

## Canada News Centre

---

# Harper Government Introduces Freezing Assets of Corrupt Regimes Act

**(No. 89 - March 3, 2011 – 11:35 a.m. ET)** The Honourable Lawrence Cannon, Minister of Foreign Affairs, and the Honourable Rob Nicholson, Minister of Justice, today tabled the Freezing Assets of Corrupt Regimes Act in Parliament aimed at freezing assets that former repressive foreign leaders may hold in Canada.

"Today I tabled the Freezing Assets of Corrupt Regimes Act in Parliament to give the Government of Canada new and more robust tools in our fight against corruption and the misappropriation of state funds by repressive foreign leaders," said Minister Cannon.

This legislation will allow Canada to act upon the request of a foreign state to freeze the assets that their former leaders and members of their entourage, including family members, senior officials and associates, may have placed in Canadian financial institutions. It will also give Canada the authority to seize any property such individuals may own in this country.

"Recent developments in the Middle East and North Africa have shown the world how important it is to have legislation in place to allow for a quick response to ensure that foreign dictators cannot hide their ill-gotten wealth in our country," added Minister Cannon.

Economic sanctions are not always an appropriate response for those seeking to establish democracy and responsible governance.

This new legislation will allow Canada to support democratic reforms and accountability by ensuring that any misappropriated property can be frozen immediately once a written request is received from a foreign state.

"We urge all members of Parliament to support this important bill so that Canada can move to freeze the assets of corrupt and repressive leaders in a timely manner," said Minister Nicholson.

- 30 -

A backgrounder follows.

For further information, media representatives may contact:

Lynn Meahan  
Press Secretary  
Office of the Minister of Foreign Affairs  
613-995-1851

Pamela Stephens  
Press Secretary  
Office of the Minister of Justice  
613-992-4621

Foreign Affairs Media Relations Office  
Foreign Affairs and International Trade Canada

---

613-995-1874

[Follow us on Twitter.](#)

Media Relations  
Department of Justice  
613-957-4207

## **Backgrounder – The Freezing Assets of Corrupt Regimes Act**

The freezing of assets of named individuals can currently be done in Canada pursuant to two different federal legal frameworks, namely (1) through the imposition of an economic sanctions regime under the United Nations Act or Canada's Special Economic Measures Act, or (2) pursuant to a request for mutual legal assistance in the context of the Mutual Legal Assistance in Criminal Matters Act (MLACMA) or under the Criminal Code.

Sanctions may not be an available or appropriate vehicle for the freezing of assets. For example, if the state in question is in the process of democratic transformation, sanctions could become an obstacle to the provision of development or democratization assistance.

Proceedings under the MLACMA require a foreign state to produce evidence of criminal activity or the existence of legal proceedings or a court order, in order for Canadian authorities to be able to act on assets situated in Canada. The new authorities of a foreign country in a state of turmoil or political uncertainty may find it difficult to provide such evidence on short notice, and the time required to do so could potentially allow the foreign national in question to conceal or deplete the assets.

The Freezing Assets of Corrupt Regimes Act would permit the Government of Canada to freeze the assets or restrain property of foreign politically exposed persons (former leaders, their family members, senior officials and close associates) upon receipt of a written request from a state, where the Governor-in-Council has determined that the country is in a state of turmoil or political uncertainty. It would permit such an order without requiring evidence of criminality or specific identification of assets. Assets would be frozen for a period of up to five years in the interests of international relations, such as to permit the foreign state to initiate the necessary proceedings to allow for seizure and forfeiture of assets situated in Canada. The time period is open to renewal.

The Freezing Assets of Corrupt Regimes Act also provides that the Minister of Foreign Affairs may recommend revoking or repealing an order if the person does not meet the standard of a "foreign politically exposed person"; may issue permits for dealings with certain property; and may issue certificates in cases of mistaken identity or provide exemptions for reasonable expenses.

[E-mail to a Friend](#)

Date Modified: 2011-03-03