



Financial Transactions and
Reports Analysis Centre
of Canada

Centre d'analyse des opérations
et déclarations financières
du Canada

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Forced Labor in Canadian Supply Chains

2023–24 Annual Report



Forced labor in Canadian supply chains – FINTRAC’s annual report 2023–24

Introduction

Senate Public Bill S-211, an [Act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains Act and to amend the Customs Tariff](#), came into force on January 1, 2024.

This Act requires that the head of every government institution, whose activities include producing, purchasing or distributing goods in Canada, or elsewhere, submit an annual report to the Minister of Public Safety on, or before, May 31 of each year.

This report includes a summary of steps taken by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC or Centre) to prevent or reduce the risk that forced labour or child labour in supply chains during fiscal year 2023–24.

Structure, activities and supply chains

FINTRAC is Canada's financial intelligence unit and anti-money laundering and anti-terrorist financing supervisor. Its mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under its control.

During the 2023–24 fiscal year, FINTRAC consisted of approximately 542 FTEs located within Canada and follows a departmental structure in which all related activities or functions are divided by sectors and support the Director/CEO in achieving FINTRAC’s mandate.

The Centre researches and analyzes data from a variety of information sources that shed light on trends and patterns in money laundering and terrorist activity financing which directly and indirectly identify the use of forced labour and child labour in a general context. FINTRAC partnered with financial institutions and law enforcement in Project Protect which identified forced labour in Canada however analysis of various information sources by FINTRAC analysts may also lead to uncovering forced labour and child labour in Canada. The analysis of such disclosures forms part of FINTRAC’s mandate and is not directly related to investigating Canadian supply chains in response to the Act.

During the 2023–24 fiscal year, FINTRAC purchased goods, including but not limited to the following, using PSPC contract clauses, Standing Offers and Supply Arrangements:

- Computer equipment and related production and operations environments
- Computer equipment related to distributed computing environments (desktops/personal/portable and peripherals)
- Information products and database access
- Image and video communication equipment
- Operating system and utility software relates to servers storage, peripherals and components
- Teletype and facsimile equipment
- Office furniture and furnishing



- Office supplies

Since November 2021, Public Services and Procurement Canada (PSPC) implemented anti-forced labour clauses in all goods contracts to ensure that it can terminate contracts where there is credible information that the goods have been produced in whole or in part by forced labour or human trafficking. Additionally, since November 20, 2023, all PSPC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses.

Therefore all FINTRAC contracts for goods resulting from the use of PSPC Standing Offers and Supply Arrangements include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in the [policy notification 150 – Anti-forced labour requirements](#).

Policies and due diligence processes

During fiscal year 2023–24, FINTRAC engaged with other government departments through interdepartmental meetings on the issue of addressing forced labour and child labour in supply chains. FINTRAC is awaiting further information, tools and mechanisms from Public Safety, PSPC and Shared Services Canada (SSC) in order to align FINTRAC with any new policies, guidance or direction related to the *Act* and procurement.

Between the coming into force of the *Act* on January 1, 2024, and March 31, 2024, FINTRAC has not developed policies or due diligence processes in relation to forced labour or child labour. In 2024–25, FINTRAC will collaborate with subject matter experts (SME) to begin developing policies and due diligence processes.

Activities and supply chains at risk of forced labour or child labour

FINTRAC has started the process of identifying risky activities and supply chains, with assessments to be on going. During fiscal year 2023–24, FINTRAC began an initial review to identify risks related to the sector and industry in which it operates as well as the types of products it purchases. Through this review and analysis, FINTRAC identified risk in the following sectors and industries:

- Mining, quarrying and oil and gas extraction
- Manufacturing including office supplies and devices, lighting fixtures and lamps, security detection systems and electronic equipment components
- Information and cultural industries
- Information technology

Remediation measures

Between the coming into force of the *Act* on January 1, 2024, and March 31, 2024, FINTRAC has not identified any forced labour or child labour in our activities and supply chains. Given FINTRAC has only highlighted potential risk sectors and industries without additional validation exercises, no other measures have been taken to assess or reduce the risk, or to remediate forced labour or child labour in these activities and supply chains. Current activities are limited to participating in open dialogue at the government-wide senior management level to discuss forced labour and child labour.



Remediation of loss of income

Between the coming into force of the *Act* on January 1, 2024, and March 31, 2024, FINTRAC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains therefore no measures have been taken.

Training

Between the coming into force of the *Act* on January 1, 2024, and March 31, 2024, FINTRAC has not developed any training or awareness material.

FINTRAC is aware that PSPC is developing awareness-raising guidance materials for suppliers, targeted towards high-risk sectors. FINTRAC has attended sessions, is monitoring the development of these materials and will leverage these resources upon their publication. Training will be an area of focus for fiscal year 2024–25.

Assessing effectiveness

Between the coming into force of the *Act* on January 1, 2024, and March 31, 2024, no actions have been taken to assess the effectiveness in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

FINTRAC is committed to engaging with other government departments and procurement SMEs such as PSPC and SSC to bolster and improve its effectiveness in identifying and reducing forced labour and child labour in activities and supply chains.

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