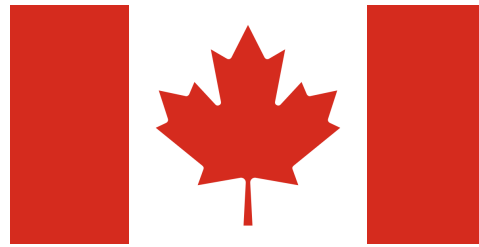


**Country:** Canada

**Committee:** ECOFIN (Economic and Financial)

**Agenda Item:** Regulating the crypto ecosystem



Canada is the second largest country in the world and an ethnically and culturally significant country of diversity. Various indigenous people were the first settlers but were later colonised by the French and the British. Today, Canada is the hub of a myriad of communities. Canada is a federal parliamentary democracy and a constitutional monarchy with King Charles III as head of state. The country is officially bilingual at the federal level. Large scale immigration from many countries has made it one of the most ethnically diverse and multicultural countries in the world. Today, Canada is a democratic nation with a diverse population and a strong economy, currently ranking as the ninth largest in the world, working towards Indigenous reconciliation and solving socio economic challenges.

In 2014, Canada became the first nation to establish laws addressing cryptocurrency by amending the Proceeds of Crime and terrorist financing Act (PCA) to cover all persons or entities dealing in cryptocurrencies. The Canadian government's attempt to categorise and accept Bitcoin revealed their stance toward the new technology and its potential to drive innovation and growth in the financial sector. In 2016, the FATF and APG assessed the effectiveness of Canada's measures to combat money laundering and terrorist financing, and their compliance with the FATF Recommendation. The report concluded that Canada has a strong anti-money

laundering and combating the Finance of terrorism (AML/CFT) regime which achieves good results.

The Canadian government's approach to cryptocurrency regulation aims to achieve a balance between encouraging innovation and safeguarding the customers and the financial system. In addition to issuing guidelines on the regulation of crypto asset trading platforms, Canada has revised its AML legislation to include virtual currency dealers and exchanges as regulated companies. This tighter regulation aims to ensure that cryptocurrency-related enterprises are held to the same standards as conventional financial institutions to stop fraudulent transactions.

#### Bibliography

<https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/discover-canada/read-online/canadas-history.html>

<https://www.worlddata.info/america/canada/economy.php#:~:text=Worldwide%20gross%20domestic%20product%20in,is%20currently%20at%20rank%209.>

<https://www.fatf-gafi.org/en/countries/detail/Canada.html>

<https://www.fatf-gafi.org/en/publications/Virtualassets/Virtual-assets.html>

<https://crystalblockchain.com/articles/2021-crypto-regulations-in-canada/#:~:text=Current%20Status.Income%20Tax%20Act%20of%201990>

<https://www.canada.ca/en/public-safety-canada/news/2023/03/strengthening-canadas-response-to-financial-crime.html>