

April 30th, 2020

Submission to the “[B.C. Consultation on a Public Beneficial Ownership Registry](#)”

Attn: Policy and Legislation Division, Ministry of Finance

Submitted by email at BCABO@gov.bc.ca

About CHBA BC

The Canadian Home Builders' Association of BC (CHBA BC) is a provincial association made up of 2,100 members affiliated with one of eight local associations in B.C. These member companies in the residential construction industry are home builders, renovators, tradespeople, suppliers, service professionals, and others. Overall, the residential construction industry represents over 207,184 on-site and off-site jobs, \$12.6 billion in wages, and \$28.3 billion in investment value.

Overview

CHBA BC has kept our comments specific to the consultation questions that impact residential construction and of particular concern to our membership, which are primarily small and medium-sized businesses. Please contact us for further discussion if there are any specific areas where the ministry requires additional feedback from our industry.

Our Association has actively participated in all anti-money laundering consultations. We are not opposed to transparency measures that support this effort in the residential construction industry. Ours is a vibrant, entrepreneurial industry that creates and supports good-paying jobs in all regions of the province. As is the case of other sectors, there are 'bad actors.' Our efforts are and should be focused on rooting out those unscrupulous operators while ensuring the professionals can thrive.

Overall, an easy-to-use system with limited administrative burden and cost is the preferred outcome so small businesses are not challenged with these essential requirements.

Lastly, as indicated in the consultation paper, there are many legitimate arrangements created for normal business purposes. There is an underlying conversation to be had with business owners across many different sectors to better understand why these tools are used, and what incentives could be considered to mitigate the number of companies in B.C. using these systems.

Privacy

CHBA BC is pleased to see that privacy is a concern for the provincial government. Collecting additional information for tax agencies and the government makes sense, but only limited information should be available to the public.

We suggest harmonizing the beneficial ownership registry's privacy requirements with the Land Owner Transparency Registry and encouraging any national registry efforts to follow suit, so that it is kept consistent for businesses across all transparency measures. We also encourage reinforcing the means on how any publicly displayed information is to be used, to prevent misuse of the system contents.

Business Impacts

We encourage any effort to streamline transparency requirements so businesses complying with this registry, the Land Owner Transparency Registry, and other mechanisms have clarity on their requirements and to reduce human error. This can include the data required, timelines and what system it is entered into.

This is a new process for many businesses, and we urge the government to consider appropriate penalties for first offences, particularly for smaller companies and first-time users navigating this system that can demonstrate their efforts in complying with the rules. An emphasis on education is preferred, particularly as there will be a significant difference between hard-working businesses trying to comply and those conducting nefarious activities.

We believe compliance and consideration of penalties should consider the ripple effects, and the government should adjudicate accordingly. For example, if a residential construction business was found to be non-compliant, any effort to shut their business as an interim measure would impact the clients they serve, particularly if they are at any stage of the construction or renovation process.

Lastly, for costs, businesses will likely pay for legal and accounting advice and services to comply with the requirements. We do not recommend increasing registration fees, in addition to the professional fees needed to comply, particularly for small businesses.

COVID-19

We appreciate that the government has extended the deadline to require B.C. private companies to create and maintain a transparency register to October 1, 2020. Recognizing the impact of COVID-19 on all parts of our economy, we would also stress caution in applying new regulatory requirements from this consultation during this critical period and adopt similar delays where appropriate. This ensures businesses can focus on their critical operations during the state of emergency and recovery periods.

Follow Up

Thank you for the opportunity to participate in this consultation. We recognize this is an ongoing conversation and would be pleased to participate in any additional consultations or discussions on this topic.