

Minister of  
Foreign Affairs



Ministre des  
Affaires étrangères

Ottawa, Canada K1A 0G2

JUL 17 2017

The Honourable Robert D. Nault, P.C., M.P.  
Chair  
Standing Committee on Foreign Affairs  
and International Development  
House of Commons  
Ottawa, Ontario K1A 0G4

Dear Mr. Chair,

Pursuant to Standing Order 109 of the House of Commons and on behalf of the Government of Canada, I am pleased to respond to the seventh report of the Standing Committee on Foreign Affairs and International Development entitled "*A Coherent Approach to Canada's Sanctions Regimes: Sergei Magnitsky and Beyond*" tabled in the House of Commons on April 6, 2017.

Canada, together with our allies, must always be ready to act decisively in response to grave breaches of international peace and security, including situations involving human rights violations. Russia's illegal annexation of the Crimea region of Ukraine and ongoing support to the insurgency in eastern Ukraine, and the war in Syria, are but a few of the most severe situations we face today. Canada stands up for its values and speaks forcefully against acts of aggression and human rights violations. Canada employs a suite of foreign policy mechanisms to demonstrate leadership in dealing with these crises, including economic sanctions, and tools to assist foreign states in prosecuting crimes within their borders.

I would like to thank the members of the Committee for conducting the review of the provisions and operation of the *Freezing Assets of Corrupt Foreign Officials Act* (the "FACFOA"), the *Special Economic Measures Act* (the "SEMA"), and related legislation, and all those who appeared before the Committee to share their insight and expertise. I commend the Committee for a very strong report that contains excellent recommendations, and for the fact that the report was supported unanimously by the Committee.

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The report's thorough assessment of Canada's economic sanctions regimes underlines the importance of economic sanctions as a strategic foreign policy tool used by Canada and our likeminded partners to respond to rapidly developing international crises, which very often involve threats to, or breaches of, international peace and security. The report also stresses the use of these tools to address situations of human rights concerns. Economic sanctions will continue to be a key component of Canada's approach to dealing with these crises going forward.

The Committee has recommended legislative amendments to expand the scope of sanctions triggers to include gross human rights violations and to provide for the inadmissibility to Canada of individuals targeted by SEMA sanctions. Legislative amendments with similar objectives are contemplated by Bill S-226, the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*. As I noted in the House of Commons on May 17, our Government is proud to announce its support for S-226, which will implement several key recommendations from the report. The Government supports the principle and objectives of Bill S-226 and as Parliamentary Secretary DeCoursey indicated during the House of Commons' debates on Friday, May 19, the government will work with Parliamentarians to seek amendments to ensure that Bill S-226 will be an effective addition to our foreign policy toolkit. The Government believes that S-226, including the amendments sought, is complementary to the Committee's report and that it supports the goals of the Committee's recommendations.

Through its review, the Committee identified many challenges with respect to the operation, administration and supervision of the sanctions regime. Imposing economic sanctions with respect to a foreign state means restricting or prohibiting normal economic activity between Canada and that foreign state, in order to achieve foreign policy objectives. The implementation of sanctions presents challenges not only to the Government, but also to private individuals and entities, who bear a significant compliance burden.

The Committee has provided thoughtful recommendations concerning the processes and structures for administering and operating economic sanctions, providing guidance to stakeholders, enforcing sanctions laws, and creating new administrative and review processes. I have asked officials in Global Affairs Canada to work with other implicated departments and agencies to examine the issues identified in the report. In the near term, Global Affairs Canada is working to publish on its website a consolidated list, for administrative purposes, of individuals and entities targeted by SEMA sanctions.

The Committee recognized that while the *FACFOA* shares a mechanism - asset freezes – with Canada’s economic sanctions regime, the *FACFOA* has a distinct objective from economic sanctions by supporting states in their fight against corruption. As the Committee also recognized, the recommendations pertaining to the administration and operation of the economic sanctions regime are in some instances relevant to the *FACFOA*. The Government of Canada is committed to combating corruption at home and abroad and officials in Global Affairs Canada will coordinate with implicated Departments and Agencies to examine the issues identified in the report as they pertain to *FACFOA*.

As Minister of Foreign Affairs, I am committed to ensuring that Canada plays a leading role, together with our allies, in responding effectively and decisively to international crises. In today’s world, that means judiciously employing economic sanctions in the right situations, along with other foreign policy tools.

I again wish to thank the Committee for its comprehensive study of the provisions and operation of the *FACFOA* and the *SEMA*. I believe that the Government’s study of the recommendations will positively inform Canada’s continuing and effective use of these important mechanisms, for the benefit of all Canadians and our partners around the world.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'C. Freeland', with a stylized flourish at the end.

The Honourable Chrystia Freeland, P.C., M.P.  
Minister of Foreign Affairs