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## NEWS RELEASE

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Ministry of Finance  
Ministry of Attorney General

### **Billions in money laundering increased B.C. housing prices, expert panel finds**

VICTORIA – More than \$7 billion in dirty money was laundered in B.C. in 2018, hiking the cost of buying a home by about 5%, according to British Columbia’s Expert Panel on Money Laundering in Real Estate.

“Our housing market should be used for housing people, not for laundering the proceeds of crime,” said Carole James, Minister of Finance. “The amount of money being laundered in B.C. and through real estate is much more than anyone predicted. Our government is tackling the housing crisis head-on and taking action to combat the money laundering that has been allowed to drive up housing costs for British Columbians for far too long.”

The panel’s report, which was released along with the remaining chapters of Peter German’s review into money laundering in real estate, luxury cars and horse racing, estimates that a total of \$7.4 billion was laundered in B.C. in 2018. The panel estimates that \$5 billion was laundered through the real estate market.

German’s report found thousands of specific properties worth billions as “high risk” for potential money laundering, tax evasion or both. He also found that there was no agency or police force with adequate oversight or resources to investigate these suspicious activities. This builds on German’s first report into money laundering in casinos and his work on luxury cars, demonstrating the pervasiveness of dirty money throughout B.C.’s economy.

“Wealthy criminals and those attempting to evade taxes have had the run of our province for too long, to the point that they are now distorting our economy, hurting families looking for housing and impacting those who have lost loved ones due to opioid overdose,” said David Eby, Attorney General. “By closing loopholes and enforcing improved laws, our government will ensure British Columbians will live in a province where families who work hard and play by the rules are rewarded, and those who break the law face appropriate consequences for their illegal activities.”

The panel’s report and recommendations address many of the troubling practices and problems German’s findings identify. James and Eby are reviewing the findings from both reports and will be taking further action to get dirty money out of B.C.

Government has already taken significant steps to make the real estate market more fair and transparent, and to fight dirty money.

“As a conservative estimate, we’re looking at money laundering on the scale of \$7.4 billion in 2018. That’s just for B.C., let alone the rest of Canada,” said Maureen Maloney, chair of the Expert Panel on Money Laundering in Real Estate. “B.C. has taken a major step to prevent money laundering with its proposed registry of beneficial owners of land – the single most

important measure that can be taken to combat money laundering in real estate.”

One year since introducing its 30-point housing plan, government has taken the following actions to address tax fraud and close loopholes in the real estate market:

- introduced legislation to establish Canada’s first public registry of beneficial owners to put an end to the hidden ownership of real estate in B.C.;
- established Canada’s first online register for pre-sale condo sales to track assignments;
- updated the property transfer tax return to uncover beneficial owners behind corporations and trusts;
- enacted legislation to allow information sharing on the homeowner grant with federal tax officials to improve tax enforcement;
- strengthened property transfer tax auditors’ ability to take action on tax evasion;
- implemented the speculation and vacancy tax, which targets foreign owners and satellite families who own real estate in the province but pay little or no tax in B.C.; and
- established a federal-provincial working group on tax fraud and money laundering.

**Learn More:**

Read the Expert Panel on Money Laundering in Real Estate’s full report:

[https://news.gov.bc.ca/files/Combatting\\_Money\\_Laundering\\_Report.pdf](https://news.gov.bc.ca/files/Combatting_Money_Laundering_Report.pdf)

Read Peter German’s report:

[https://news.gov.bc.ca/files/Dirty\\_Money\\_Report\\_Part\\_2.pdf](https://news.gov.bc.ca/files/Dirty_Money_Report_Part_2.pdf)

See the Expert Panel on Money Laundering in Real Estate’s presentation:

[https://news.gov.bc.ca/files/Combatting\\_Money\\_Laundering\\_Presentation.pdf](https://news.gov.bc.ca/files/Combatting_Money_Laundering_Presentation.pdf)

See Peter German’s presentation:

[https://news.gov.bc.ca/files/Dirty\\_Money\\_Presentation\\_Part2.pdf](https://news.gov.bc.ca/files/Dirty_Money_Presentation_Part2.pdf)

For more information about the Land Owner Transparency Act, visit:

<https://news.gov.bc.ca/releases/2019FIN0037-000545>

Read “Homes for B.C.: A 30-Point Plan for Housing Affordability” here:

[https://www.bcbudget.gov.bc.ca/2018/homesbc/2018\\_homes\\_for\\_bc.pdf](https://www.bcbudget.gov.bc.ca/2018/homesbc/2018_homes_for_bc.pdf)

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