



eNews – February 22, 2024 STEP Canada Public Policy Committee

RE: Bill C-42, Canada Business Corporations Act amendments (public disclosure of the beneficial ownership register)

Public disclosure of sensitive and personal information is now law for federally incorporated companies, as well as for Quebec corporations and entities with activity in Quebec no matter where in the world they were formed. In a time when identity theft, virtual extortion, online theft, and other cybercrimes are daily occurrences, new government rules that make previously private information public seem counterintuitive. The attached submission expresses STEP Canada's public policy concerns about this disclosure of sensitive information.[\[1\]](#)

Why is this disclosure being legislated? Governments around the world feel that the information will:

- assist in combatting money laundering;
- curtail the incidence of tax evasion; and
- assist in detecting terrorist financing.

In addition to these three objectives, some parties argue that disclosing this information will allow business owners to operate on a more level playing field by having more knowledge about the companies with whom they are contracting.

Bill C-42 requires the government, for federally incorporated companies, to "make available to the public certain information on individuals with significant control over a corporation." Among other things, for each individual with significant control (ISC), the following information will be made public:

- their name;
- their residential address (but only an address for service, if provided, will be made public); and
- their interest in the corporation, including significant trust interests providing control of the management of the corporation.

[Appendix A of the attached submission](#) lists all the information that will be publicly available on the Corporations Canada website. It is our understanding that the government is considering making this information accessible with a simple "name search" engine. Notably, there is no mention of controls to identify or monitor who is accessing the information.

Quebec already has in force similar legislation (with searchability by an individual's name beginning July 31, 2024).

While STEP Canada supports the government's attempts to prevent and detect illegal activities, we question how public disclosure of sensitive information is in the best interests of Canadians. We are of the view that whatever benefits are achieved in terms of combatting money laundering, reducing tax evasion, or detecting terrorist financing, they will not outweigh the cost of making cybercrime easier to commit. Not tracking who is viewing specific information is also a serious shortcoming. We are not alone in our concerns. The November 22, 2022 decision of the European Union's highest court, the European Court of Justice (ECJ), in the case of [WM and Sovim v. Luxembourg Business Registers](#) reflects these concerns.

Keeping the beneficial ownership register private is also consistent with the recently stated views of the Office of the Privacy Commissioner of Canada. It will be interesting to see if the legislation is challenged on the basis of privacy law or by way of a Charter challenge.

[1] We thank Daniel Frajman for producing the detailed submission and Henry Shew and Ian Lebane for their editing and contributions.



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About STEP: The Society of Trust and Estate Practitioners is the leading international organization for trust and estates professionals. Headquartered in London, England, it has more than 22,000 members worldwide in over 100 countries.

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