

May 31, 2023

Honourable Katrine Conroy  
Minister of Finance, British Columbia  
1061 Fort St,  
Victoria, BC V8V 3K5, Canada

Dear Minister Conroy:

On behalf of the Electronic Transactions Association, I write today with respect to British Columbia Bill 19 (*Money Services Businesses Act*) legislation and subsequent regulations that seek to regulate money services businesses (MSBs) operating in the province. ETA is the leading trade association for the payments industry representing over 500 companies that offer electronic transaction processing products and services. ETA's diverse membership includes MSBs of varying size and business model that strive to offer innovative financial services in a safe, convenient, and rewarding manner. Many ETA members, particularly in the peer-to-peer money transmission space, offer products and services essential in allowing underbanked populations access to basic financial services.

ETA has followed the Commission of Inquiry into Money Laundering in British Columbia (Cullen Commission) with great interest and appreciates the proactive approach British Columbia is taking in examining real estate, gaming, financial institutions and other sectors with respect to anti-money laundering. ETA members take their anti-money laundering obligations seriously and through the Financial Transactions and Reports Analysis Centre (FINTRAC) must fulfill specific obligations as required by the Proceeds of Crime (Money Laundering) and Terrorist Finance Act (PCMLTFA) and associated regulations as a Canadian or Foreign MSB.

Further, in recent years many ETA member companies have taken an active role in the Bank of Canada's Retail Payments Advisory Committee (RPAC) set up to gather expertise about the retail payment services landscape as the implementation of the extensive regulatory framework under the Retail Payments Activities Act (RPAA) draws closer. Parliament passed this sweeping legislation in part to address risks related to national security that could be posed by payment service providers. The legislation, among other things, ensures that the Bank of Canada can refuse to register entities found guilty of contravening certain provisions of the PCMLTFA, therefore taking steps to ensure bad actors are kept of the payments system in Canada. Minutes from the RPAC meetings are made publicly available on the Bank of Canada's website.

It has been ETA's experience that these types of industry advisory groups and opportunities for public comment are critical in bringing together regulators and covered entities. An engaging and transparent process is productive in setting regulatory

expectations, driving compliance, and avoiding interruptions in service to consumers especially when concepts are being implemented in a jurisdiction for the first time. While Bill 19 is foundational and leaves many of the details to the regulatory process, it is noteworthy that this bill was introduced and passed in quick succession without public hearings or opportunity for comment. ETA is hopeful that the regulatory process through the Ministry of Finance will offer additional opportunity for public engagement.

On substance, ETA believes the concerns raised by the Cullen commission have been addressed by FINTRAC. Additionally, given the act provides clear authority for BCFSC to add exemptions to the definition of MSB, ETA believes that providers who are registered PSPs with the Bank under RPAA should be exempt from the definition.

ETA members welcome the opportunity to work with you and serve as a resource as the regulatory process begins and you advance the goals of Bill 19.

Thank you.

Yours Respectfully,



Scott Talbott  
Executive Vice President  
Electronic Transactions Association

cc:

Maria Della Mattia, Deputy Minister of Government Communications and Public Engagement

