<tr>
<td>national security. FINTRAC is committed to continuing to work</td>
<td>with its partners to increase its transparency in the following</td>
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<td>with its partners to increase its transparency in the following</td>
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<td>three areas: information transparency, executive transparency,</td>
<td></td>
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<td>and policy transparency.</td>
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Pillar 2: Prepare FINTRAC for the future

FINTRAC’s objective is to maintain a work environment that supports innovation and provides the support and tools, especially information and data, to deepen the Centre’s analysis and approaches.

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| Modernize the workplace     | • FINTRAC depends on a sophisticated information technology infrastructure to receive, store and secure over 30 million new financial transaction reports every year. At the same time, this infrastructure allows intelligence analysts to filter the information, analyze it and generate actionable financial intelligence for Canada’s police, law enforcement and national security agencies.  
• FINTRAC has been working to upgrade its analytics systems over the past several years. A contract with an outside vendor that was part of these efforts ended during the fiscal year. Through this contract, FINTRAC has been able to capture and refine its complex intelligence requirements, identify key business processes to streamline, and implement foundational components in support of the ongoing modernization of its analytics systems.  
• In 2019–20, the Centre began working on components of its Enterprise Architecture Strategy, which is ultimately aimed at defining a future state for FINTRAC architecture that is scalable and secure. Enterprise Architecture is part of FINTRAC’s five-year Information Management and Information Technology (IM/IT) Roadmap and is an element of the Centre’s stabilization exercise.  
• Throughout the year, the Centre continued to implement the initiatives highlighted in FINTRAC’s IM/IT Strategy 2017–20, which focuses on the people, partnerships and services that are required to support FINTRAC’s transformation agenda while continuing to meet operational demands.  
• Lastly, the Centre has worked to expand the capabilities and technologies that support collaboration, mobility, and information by increasing the number of mobile devices available to employees, as well as increasing the total number of Virtual Private Network (VPN) connections in response to the COVID-19 pandemic and in support of the broader telework policy. FINTRAC also conducted research on SharePoint Collaboration |
tools and established a cloud Center of Excellence team within the agency.

| Explore and implement innovative solutions | • FINTRAC is a member of and monitors activities of more than 50 different external committees and working groups at the intergovernmental, domestic and international level. Each entity provides an opportunity to assess the evolution in the use of techniques, technology and areas of increased risk for financial criminal activities.

• The important knowledge gained through FINTRAC’s participation in these committees and working groups increases the Centre’s understanding and assessment on such things as the use of virtual currency and its application to launder money and finance terrorism activities. In addition, it supported the Centre’s work in developing a strategy to mature existing report transmission technology to reduce reporting burden experienced by reporting entities.

• In addition, the Centre continued to engage in research and consultation aimed at better understanding new and evolving technology, particularly in relation to machine learning and artificial intelligence, to ensure that it remains a trusted leader in the global fight against money laundering and terrorist activity financing.

• The Centre continued implementation of its new internal governance structure and four sub-committees, including one focussed on Digital Innovation. The Digital Innovation sub-committee is tasked with exploring, analysing and recommending areas of priority research and investments that can strengthen FINTRAC’s ability to advance data management opportunities and the user and client technology experience. During the year, the Digital Innovation sub-committee advanced a new IM/IT Digital Strategy, Future Architecture (Infrastructure, Application and Data) designs and a roadmap for the Enterprise Architecture Strategy that will ensure technology standards are applied throughout FINTRAC. Each of these initiatives are close to final draft, but were delayed due to the impact of COVID-19.

• Lastly, in response to the COVID-19 pandemic, the Compliance Reporting Entity Assistance triage team was provided with equipment to continue managing reporting entity enquiries remotely. The majority of the team was equipped before the end of the week of March 20, 2020. In addition, as the global pandemic...
escalated in March 2020, FINTRAC began responding to reporting entity telephone enquiries in-house, which were previously managed by an external call centre. Thanks to FINTRAC’s quick response, Compliance’s Reporting Entity Assistance team managed 272 enquiries from March 16 to March 31, 2020 alone.
Pillar 3: Collaborate to strengthen results

FINTRAC’s objective is to leverage the knowledge and expertise of our domestic and international partners to influence change in the way we detect and deter money laundering and terrorist activity financing.

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<tr>
<th>FINTRAC Priorities</th>
<th>2019–20 Results Achieved</th>
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| Cultivate strategic relationships with key external stakeholders                  | • FINTRAC is a member of Canada’s delegation to the Financial Action Task Force (FATF), an international body that sets standards and promotes the effective implementation of legal, regulatory and operational measures for combatting money laundering and terrorism financing. In 2019–20, the Centre contributed to the review of several mutual evaluations and follow-ups, including the follow-up assessment of Norway. FINTRAC also contributed to the improvement of FATF standards and processes, as well as several policy and research documents, including issues such as virtual assets, proliferation financing, money laundering and the illegal wildlife trade to strengthen the international efforts to combat money laundering and terrorism financing through a strong international regime.  
• In 2019–20, alongside a member of the private sector, the Centre has taken on the role of Co-Chair of a new Public Private Collaboration Steering Committee (PPCSC). The main objective of the PPCSC is to improve anti-money laundering effectiveness within existing authorities and will build on existing Regime committees.  
• FINTRAC co-led the development of a pilot training program for Financial Intelligence Units (FIUs) in the Caribbean region. The course was delivered in May 2019 in Trinidad and Tobago, and was attended by 18 analysts from the region, representing 16 FIUs.  
• In 2019–20, FINTRAC finalized a new five-year Compliance Engagement Strategy, setting the priorities for the Centre’s engagement activities.  
• FINTRAC also facilitated brainstorming sessions at outreach sessions with key stakeholders during the sixth Major Reporters Forum (in February 2020) on how to further improve the effectiveness of Canada’s Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime by reducing compliance |
burden, piloting technology, and investing in the workforce of reporting entities and FINTRAC.

- In December 2019, the Centre also held its second national Casino Forum, which included representatives from the casino sector and casino regulators from across Canada as well as members of law enforcement, the Department of Finance Canada and several of Canada’s largest financial institutions.

| Strengthen cross-government cooperation | FINTRAC works closely with the Department of Finance Canada and other regime partners, sharing its strategic and operational expertise on money laundering and terrorist activity financing and its knowledge of Canada’s national security priorities, to identify potential enhancements to legislation and regulations with a view to strengthening Canada’s overall regime.

- Throughout 2019–20, FINTRAC remained an active participant in the ongoing provincial Commission of Inquiry into Money Laundering in British Columbia. FINTRAC dedicated significant resources to responding to the Commission’s requests for FINTRAC data, documentation, and interviews with FINTRAC subject matter experts.

- In addition, FINTRAC worked closely with the Department of Finance Canada and the Department of Justice Canada in the development and implementation of numerous amendments to the regulations under the PCMLTFA. The regulatory amendments are meant to strengthen Canada’s AML/ATF Regime, including in relation to the verification of client identification, the timelines associated with suspicious transaction reporting and the regulation of businesses dealing in virtual currency and foreign money services businesses.

- In 2019–20, the Centre implemented a new Memorandum of Understanding (MOU) with the Real Estate Council of British Columbia, reinforced its partnership with the Investment Industry Regulatory Organization of Canada by strengthening its existing MOU, and also assisted the Real Estate Council of Ontario in developing anti-money laundering and anti-terrorist financing training for new registrants and ongoing learning for real estate agents in Ontario.

- FINTRAC’s financial intelligence and anti-money laundering and anti-terrorism financing expertise helped to inform broader Government of Canada policy discussions and decisions. Through
the National Inherent Risk Assessment Working Group, the Centre provided support to the Department of Finance Canada in determining which business sectors or industries may need to be assessed for money laundering and terrorism financing risk, and then conducting an assessment of those risks.

- Lastly, FINTRAC supported the work of the new Anti-Money Laundering Action, Coordination and Enforcement (ACE) Team, which was announced in the 2019 Federal Budget and which is developing its operational model. This team is bringing together dedicated experts from across intelligence and law enforcement agencies to strengthen inter-agency coordination and cooperation and to identify and address significant money laundering and financial crime threats. FINTRAC also contributed its expertise and insight to the new multi-disciplinary Trade Fraud and Trade-Based Money Laundering Centre of Expertise.

As a small agency, FINTRAC embraces the concept of ‘experimentation’ through its continued commitment to innovate and evolve its operational programs and internal services activities. Moving ahead to 2020–21, FINTRAC is committed to exploring new collaborations and work arrangements within Canada's AML/ATF Regime and through public and private partnerships with its major reporting entities in the continuing fight against money laundering and terrorist activity financing.

For more information on FINTRAC’s plans, priorities and results achieved, see the “Results: what we achieved” section of this report.
Results: what we achieved

Core Responsibilities

Core Responsibility: Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is responsible for ensuring compliance with Part 1 and Part 1.1 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and its associated Regulations. This legal framework establishes obligations for reporting entities to develop a compliance regime in order to identify clients, monitor business relationships, keep records and report certain types of financial transactions. FINTRAC undertakes enabling and enforcement actions to ensure that the reporting entities operating within Canada's financial system fulfill their PCMLTFA obligations. These obligations provide important measures for countering patterns and behaviours observed in criminals and terrorists in order to deter them from operating within the legitimate channels of Canada's economy. FINTRAC also maintains a registry of money services businesses in Canada.

Results

As part of its core mandate, FINTRAC administers a comprehensive, risk-based compliance program to assist and ensure that thousands of Canadian businesses fulfill their obligations under the PCMLTFA. In doing so, FINTRAC is committed to working with businesses across the country to assist them in understanding and complying with their obligations. This requires providing businesses with comprehensive, clear and direct guidance to help them better understand and comply with their obligations.

FINTRAC created a Follow-Up and Strategic Engagement (FUSE) team in the Toronto region on June 1, 2019, to oversee the follow-up activities and strategic engagement conducted by its three regional offices with Canada’s largest financial institutions. The team monitors and tracks progress of action plans received from federally regulated financial institutions, as well as undertaking proactive outreach to reporting entities.

In 2019–20, FINTRAC finalized a new five-year Compliance Engagement Strategy, setting the priorities for the Centre’s engagement activities. Based on this strategy, FINTRAC engaged in 166 outreach and engagement activities throughout the year, such as working groups, conferences and teleconferences, fora, presentations, training sessions and meetings with businesses and stakeholders, and conducted consultations on a number of topics, including guidance and ongoing monitoring.
Overall, the Centre’s outreach efforts were focused on increasing awareness and understanding, and eliciting feedback mainly through the Guidance and Policy Interpretation Working Group on the draft guidance developed in support of the implementation of regulatory amendments published in June 2019. This work also included meetings of FINTRAC’s Reporting Working Group to implement, in a collaborative manner, changes to reporting forms as per the regulatory amendments and discussing efficiencies to transaction reporting. The Working Group included participants from numerous businesses and the Canadian Bankers Association.

FINTRAC completed the final stage of the Administrative Monetary and Penalties (AMP) policy review in August 2019. This resulted in the publication of seven user guides that describe the Centre’s approach to assessing the harm done by the 200 violations prescribed in the Proceeds of Crime Money Laundering and Terrorist Financing (PCMLTF) Administrative Monetary Penalties Regulations, and the rationale in determining the corresponding penalty amounts. This information will ensure reporting entities and the public are able to fully understand how an AMP is calculated and what to expect when FINTRAC proceeds with this enforcement action. With these publications, the Centre further enhanced its transparency initiative that was introduced last fiscal year. In recognition of the Centre’s collaborative approach, the Community of Federal Regulators (CFR) recognised FINTRAC with the CFR’s 2019 award for Excellence in Regulatory Openness and Transparency.

In 2019–20, FINTRAC provided 357 policy interpretations, at the request of businesses, to clarify its approach to the application of the PCMLTFA and also responded to 6,600 enquiries from businesses in every reporting sector on a broad range of issues, including reporting obligations, access to reporting systems and the registration of money services businesses.

In early 2019–20, the Centre implemented a new Memorandum of Understanding (MOU) with the Real Estate Council of British Columbia (RECBC). The first of its kind for real estate regulators in Canada, the MOU establishes a framework within which FINTRAC and the RECBC can share compliance-related information in order to strengthen compliance in the real estate sector in British Columbia. The MOU is also helping to enhance the knowledge and expertise of each organization regarding new and evolving trends in the real estate sector. It has also assisted FINTRAC in better capturing and streamlining the real estate population in British Columbia.

The partnership behind this MOU helped pave the way for the RECBC’s January 2020 introduction of the first mandatory course on anti-money laundering from a real estate regulator in Canada. Through this training, the RECBC is providing licensed professionals with the knowledge and tools they need to identify suspicious transactions and help keep the proceeds of crime out of real estate markets.
In 2019–20, examinations remained the Centre's primary instrument for assessing the compliance of businesses subject to the Act. During the year, FINTRAC conducted 399 compliance examinations, with the highest percentages applying to the real estate sector (146), followed by money services businesses (114) and securities dealers (58). The Centre did fewer examinations in 2019–20 than in the previous year due to the complexity of the examinations undertaken, a carryover of examinations from last year, as well as the learning curve associated with rolling out the new assessment approach.

Follow-up examinations are an assessment tool that FINTRAC can use, when appropriate, to assess if a business has addressed previous non-compliance. In 2019–20, the Centre conducted 44 follow-up examinations and identified improvement in compliance behaviour in 88.6 percent of cases over the previous examination. In instances where a negative change in behavior (11.4 percent) was observed, additional compliance and enforcement activities are planned. Furthermore, the Centre noted a 76 percent improvement in reporting quality from reporting entities after a follow-up examination.

Under the PCMLTFA, FINTRAC may disclose cases of non-compliance to the police when it is extensive or if there is little expectation of immediate or future compliance. In 2019–20, the Centre disclosed seven such cases.

Results achieved

<table>
<thead>
<tr>
<th>Departmental results</th>
<th>Performance indicators</th>
<th>Target</th>
<th>Date to achieve target</th>
<th>2019–20 Actual results</th>
<th>2018–19 Actual results</th>
<th>2017–18 Actual results</th>
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<tbody>
<tr>
<td>Reporting entities understand their role and contribution in combating money laundering and terrorist activity financing</td>
<td>Percentage of follow-up examinations where reporting entities demonstrate higher rates of compliance with their money laundering and terrorism financing legislative and regulatory obligations</td>
<td>Greater than or equal to 80%</td>
<td>March 31, 2020</td>
<td>88.6%</td>
<td>79%</td>
<td>Not available</td>
</tr>
<tr>
<td>Reporting entities meet their reporting obligations to FINTRAC and provide accurate transaction data that can be used</td>
<td>Percentage of follow-up examinations where reporting entities demonstrate improvement in the quality of their</td>
<td>Greater than or equal to 80%</td>
<td>March 31, 2020</td>
<td>76%</td>
<td>100%</td>
<td>Not available</td>
</tr>
<tr>
<td>to produce actionable financial intelligence</td>
<td>reporting to FINTRAC</td>
<td>Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements</td>
<td>March 31, 2020</td>
<td>88.1%</td>
<td>91.7%</td>
<td>Not available</td>
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**Budgetary financial resources (dollars)**

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<tr>
<td>$19,979,889</td>
<td>$17,216,674</td>
<td>$21,294,179</td>
<td>$18,774,765</td>
<td>$1,558,091</td>
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**Human resources (full-time equivalents)**

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<tr>
<td>126</td>
<td>127</td>
<td>1</td>
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Financial, human resources and performance information for FINTRAC’s program inventory is available in the GC InfoBase.¹
Core Responsibility: Production and Dissemination of Financial Intelligence

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is mandated by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to produce actionable financial intelligence, including disclosures that assist Canada's police, law enforcement, national security and other partner agencies in combatting money laundering, terrorism financing and threats to the security of Canada, while protecting the personal information entrusted to FINTRAC. FINTRAC also produces strategic financial intelligence for federal policy and decision-makers, reporting entities across the country, international partners and other stakeholders. FINTRAC’s strategic intelligence provides a wide analytic perspective on the nature, scope and threat posed by money laundering and terrorism financing.

Results

In 2019–20, FINTRAC provided 2,057 unique disclosures of actionable financial intelligence in support of hundreds of investigations of Canada’s police, law enforcement and national security agencies. Of these, 1,582 were associated solely with money laundering, 296 dealt with cases of terrorist activity financing and other threats to the security of Canada, and 179 had associations with all three areas. Since becoming operational in October of 2001, FINTRAC has provided tens of thousands of financial intelligence disclosures to Canada’s police, law enforcement and national security agencies, with the number of our disclosures increasing by nearly 25 percent over the past five years.

Through the year, FINTRAC continued to expand its contribution to internationally-recognized public-private sector partnerships (PPPs), to improve the overall efficiency and effectiveness of Canada’s AML/ATF Regime. In 2019–20, the Centre committed to a new domestic partnership dealing with online child sexual exploitation. In addition, at FINTRAC’s Casino Forum in December 2019, the Centre presented a new PPP on underground banking and the casino sector in partnership with the Royal Canadian Mounted Police – Combined Forces Special Enforcement Unit (B.C.) and reporting entities within the casino and financial entity sectors.

FINTRAC continues to maintain productive working relationships with Canada's police, law enforcement and national security agencies to ensure that its financial intelligence is relevant, timely and valuable. In 2019–20, FINTRAC conducted 171 outreach presentations across the country with disclosure recipients. The Centre also seeks feedback on its financial intelligence from disclosure recipients at the municipal, provincial and federal levels. Over the past year, FINTRAC received 254 completed disclosure feedback forms with the level of positive feedback from partners exceeding targeted levels (see the Results achieved table below). The Centre's contributions were also recognized publicly by several law enforcement agencies as providing valuable assistance to criminal investigations that led to successful disruption of money
laundering schemes. This is a clear and significant measure of the effectiveness of, and results achieved by, FINTRAC under the PCMLTFA.

In addition to case disclosures, FINTRAC uses the information it receives from regime partners and businesses across the country, as well as other sources of information, to produce valuable strategic intelligence in the fight against money laundering and terrorist activity financing. Through the use of analytical techniques, FINTRAC is able to identify emerging characteristics, trends and tactics used by criminals to launder money or fund terrorist activities. The goal of the Centre's strategic intelligence is to inform regime partners and policy decision-makers, businesses, Canadians and international counterparts about the nature and extent of money laundering and terrorist activity financing in Canada and throughout the world.

In 2019–20, FINTRAC produced six strategic financial intelligence assessments and reports and contributed its financial intelligence insight and expertise to numerous other regime partner projects. The majority of the Centre’s strategic intelligence was focused on specific money laundering and terrorism financing issues, including a number of terrorism financing jurisdictions of concern. For example, the Centre provided ongoing strategic financial intelligence to the Department of Finance Canada, as the lead of Canada’s AML/ATF Regime, on a broad spectrum of policy issues, including on National Inherent Risk Assessments.

The Centre also provided strategic intelligence to assist Canadian businesses in understanding the potential risks and vulnerabilities in their sectors and in complying with their obligations under the PCMLTFA.

This included publishing indicators in an Operational Alert relating to the Laundering the proceeds of crime through a casino-related underground banking scheme, and an Operational Brief regarding the Risks and indicators for dealers in precious metals and stones.

### Results achieved

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<tr>
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</thead>
<tbody>
<tr>
<td>Financial intelligence disclosures make an important contribution to investigations of money laundering and terrorist financing while respecting specific legislative thresholds and information limits</td>
<td>Number of police, law enforcement, national security and other partner agency major and project-level investigations supported by FINTRAC financial intelligence disclosures</td>
<td>Greater than or equal to 100</td>
<td>March 31, 2020</td>
<td>393</td>
<td>296</td>
<td>Not available</td>
</tr>
<tr>
<td>Percentage of FINTRAC’s financial intelligence disclosures that align</td>
<td></td>
<td>Greater than or equal to</td>
<td>March 31, 2020</td>
<td>100%</td>
<td>100%</td>
<td>Not available</td>
</tr>
<tr>
<td>Feature</td>
<td>Description</td>
<td>Percentage</td>
<td>Feedback</td>
<td>Date</td>
<td>Requirement</td>
<td>Current</td>
</tr>
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</tr>
<tr>
<td>Law enforcement, partner agencies and international partners receive financial intelligence that is actionable</td>
<td>Percentage of feedback from disclosure recipients that indicates that the FINTRAC financial intelligence disclosure was actionable</td>
<td>Greater than or equal to 85%</td>
<td>March 31, 2020</td>
<td>97%</td>
<td>90%</td>
<td>Not available</td>
</tr>
<tr>
<td></td>
<td>Percentage of feedback from proactive disclosure recipients that indicates that the independent analysis provided by FINTRAC was actionable</td>
<td>Greater than or equal to 75%</td>
<td>March 31, 2020</td>
<td>90%</td>
<td>84%</td>
<td>Not available</td>
</tr>
<tr>
<td>Key Stakeholders are well-informed on issues, trends, and risks in money laundering and terrorism financing</td>
<td>Number of strategic financial intelligence products recognised by recipients for making a significant contribution to their understanding of money laundering and terrorism financing issues, trends and risks</td>
<td>Greater than or equal to 5</td>
<td>March 31, 2020</td>
<td>6</td>
<td>8</td>
<td>Not available</td>
</tr>
</tbody>
</table>

### Budgetary financial resources (dollars)

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</thead>
<tbody>
<tr>
<td>$15,498,312</td>
<td>$16,292,639</td>
<td>$18,217,819</td>
<td>$15,765,039</td>
<td>-$527,600</td>
</tr>
</tbody>
</table>

### Human resources (full-time equivalents)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>109</td>
<td>102</td>
<td>-7</td>
</tr>
</tbody>
</table>
Financial, human resources and performance information for FINTRAC’s Program Inventory is available in the GC InfoBase.ii
Internal Services including Privacy Protection

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Acquisition Management Services; Communication Services; Financial Management Services; Human Resources Management Services; Information Management Services; Information Technology Services; Legal Services; Material Management Services; Management and Oversight Services; and Real Property Management Services.

Results

FINTRAC’s Internal Services support the Centre’s core responsibilities and programs. An important aspect of this work is ensuring the protection of personal information entrusted to FINTRAC. More specifically, all facets of FINTRAC's operations are subject to rigorous security measures that ensure the safeguarding of the Centre's physical premises and IT systems, including the handling, storage and retention of all personal and other sensitive information under its control.

In 2019–20, Internal Services supported the development and delivery of effective and integrated services, policies, advice and guidance in the fields of finance, human resources, security, communication, procurement, administration, information management, and information technology. The overall objective of the program was to ensure that FINTRAC had the proper capacity, processes and systems to allow its workforce to focus on, and perform well, in meeting their operational objectives and core mandate.

The safeguarding of personal information is critical to FINTRAC and clear principles for the protection of privacy are set out in its governing legislation, including strict limitations on the information that can be received and disclosed, clear requirements for maintaining and disposing of records and a biennial audit of FINTRAC’s protection of information by the Office of the Privacy Commissioner. These principles are reinforced by the Centre’s own operational policies and security measures.

In 2019–20, FINTRAC updated its three-year Departmental Security Plan. The new plan summarizes the Centre’s approach to managing security risks, outlines strategies, objectives, priorities and timelines to improve departmental security, contribute to the achievement of FINTRAC’s Strategic Plan and Government of Canada security priorities. Additionally, FINTRAC undertook a comprehensive review of its security model to align it with the Centre’s other modernization initiatives.
As a priority over the past year, FINTRAC focused on modernizing its Flexwork, Leave and Overtime Directive, with an emphasis on increasing the mobility of the Centre’s workforce through the use of tools, technology and flexible work arrangements. Following extensive engagement with staff and comprehensive research, including assessing technical feasibility and the practices of other organizations in the security and intelligence community, a new telework guide, processes and tools were approved and shared Centre-wide at the end of February 2020. This work formed the centrepiece of FINTRAC’s early response to the global pandemic, allowing it to continue to deliver on its core mandate within Canada’s AML/ATF Regime.

In addition to measures undertaken in previous years, FINTRAC launched a number of initiatives in 2019–20 to advance its Public Service Employee Survey Action Plan, including developing a learning curriculum for leaders, creating a talent management program, reviewing and updating the Centre’s staffing policy, identifying a Wellness Champion and establishing and staffing a new Ombuds Office to provide a safe, respectful and judgement-free resource to support staff. FINTRAC also implemented new corporate commitments in its assessment of performance to better focus on “how” results are achieved in addition to measuring the results themselves.

At the same time, FINTRAC launched a Staffing Reboot initiative in the fall of 2019 with the goal of modernizing the Centre’s staffing policies, practices and assessment methods. The first phase of the initiative saw FINTRAC streamlining its staffing processes and reducing administrative burden, allowing for a greater focus on the quality of the candidate. A new Staffing Policy and Staffing Directive were also drafted and will come into effect in 2020–21, facilitating the Centre’s move from a rules-based system to one that balances compliance with agility while maintaining the principles of fairness and transparency.

Throughout the year, the Centre continued to work closely with the Department of Finance Canada and other regime partners, sharing strategic and operational expertise on money laundering and terrorist activity financing and knowledge of Canada’s national security priorities, to identify potential enhancements to legislation and regulations with a view to strengthening Canada’s overall regime. In particular, in 2019–20, FINTRAC worked closely with the Department of Finance Canada and the Department of Justice Canada in the development and implementation of numerous amendments to the regulations under the PCMLTFA. The regulatory amendments are meant to strengthen Canada’s AML/ATF Regime, including in relation to the verification of client identification, the timelines associated with suspicious transaction reporting and the regulation of businesses dealing in virtual currency and foreign money services businesses. In addition, the Centre continues to collaborate closely with other Departments and Agencies to contribute to international policy development, development of best practices, and understanding of international trends and methods.

To advance the IM/IT capacity, a five-year IT Roadmap is being crafted that includes stabilizing and strengthening FINTRAC’s IT infrastructure, implementing legislative and regulatory
mandated changes, as well as reviewing our enterprise architecture framework with a view to modernizing our business applications to increase innovation and transformation.

Lastly, FINTRAC introduced its first Risk-Based Management Review and Evaluation Plan, updated its performance measurement framework to better align with government-wide standards, and refreshed a range of other operational plans and policies to increase accountability, transparency and collaboration within the Centre.

**Budgetary financial resources (dollars)**

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<tr>
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<tbody>
<tr>
<td>$19,782,679</td>
<td>$18,147,561</td>
<td>$20,684,515</td>
<td>$20,742,962</td>
<td>$2,595,401</td>
</tr>
</tbody>
</table>

**Human resources (full-time equivalents)**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>133</td>
<td>123</td>
<td>-10</td>
</tr>
</tbody>
</table>
Analysis of trends in spending and human resources

This section presents an overview of the department financial and human resources for the 2019–20 fiscal year compared with those of previous years.

Actual expenditures

Departmental spending trend graph

The following graph presents planned (voted and statutory) spending over time.

Actual Spending (2017–18 to 2019–20)

In 2018–19, actual spending in 2018–19 was $51.4M. This is a decrease of $3.8M compared to 2017–18 spending of $55.2M. The reduction primarily consists of the following:

- A $2.4M reduction in personnel expenditures following the one time lump-sum salary payments made to employees in 2017–18. Employees received a retroactive annual cost of living increase for the period of 2014 to 2017 in fiscal year 2017–18.
- A $1.4M reduction in professional and special services expenditures. Professional services were reduced in 2018–19, in line with the funding profile of the analytical system modernization funding. There was also a decrease in legal services fees, training expenditures, and other professional and nonprofessional services rendered.
Actual spending in 2019–20 was $55.3M, an increase of $3.9M compared to 2018–19 expenditures. Expenses increased in the following areas:

- **Personnel expenditures increased by $2.2M.** In 2019–20, FINTRAC’s Executive Committee approved an economic increase for employees dating back to 2018. Retroactive salary expenses were incurred for 2018 and 2019 annual cost of living wage increases, increasing personal expenditures in 2019–20.
- **Professional and special services increased by $1.1M in 2019–20.** Expenses increased in various service categories including legal services, informatics, management consulting, protection, and other professional services.
- **Purchases, repairs and maintenance increased by $0.6M.** Increased costs are attributable to machinery and equipment, as well as office buildings.

**Planned Spending (2020–21 to 2022–23)**

Planned spending in 2020–21 is $62.2M, an increase of $6.9M compared to actual 2019–20 spending of $55.3M in 2019–20. The increased spending is in line with the increase in the funding profile for funding announced in Budget 2019 to strengthen Canada's AML/ATF Regime, and to contribute to the national strategy to combat human trafficking. FINTRAC is actively working to increase capacity by staffing vacant positions across the Center. Salary expenses for existing as well as new staff members have increased following the approval of the annual cost of living increase effective from 2018 to 2021. An increase in personnel spending is anticipated for 2020–21.

Planned spending in 2021–22 is $57.2M, a decrease of $5.0M compared to 2020–21. An adjustment in personnel authorities in 2021–22 is offset by an increase in the profile of Budget 2019 funds to strengthen the AML/ATF Regime.

Planned spending decreases from $57.2M in 2021–22 to $56.1M in 2022–23. The $1.1M reduction in spending is primarily due to the funding profile of the Budget 2019 initiative to strengthen Canada's AML/ATF Regime. The funding profile peaks at $5.1M in 2021–22 and decreases by $1.0M to $4.1M in 2022–23. The remaining decrease is due to the funding profile of the Budget 2019 funds to contribute to the national strategy to combat human trafficking. Associated funding of $0.7M in 2021–22 decreases by $0.2M to $0.5M in 2022–23.
# Budgetary performance summary for Core Responsibilities and Internal Services (dollars)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Production and Dissemination of Financial Intelligence</td>
<td>$19,979,889</td>
<td>$17,216,674</td>
<td>$23,621,954</td>
<td>$21,058,172</td>
<td>$21,066,059</td>
<td>$18,774,765</td>
<td>$17,486,737</td>
<td>$21,475,777</td>
</tr>
<tr>
<td>Budget Implementation vote – unallocated authorities</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>$465,320</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$35,478,201</strong></td>
<td><strong>$33,509,313</strong></td>
<td><strong>$41,240,736</strong></td>
<td><strong>$37,453,768</strong></td>
<td><strong>$39,597,598</strong></td>
<td><strong>$34,539,804</strong></td>
<td><strong>$33,404,924</strong></td>
<td><strong>$46,703,992</strong></td>
</tr>
<tr>
<td>Internal Services(^1)</td>
<td>$19,782,679</td>
<td>$18,147,561</td>
<td>$20,970,290</td>
<td>$19,791,730</td>
<td>$20,598,915</td>
<td>$20,742,962</td>
<td>$17,986,364</td>
<td>$8,543,798</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$55,260,880</strong></td>
<td><strong>$51,656,874</strong></td>
<td><strong>$62,211,026</strong></td>
<td><strong>$57,245,498</strong></td>
<td><strong>$60,196,513</strong></td>
<td><strong>$55,282,766</strong></td>
<td><strong>$51,391,288</strong></td>
<td><strong>$55,247,790</strong></td>
</tr>
</tbody>
</table>

\(^1\) To comply with TBS’ Guideline on the Attribution of Internal Services, the way in which FINTRAC allocates its internal service expenditures has changed. This change has resulted in some financial resources figures shifting from being reported under Core Responsibilities to being reported under Internal Services. As a result, actual and planned Internal Services expenditures are higher in 2018–19 and future years.
## Actual human resources

### Human resources summary for Core Responsibilities and Internal Services (full-time equivalents)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations</td>
<td>166</td>
<td>111</td>
<td>109</td>
<td>102</td>
<td>108</td>
<td>110</td>
</tr>
<tr>
<td>Production and Dissemination of Financial Intelligence</td>
<td>151</td>
<td>129</td>
<td>126</td>
<td>127</td>
<td>128</td>
<td>127</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>317</strong></td>
<td><strong>240</strong></td>
<td><strong>235</strong></td>
<td><strong>229</strong></td>
<td><strong>236</strong></td>
<td><strong>237</strong></td>
</tr>
<tr>
<td>Internal Services&lt;sup&gt;2&lt;/sup&gt;</td>
<td>49</td>
<td>115</td>
<td>133</td>
<td>123</td>
<td>136</td>
<td>136</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>366</strong></td>
<td><strong>355</strong></td>
<td><strong>368</strong></td>
<td><strong>352</strong></td>
<td><strong>372</strong></td>
<td><strong>373</strong></td>
</tr>
</tbody>
</table>

Full-time equivalents (FTEs) have been declining from 2017–18 to 2019–20. Actual FTEs in 2019–20 are less than planned FTEs for fiscal year 2019–20. Recruiting, staffing and retaining the required skilled expertise is a significant challenge throughout the Public Service. This is particularly the case at FINTRAC given the enhanced security posture, the unique status as a separate employer and a highly competitive labour market, specifically as it relates to the banking and IT industry. FINTRAC has revamped its recruitment approach and launched an enterprise talent acquisition framework, which features an integrated vacancy management strategy, coupled with robust outreach and staffing processes. In 2019–20, a Recruitment Taskforce was created with a focus on significantly reducing time to staff, providing optimized applicant-to-job fit and recruiting high caliber candidates.

New positions have been created following the Budget 2019 announcement for funding for FINTRAC to strengthen Canada's AML/ATF Regime, and for FINTRAC to contribute to the national strategy to combat human trafficking. FTEs are expected to increase in 2020–21 as

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<sup>2</sup> To comply with TBS’ Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shifting from being reported under Core Responsibilities to being reported under Internal Services. As a result, Internal Services figures are higher in 2018–19 and future years.
vacant positions are filled. Following the projected increase in 2020–21, FTEs will remain stable in 2021–22.

Expenditures by vote
For information on FINTRAC’s organizational voted and statutory expenditures, consult the Public Accounts of Canada 2019–2020.

Government of Canada spending and activities
Information on the alignment of FINTRAC’s spending with the Government of Canada’s spending and activities is available in GC InfoBase.

Financial statements and financial statements highlights

Financial statements
FINTRAC’s financial statements (unaudited) for the year ended March 31, 2020, are available on FINTRAC’s website.

Financial statements highlights
Condensed Statement of Operations (unaudited) for the year ended March 31, 2020 (dollars)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total expenses</td>
<td>$55,899,419</td>
<td>$71,872,789</td>
<td>$52,033,152</td>
<td>$15,973,370</td>
<td>$19,839,637</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$0</td>
<td>$25</td>
<td>$217</td>
<td>$25</td>
<td>-$192</td>
</tr>
<tr>
<td>Net cost of operations before government funding and transfers</td>
<td>$55,899,419</td>
<td>$71,872,764</td>
<td>$52,032,935</td>
<td>$15,973,345</td>
<td>$19,839,829</td>
</tr>
</tbody>
</table>

Actual Expenses (2018–19 to 2019–20)

In 2019–20, actual expenses were $71,872,789. This is an increase of $19,839,637 compared to 2018–19 expenses of $52,033,152. The increase primarily consists of the following:
• Loss on the write-down of an asset under construction by $13,701,072. During the year, FINTRAC wrote-off assets under construction relating to the analytical modernization project as a result of management’s determination that the project would not produce the expected service potential. FINTRAC has been working to upgrade its analytics systems over the past several years. Through this modernization process, FINTRAC has been able to capture and refine its complex intelligence requirements, identify key business processes to streamline, and implement foundational components in support of the ongoing modernization of its analytics systems. FINTRAC remains focused on the modernization of its analytics systems in order to keep pace with the rapid technological innovation that is taking place in the financial sector and all sectors around the world.

• Salaries and Wages (including Allowances) increased by $3,682,852. This included a retroactive salary expense for 2018 and 2019 following the approval of the economic increase for employees.

• Professional and special services increased by $1,670,437. This includes an increase in expenses for legal services, information technology and telecommunications consultants, and management consulting services.

Actual Revenues (2018–19 to 2019–20)

In 2019–20, actual revenues were $25. This is a decrease of $192 compared to 2018–19 revenues of $217. The decrease consists of the following:

• Proceeds from disposal of non-capital assets decreased by $192.

Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total net liabilities</td>
<td>$12,408,321</td>
<td>$8,982,382</td>
<td>$3,425,939</td>
</tr>
<tr>
<td>Total net financial assets</td>
<td>$8,864,033</td>
<td>$5,447,032</td>
<td>$3,417,001</td>
</tr>
<tr>
<td>Departmental net debt</td>
<td>$3,544,288</td>
<td>$3,535,350</td>
<td>$8,938</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>$4,489,093</td>
<td>$18,613,600</td>
<td>-$14,124,507</td>
</tr>
<tr>
<td>Departmental net financial position</td>
<td>$944,805</td>
<td>$15,078,250</td>
<td>-$14,133,445</td>
</tr>
</tbody>
</table>

Actual total net liabilities (2018–19 to 2019–20)

In 2019–20, total net liabilities were $12,408,321. This is an increase of $3,425,939 compared to 2018–19 total net liabilities of $8,982,382. The increase primarily consists of the following:
• Accounts payable and accrued liabilities increased by $3,146,700. This includes the increase in salaries and wages which is consistent with the approval of the economic increase for employees.
• Vacation pay and compensatory leave increased by $352,739.

Actual total net financial assets (2018–19 to 2019–20)

In 2019–20, total net financial assets were $8,864,033. This is an increase of $3,417,001 compared to 2018–19 total net financial assets of $5,447,032. The increase primarily consists of the following:

• Due from Consolidated Revenue Fund increased by $2,574,982. This includes an increase in liabilities such as accounts payable, accrued salaries and other government departments (OGD)-Accounts Payable.
• Accounts receivable and advances increased by $757,916. This includes other government departments (OGD) accounts receivable.

The 2019–20 departmental net debt remained very similar to 2018–19.
Additional information

Organizational profile

**Appropriate minister:** The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance

**Institutional Head:** Nada Semaan, Director and Chief Executive Officer

**Ministerial portfolio:** Finance

**Enabling instrument:** Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17. (PCMLTFA)vi

**Year of commencement:** 2000

Raison d’être, mandate and role: who we are and what we do

“Raison d’être, mandate and role: who we are and what we do” is available on FINTRAC’s websitevii.

Reporting framework

FINTRAC’s approved departmental results framework and program inventory for 2019–20 are as follows:
Supporting information on the program inventory

Financial, human resources and performance information for FINTRAC’s Program Inventory is available in GC InfoBase.viii

Supplementary information tables

The following supplementary information tables are available on FINTRAC’s websiteix:

- Departmental Sustainable Development Strategy
- Gender-based analysis plus

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures.x This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Mailing address

Financial Transactions and Reports Analysis Centre of Canada
234 Laurier Avenue West
Ottawa, Ontario K1P 1H7
Canada

Telephone: 1-866-346-8722 (toll free)
Fax: 613-943-7931
Email: guidelines-lignesdirectrices@fintrac-canafe.gc.ca
Website(s): http://www.fintrac-canafe.gc.ca/intro-eng.asp
Appendix: definitions

**appropriation** (crédit)
Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

**budgetary expenditures** (dépenses budgétaires)
Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**core responsibility** (responsabilité essentielle)
An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

**Departmental Plan** (plan ministériel)
A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

**departmental priority** (priorité)
A plan or project that a department has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

**departmental result** (résultat ministériel)
A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments’ immediate control, but it should be influenced by program-level outcomes.

**departmental result indicator** (indicateur de résultat ministériel)
A quantitative measure of progress on a departmental result.

**departmental results framework** (cadre ministériel des résultats)
A framework that connects the department’s core responsibilities to its departmental results and departmental result indicators.

**Departmental Results Report** (rapport sur les résultats ministériels)
A report on a department’s actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

**experimentation** (expérimentation)
The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances.
Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

**full-time equivalent** (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person’s collective agreement.

**gender-based analysis plus (GBA+)** (analyse comparative entre les sexes plus [ACS+])

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

**government-wide priorities** (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Results Report, those high-level themes outlining the government’s agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

**horizontal initiative** (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

**non-budgetary expenditures** (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance** (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

**performance indicator** (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting** (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.
**plan** (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

**planned spending** (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

**program** (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

**program inventory** (répertoire des programmes)

Identifies all the department’s programs and describes how resources are organized to contribute to the department’s core responsibilities and results.

**result** (résultat)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization’s influence.

**statutory expenditures** (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**target** (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**voted expenditures** (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.
Endnotes

i. GC InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start


ix. Departmental Results Reports, https://www.fintrac-canafe.gc.ca/about-apropos/corp-publications-eng#s9