Government Investigations

In 16 jurisdictions worldwide

Contributing editors
David M Zornow and Jocelyn E Strauber

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GETTING THE DEAL THROUGH

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Canada

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Enforcement agencies and corporate liability

1 What government agencies are principally responsible for the enforcement of civil and criminal laws and regulations applicable to businesses?

The agencies principally responsible for enforcement in this area in Canada are the Royal Canadian Mounted Police (RCMP), the Competition Bureau (CB), and the Canada Revenue Agency (CRA). Most provinces have their own securities regulator, such as the Ontario Securities Commission (OSC). In addition, many provincial police forces will have a unit or division dedicated to investigating corporate crime (for example, the Ontario Provincial Police's Anti-Rackets Division).

2 What is the scope of each agency's enforcement authority? Can the agencies pursue actions against corporate employees as well as the company itself? Do they typically do this?

The RCMP primarily enforces offences against the Criminal Code of Canada. They also enforce other federal criminal law statutes that do not have their own regulatory body to provide enforcement, such as the Corruption of Foreign Public Officials Act. The RCMP provides assistance to other law enforcement bodies, such as the CB or the CRA (for example, executing a search warrant where a tactical team is required).

The CB is responsible for enforcing the Competition Act, which criminalises anti-competitive practices such as cartels, misleading advertising, and price fixing. Where such practices overlap with fraud or other Criminal Code offences, the CB may lay charges under both statutes.

The CRA is responsible for enforcing all federal (government of Canada) tax laws with the exception of customs duties, which are enforced primarily by the Canada Border Services Agency (CBSA).

Each provincial securities regulator is responsible for enforcing securities law in their respective provinces, and assisting one another through the reciprocal enforcement of their respective orders.

All four organisations regularly prosecute both companies and individuals within companies.

3 Can multiple government entities simultaneously investigate the same target business? Must they coordinate their investigations? May they share information obtained from the target and on what terms?

It is possible for multiple entities to simultaneously investigate the same target business. Indeed, there are a variety of 'joint forces' organisations, such as the Integrated Market Enforcement Team (IMETs) that are designed for this purpose. Provincial securities regulators will often collaborate with other law-enforcement agencies in criminal investigations. For example, the OSC utilises embedded RCMP and Ontario Provincial Police (OPP) officers to work in collaborative investigations of serious fraudulent securities-related activities.

The circumstances under which information can be shared between entities depends on the particular facts of each case. Much will depend on the particular statutory regime in issue, the actions of the investigators involved, the presence or absence of a written information-sharing agreement between the entities, and the constitutional rights at play. Generally speaking, if the information was obtained by one agency pursuant to a judicial order (and in the absence of a lawful information-sharing agreement authorising the exchange of information), a further judicial order is required to share it with another body.

4 In what fora can civil charges be brought? In what fora can criminal charges be brought?

Criminal charges are commenced in the provincial court of the province in which the proceedings are commenced. If the Crown (prosecutor) proceeds by the less serious summary conviction procedure, the charges remain in the provincial court. If the Crown proceeds by the more serious indictable procedure, an accused may have the option of having their trial proceed in the Superior Court of the province.

In Ontario, quasi-criminal proceedings can be brought pursuant to section 122 of the Ontario Securities Act in the Ontario Court of Justice. Ontario Securities Act prosecutions are prosecuted by the staff of the OSC. These matters, if appealed, proceed through the ordinary summary conviction appeal procedure.

Civil charges and penalties are enforced administratively pursuant to a variety of regulatory regimes, including the Competition Act, the Income Tax Act and the various provincial securities acts. Appeal remedies from enforcement mechanisms may be brought before either a court (such as the Tax Court of Canada) or administrative tribunal (such as the Competition Tribunal) depending on the particular regulatory regime in issue. For instance, administrative proceedings brought pursuant to the Ontario Securities Act are heard before the OSC. These matters, if appealed by a respondent, proceed to a divisional court.

5 Is there a legal concept of corporate criminal liability? How does the government prove that a corporation is criminally liable for the acts of its officers, directors or employees?

The legal concept of corporate criminal liability applies not only to corporations but also other organisations such as partnerships, trade unions, and charities. Under the Criminal Code, organisations can be held criminally liable for the conduct of their directors, partners, employees, members, agents or contractors (representatives). Where the offence in question is a mens rea offence requiring the prosecution to prove intent to commit the offence, an organisation can be held criminally liable under section 22.2(c) of the Criminal Code if, inter alia, one of the organisation's senior officers knows that a representative is a party to a criminal offence or is about to become a party to an offence, and does not take all reasonable measures to stop them. Where the offence is a negligence-based offence requiring proof of wanton or reckless disregard for the safety of others (eg, criminal negligence causing bodily harm or death), the organisation can be held criminally liable under section 22.1 of the Criminal Code where the senior officer responsible for that aspect of the organisation's activities, or the senior officers collectively, depart markedly from the standard of care expected to prevent a representative of the organisation from being a party to the offence. In all cases, however, an organisation will be exempt from criminal liability if the senior officer acted outside of his or her scope of authority and not for the benefit of the organisation.

6 Must the government evaluate any particular factors in deciding whether to bring criminal charges against a corporation?

Generally speaking, the tests for initiating criminal charges against a corporation are the same as those for an individual: is there a reasonable prospect of conviction and is it in the public interest to prosecute? While the former is simply an assessment of the law and the available evidence, the latter may take into account a wide variety of factors, including but not

limited to the pervasiveness of the wrongdoing, any corporate history of misconduct, any compliance programmes in place, any voluntary disclosures, and potential collateral consequences to a corporate prosecution. Individual regulatory regimes usually have their own specific criteria to apply in determining whether to proceed criminally or pursue the 'civil enforcement track'. The decision may be left up to the individual enforcement officer, the Crown prosecutor, or an administrative tribunal. Any particular decision is also usually open to negotiation, even after charges have been laid.

Initiation of an investigation

7 What requirements must be met before a government entity can commence a civil or criminal investigation?

There are generally no limits on when a government entity can commence a lawful investigation, other than it cannot be commenced for an improper purpose. Prior to utilising certain investigatory tools such as search warrants, the investigators may need to satisfy an independent tribunal (often a judge) that that they have sufficient grounds to believe that an offence has occurred and that the use of the investigative tool will afford evidence of that offence.

8 What events commonly trigger a government investigation? Do different enforcement entities have different triggering events?

Most investigations are initiated as a result of a complaint, be it from victims, consumers, competitors or internal whistle-blowers. Investigations can also be commenced as a result of random or targeted audits begun in the absence of a complaint.

9 What protections are whistle-blowers entitled to?

Pursuant to section 425.1 of the Criminal Code, it is an offence for employers to threaten or take disciplinary action that would adversely affect the employee's employment, in order to force the employee to refrain from providing information to law enforcement officials about the commission of an offence by his or her employer or by an officer, employee or director of the employer. Employers are also prohibited from threatening or retaliating against an employee who has already provided information. These protections are only applicable to whistle-blowers who specifically report to a person whose duties include law enforcement.

Protection to whistle-blowers is also offered through the Competition Act, which prohibits employers from retaliating against employees who report offences and who refuse to conduct illegal activities. In 2013, the Competition Bureau created the Criminal Cartel Whistle-Blowing Initiative to encourage individuals to notify the Bureau of possible violations of the criminal provisions of the Competition Act.

The Public Servants Disclosure Protection Act offers protections for whistle-blowers in the federal public sector. Similar legislation exists at the provincial level, including in Ontario, Alberta, Manitoba, Saskatchewan and New Brunswick.

Other legislative regimes that offer protection to whistle-blowers include the Canadian Environmental Protection Act, the Ontario Occupational Health and Safety Act and the Employment Standards Act (Ontario).

With respect to securities regulation, whistle-blower protections vary from province to province. While neither Quebec nor Ontario have enacted legislation concerning whistle-blowing programmes, the Ontario Securities Commission has adopted National Instrument 52-110, which requires that every issuer of securities establish an audit committee to, inter alia, establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters.

10 At what stage will a government entity typically publicly acknowledge an investigation? How may a business under investigation seek anonymity or otherwise protect its reputation?

Disclosure of an investigation by a government entity will depend on a number of factors, including the type of investigation and the government entity involved. Government entities need to be mindful of the risks disclosure poses to the integrity of their investigation as well as the potential prejudice to those under investigation. Confidentiality restrictions may also exist in the legislative regime that governs the entity conducting the investigation. Typically, investigations will not be disclosed until the enforcement branch of the government entity has been given primary carriage of the investigation. There may be exceptional circumstances in which disclosure is made earlier. For example, in the case of investigations carried out by securities commissions, investigations may be publicly disclosed prior to enforcement taking control of the matter, when investor protection outweighs the risks to the investigation that the disclosures may pose.

Anonymity may only be afforded in the context of the specific immunity programme available to the business. Should an investigation become public, the steps a business may take to protect or mitigate damage to its reputation will depend on which government entity is conducting the investigation and which legislative regime governs it. Businesses should consult with counsel prior to taking any steps to address the allegations in the public sphere to ensure that they do so in a manner that does not place them in further jeopardy.

Evidence gathering and investigative techniques

11 Is there a covert phase of the investigation, before the target business is approached by the government? Approximately how long does that phase last?

Most investigations begin covertly. The time the investigation is in a covert phase depends on the complexity of the matter being investigated.

12 What investigative techniques are used during the covert phase?

During the covert phase of an investigation, investigative techniques can range from open-source research to the use of audio-visual surveillance, undercover agents and cooperating witnesses, and searches of material over which a business has relinquished its privacy interest (such as trash left outside the business's premises). One such technique is the use of wiretaps, where neither party to the communication is aware or has consented to the recording. Wiretaps are governed by part VI of the Criminal Code. In order to obtain a wiretap, law enforcement agencies must satisfy a judge that there are 'reasonable and probable grounds to believe that a specific offence has been, is being, or is about to be committed' and 'have reasonable and probable grounds to think that the target of the authorization will in fact be at a particular place, or be communicating in a particular manner' that will give evidence to the investigation. Law enforcement agencies can also obtain a production order pursuant to the Criminal Code that compels a person (including corporations) not under investigation to produce records, while prohibiting that person from disclosing the content, existence or operation of the order to any other party (with the exception of legal counsel for the purpose of complying with the order).

13 After a target business becomes aware of the government's investigation, what steps should it take to develop its own understanding of the facts?

Counsel for the target business should contact the investigating entity to determine the parameters of the government investigation. The business should immediately commence its own internal investigation to make itself aware of all of the facts (both by documentary review and employee interviews), and ensure that all potentially relevant records are located, preserved and secured. Depending on the seriousness of the allegations, the business should consider having outside or independent counsel conduct the internal investigation, to avoid any actual or perceived conflict of interest. In conducting employee interviews, the business should be sure to have witnesses present, record the contents of the interview and afford the interviewee the opportunity to consult with independent counsel. The purpose of the interviews must be for the business to develop its own understanding of the underlying facts and consider what corrective action needs to be taken; the moment that purpose shifts to one of gathering evidence on behalf of government investigators, the business effectively becomes a state agent.

14 Must the target business preserve documents, recorded communications and any other materials in connection with a government investigation? At what stage of the investigation does that duty arise?

Subject to the statutory, regulatory or contractual record-keeping obligations of the business, unless a company has notice of probable or pending litigation or a government investigation, it generally has the right to dispose of its own property, including documents and electronically stored

information. The moment a business becomes aware of the possibility of an investigation or litigation, it has a duty to ensure that all records are preserved. The business must also notify its employees of the necessity to preserve the records. Ideally, strict record-keeping measures would have already been in place, so as to avoid any potential of impeding or obstructing an investigation.

15 During the course of an investigation, what materials – for example, documents, records, recorded communications – can the government entity require the target business to provide? What limitations do data protection and privacy laws impose and how are those limitations addressed?

Any production demand must be pursuant to statute. The Criminal Code, provincial securities acts and other enabling legislation contain provisions that empower investigators to demand the production of all manner of documents and data. The exercise of these powers may be overseen by the courts, either prior to the demand being made (ie, with the investigating agency being required to satisfy the court that it has necessary grounds to make the request), or after the demand has been made (where the target brings an application for judicial review challenging the scope of the demand or the authority underlying it). In all cases, counsel should be consulted to ascertain the scope of the demand and authority underlying it, and, where the demand is lawful, ensure that the business complies with the demand. Federal and provincial privacy and access to information legislation contain exceptions permitting the business to share personal information with the government entity, so long as that information properly falls within the scope of the demand.

16 On what legal grounds can the target business oppose the government's demand for materials? Can corporate documents be privileged? Can advice from an in-house attorney be privileged?

Depending on the nature of the demand, the target business may be able to challenge: (1) the authority of the investigative body to issue the demand; (2) the scope of the demand as it relates to the investigation being conducted; and (3) the relevance of the items demanded. Privilege may be claimed over corporate documents, as can advice from in-house counsel. Section 488.1 of the Criminal Code sets out the procedure for addressing solicitor–client privilege claims in the context of material already seized by an officer operating under a federal act. Section 487.015(a) of the Criminal Code provides a mechanism for targets of production orders to request an exemption from production on the grounds that, inter alia, the material is privileged, otherwise protected from disclosure by law, or not in their possession or control.

17 May the government compel testimony of employees of the target business? What rights against incrimination, if any, do employees have? If testimony cannot be compelled, what other means does the government typically use to obtain information from corporate employees?

With the exception of terrorism-related investigations (see section 83.28 of the Criminal Code), the government may not compel the testimony of a target business' employees where the predominant purpose of the investigation is to establish criminal liability. Under such circumstances, government agencies will rely on other investigative tools such as search warrants and voluntary interviews to obtain information from corporate employees.

In the regulatory context, most agencies are empowered to compel persons by summons to give sworn evidence and produce material, and to commit that person to contempt proceedings if they do not comply (see, for example, sections 11–18 of the Ontario Securities Act and sections 11 and 65 of the Competition Act). As discussed in the 'Update and trends' section, while section 13 of the Canadian Charter of Rights and Freedoms (the Charter) protects witnesses from having their previous compelled testimony used against them to incriminate them in a criminal proceeding, the scope of that protection has been weakened in the wake of the Supreme Court of Canada's decision in *R v Nedelcu*, 2012 SCC 59. In addition to section 13 of the Charter, various provincial and federal acts afford some measure of use immunity and derivative use immunity in subsequent provincial prosecutions and criminal proceedings (see, for example, section 18 of the Ontario Securities Act; section 9 of the Ontario Evidence Act; section 11(3) of the Competition Act; and section 5(2) of the Canada Evidence Act). However, many of these statutory protections are not automatic, and must be explicitly invoked by the employee or their counsel. Given the distinct, yet sometimes overlapping nature of these protections, counsel must familiarise themselves with the applicable legislation and be prepared to invoke multiple immunities, as the need arises.

18 Under what circumstances should employees obtain their own legal counsel? Under what circumstances can they be represented by counsel for the target business?

Any employee who is potentially the target of the investigation should obtain their own legal counsel. To avoid an actual or perceived conflict of interest, independent counsel should be made available to any employees who are approached during an investigation.

19 Where the government is investigating multiple target businesses, may the targets share information to assist in their defence? Can shared materials remain privileged? What are the potential negative consequences of sharing information?

Subject to non-communication conditions imposed by the court or investigating agency, multiple target businesses may typically share information to assist in their defence. However, a joint defence agreement (JDA) should be entered into prior to the sharing of any information, to ensure that no privilege is waived over the information shared. The tactical consequences of sharing information pursuant to a JDA will depend on the facts of each case. To ensure the protection of all parties to the agreement, the JDA should include provisions stating that (i) any information obtained pursuant to the agreement and any information derived therefrom may be used for no purpose other than for preparing the joint defence; and (ii) should a party withdraw from the agreement, the agreement continues to protect all communications disclosed to the withdrawing party prior to their withdrawal.

20 At what stage must the target notify investors about the investigation? What should be considered in developing the content of those disclosures?

In order to promote investor confidence and improve disclosure practices among Canadian corporations, reporting issuers must disclose material changes to shareholders, prospective shareholders and most provincial securities regulators. Given that production orders or search warrants could reasonably be expected to have a significant impact on the market price or value of the securities of a reporting issuer, the existence of the investigation will likely qualify as a 'material change' that must be reported.

Similarly, under the Competition Act, the target of an investigation may be ordered to disclose the details of the investigation to any party who has or is likely to have been affected by the conduct that is the subject matter of the investigation.

In determining how to disclose to investors that one is the target of an investigation, non-exhaustive factors to be considered include: whether the investigation relates to historic or current activity; whether the conduct relates to a specific party within the company; what, if anything, other related parties have disclosed about the investigation; what stage the investigation is at; what, if anything, the company has already disclosed and whether previous disclosure might be misleading if not updated.

Cooperation

21 Is there a mechanism by which a target business can cooperate with the investigation? Can a target notify the government of potential wrongdoing before a government investigation has started?

A target business may self-report potential wrongdoing before a government investigation has been initiated. Once a government investigation has commenced, target businesses can cooperate with the investigation through self-reporting or voluntary disclosure programmes. Leniency or immunity programmes for self-reporting are available through Canadian securities regulators as well as the Competition Bureau.

For example, the Credit for Cooperation programme offered through the OSC allows individuals who meet certain criteria to potentially benefit from a number of leniency measures (see OSC Staff Notice 15-702). As an incentive to self-reporting, the OSC may reduce the sanctions imposed or, in limited circumstances, consider withholding enforcement action altogether.

Under the Competition Act, eligible individuals may self-report through the immunity programme and leniency programme. Among other

Update and trends

Uncertainty over the scope of constitutional protection against self-incrimination through prior compelled testimony

Until recently, the scope of the constitutional protection against self-incrimination through prior compelled testimony was relatively robust: the Supreme Court of Canada had broadly interpreted section 13 of the Charter as protecting against using a witness's prior compelled testimony in any manner at their subsequent criminal trial, with the exceptions of prosecutions for perjury or giving contradictory evidence. However, the landscape has become more complicated with the release of the Supreme Court of Canada's decision in *R v Nedelcu*, 2012 SCC 59. *Nedelcu* is essential reading for counsel for any matter where there may be parallel or related regulatory and criminal proceedings. The majority of the Court held that the protection afforded by section 13 of the Charter is not directed at 'any evidence' the witness was compelled to give at the earlier proceeding, but rather is limited to incriminating evidence. The Court defined incriminating evidence as evidence that the Crown could use at a subsequent proceeding to prove or assist in proving one or more of the essential elements of the offence for which the witness is being tried. Thus, prior testimony used to impeach credibility does not, on its own, trigger the protection of section 13 of the Charter. It will now be an issue for the trial judge to determine whether evidence from an earlier proceeding is 'incriminating' within the meaning of section 13 of the Charter.

In the wake of *Nedelcu*, counsel must consider how a witness's testimony in related civil or regulatory proceedings might be used against them in future criminal proceedings, notwithstanding the constitutional protection against self-incrimination. In appropriate cases, counsel should consider invoking similar non-constitutional statutory protections against self-incrimination (such as section 5(2) of the Canada Evidence Act) that have yet to be subject to the narrow interpretation afforded to section 13 of the Charter by the Court in *Nedelcu*.

The movement towards the establishment of a national securities regulator

Following a 2011 decision by the Supreme Court of Canada prohibiting the creation of a national securities regulator without the consent of individual provinces, the federal government and governments of British Columbia, Ontario, Saskatchewan and New Brunswick entered into an 'Agreement in Principle to Move Towards a Cooperative Capital Markets Regulatory System'. This constitutes a first step towards the creation of a national securities regulator with unified standards, policies, and a single enforcement division.

eligibility requirements, in order to qualify for the immunity programme, the Competition Bureau must either be unaware of the offence reported or, where the Bureau is already aware of the offence, the party must be the first to come forward prior to there being sufficient evidence to warrant a referral of the matter for prosecution. The Bureau would then make a recommendation to the Public Prosecution Service of Canada (PPSC) that immunity be granted.

In order to participate in the leniency programme, the Bureau may make a recommendation to the PPSC that the reporting party be granted leniency provided that it has fully cooperated in a timely fashion at its own expense; terminated its participation in the criminal conduct; and agreed to plead guilty. If the PPSC accepts the Bureau's recommendation for leniency, the PPSC and the self-reporting party then make a joint sentencing submission to the court. Although more than one party may qualify for a recommendation of leniency, the possibility of a reduced fine serves as an incentive to be the first party to approach the Bureau.

22 Do the principal government enforcement entities have formal voluntary disclosure programmes that can qualify a business for amnesty or reduced sanctions?

The CRA has a voluntary disclosure programme that allows individuals and businesses to correct inaccurate or incomplete information (for example, undeclared income) up to any taxation year or fiscal period that ended within the previous 10 years before the calendar year in which the disclosure is made. If approved, the business will owe the taxes owed and interest. The business will not be charged penalties or prosecuted with respect to the disclosure. A business will not qualify for the programme if it was aware of or had knowledge of an audit, investigation or other enforcement action set to be conducted by the CRA or any other authority or administration, with respect to the information to be disclosed; or if enforcement action had already been initiated on a group or person related to the business (such as corporations and shareholders) or a third party, and the enforcement action is likely to have discovered the information to be disclosed.

As noted in question 21, other government enforcement entities may be willing, on an informal basis or pursuant to other incentive programmes, to reduce sanctions for cooperation by the business.

23 Can a target business commence cooperation at any stage of the investigation?

Yes.

24 What is a target business generally required to do to fulfil its obligation to cooperate?

The nature of a target business's obligation to cooperate will depend on the facts of the case. The target business, through their counsel, should communicate with the investigating entity and clarify precisely what that agency expects from the cooperating business, and what, in turn, the investigators are expected to do once the cooperation is fulfilled.

25 When a target business is cooperating, what can it require of its employees? Can it pay attorneys' fees for its employees? Can the government entity consider whether a business is paying employees' (or former employees') attorneys' fees in evaluating a target's cooperation?

There is no legal prohibition barring a target business from paying the legal fees incurred by its employees. Whether or not such fees are paid by the target business is irrelevant to the evaluation of that business's cooperation.

26 What considerations are relevant to an individual employee's decision whether to cooperate with a government investigation in this context? What legal protections, if any, does an employee have?

An employee's decision to cooperate with a government investigation is their own decision to make; not that of the employer. The employee should seek independent legal advice prior to making that decision. Should an employee refuse to cooperate with the investigation, the target business should consult with employment counsel to determine whether the employee may be terminated with just cause.

27 How does cooperation affect the target business's ability to assert that certain documents and communications are privileged in other contexts, such as related civil litigation?

Where the otherwise privileged documents and communications have been compelled, this 'forced' waiver of privilege is limited to the context of the investigation only, with no effect on future claims of privilege in other contexts. Where the disclosure is voluntary, the target business must make clear in providing the documents and communications that it would otherwise be subject to a claim of privilege; and that the privilege is being waived for the express purpose of enabling the investigators to pursue their mandate, and for no other purpose.

Resolution

28 What mechanisms are available to resolve a government investigation?

There are many possible outcomes to a government investigation. The agency may decide not to pursue criminal charges because there is not a reasonable prospect of conviction or it is not in the public interest. The agency may decide to pursue only civil sanctions (for example, an administrative monetary penalty (AMP)), and withdraw the criminal charges. The business may enter a guilty plea at any point in the proceedings in order to resolve the matter.

29 Is an admission of wrongdoing by the target business required? Can that admission be used against the target in other contexts, such as related civil litigation?

While some acknowledgment of wrongdoing may be required by the investigating agency, some agencies (such as the OSC) expressly provide for the resolution of matters on the basis of a settlement agreement in which, in limited circumstances, the target makes no admissions of fact or liability. Should an admission be made and subject to any provisos or non-disclosure agreements in relation to that admission, the admission can be used against the target in related civil litigation.

30 What civil penalties can be imposed on businesses?

The nature of the civil penalty imposed will depend on the nature of the infraction: the Income Tax Act (ITA) contains various provisions requiring the business to pay a percentage of the tax in question. Most regulatory schemes (including the ITA) provide for the imposition of AMPs, which require a lower standard of proof than in criminal cases. For instance, section 127(1)(9) of the Ontario Securities Act permits an order to be issued requiring a person or company to pay an AMP of up to C$1 million for each failure to comply with the Act. Likewise, the Competition Act provides for AMPs of up to C$10 million for first 'occurrences' by corporations, followed by AMPs of C$15 million for subsequent occurrences. Provincial securities regulators may also seek costs and disgorgement orders, along with prohibitions from market participation.

31 What criminal penalties can be imposed on businesses?

Under the Criminal Code of Canada, sanctions following a conviction take the form of fines. Upon conviction for a summary (less serious) offence a corporation can be fined up to C$100,000. There is no upper limit on the fine when the corporation is convicted of an indictable offence.

Corporations can be subject to probation orders pursuant to section 732.1(3.1) of the Criminal Code. Conditions may include: restitution to the victims of the crime, and informing the public of the offence and the measures undertaken by the corporation. The order can also require the corporation to implement new policies and procedures, educate employees with respect to these policies and procedures, and appoint an individual to implement any new procedures and to report on their progress.

Penalties for convictions under other criminal or quasi-criminal legislation are generally prescribed by the specific act of Parliament.

32 What does an admission of wrongdoing mean for the business's future participation in particular ventures or industries?

In some cases, businesses are legally obliged to report their admissions and convictions to various professional or private associations of which they are members. Pursuant to the Public Works and Government Services Canada Integrity Framework, convictions for certain offences will preclude the business from entering into contracts with the federal government. Should the convicted corporation amalgamate with another business in the future, the prohibition may be enforced by or against the amalgamated corporation, pursuant to section 186(f) of the Canada Business Corporations Act.

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