

Panama Papers: Finance Minister Bill Morneau won't rule out changing tax law

'We want to make sure that people pay their taxes in the jurisdiction where they earn their money'

By Nicole Brockbank, [CBC News](#) Posted: Apr 07, 2016 10:58 AM ET Last Updated: Apr 07, 2016 3:11 PM ET

Finance Minister Bill Morneau isn't ruling out changes to Canadian tax law to "ensure that the rules are appropriate to enforce behaviour that we expect" in the wake of the Panama Papers.

- [Panama Papers: Kevin O'Leary and Armine Yalnizyan debate the ethics of tax shelters](#)
- [Inversions, Panama schemes mean the ordinary wage-earner gets stuck paying the taxes: Don Pittis](#)
- [Panama Papers put world leaders, celebrities on the defensive](#)

Morneau previously told CBC News on Monday that the federal government was monitoring the revelations coming from the more than 11.5 million files taken from Panama-based law firm Mossack Fonseca.

The papers offer an incomplete paper trail of numbered companies and hard to trace bank accounts in tax havens around the globe, and a snapshot of the people — some famous, but many not — who have toeholds there.

In an interview with CBC Radio's *Metro Morning* Thursday, Morneau did not discuss the repercussions of the Panama Papers but did say his government was focused on making sure "people pay their taxes in the jurisdiction where they earn their money" and will "reconsider" any laws that they find "aren't forcing people to do what we think they should be doing."

The following is an exchange from that interview with host Matt Galloway and Morneau.

GALLOWAY: Do you understand the outrage that has followed the release of the Panama Papers?

MORNEAU: Well, [it's] completely understood by all of us. We know that Canadians expect fellow citizens to pay their fair share, we put in tax rates that we think are very good for middle class Canadians, we lowered middle class Canadians tax rates and we know as people pay their taxes they want to know that their neighbours are paying their taxes and that's what we intend on doing.

GALLOWAY: It's not middle class Canadians who are moving their money offshore it's those who have a lot of money and those who can afford to do it. It's legal, but should wealthy Canadians be able to take their money and put it somewhere else so that they can avoid paying taxes?

MORNEAU: Well, I think there are two things we're focused on. One is we are working together with G20 countries to ensure that people don't inappropriately pay their taxes in jurisdictions where the tax rates are less. So that's a global effort that Canada's part of.

In terms of our national efforts, we're focused on trying to ensure that people pay the amount that they're owing. And to the extent that we find that there are laws that aren't forcing people to do what we think they should be doing, we'll reconsider them.

GALLOWAY: Back to the question again, it's legal but do you think people should be taking part in it?

MORNEAU: To the extent that it's legal, we will look at those laws to ensure that they're appropriate. If there's illegal actions going on obviously we're going to go after people who are avoiding taxes illegally and we'll stay focused on tax fairness over the term of our mandate, so if we come up with concerns that people are inappropriately moving their money to other jurisdictions, we'll take action.

GALLOWAY: What's appropriate and inappropriate in this conversation?

MORNEAU: We want to make sure that people pay their taxes in the jurisdiction where they earn their money and that's the broad principle that we're focused on here. I'll have to work with my colleagues to make sure we're meeting up to that principle. That's an expectation that Canadians have and it's certainly what we'll be focused on.

GALLOWAY: Before you entered politics you were very successful in the world of business, have you ever moved money offshore to avoid paying taxes?

MORNEAU: No, I have never moved money offshore.

GALLOWAY: Have you ever been tempted to do that given tax rates in this country?

MORNEAU: I've never been tempted to do that, I feel like I've been one of the people fortunate enough to have success in business and my success has come from the Canadian economy. So from my standpoint I've always thought I should be paying my fair share to ensure that the next generation is successful.

GALLOWAY: Do you understand why people would do that though?

MORNEAU: I think that we have to have laws that are clear and that allow us to be sure that people are paying taxes within the jurisdictions which they're earning money. People will always try to get around rules, we need to find a way to ensure that the rules are appropriate to enforce behaviour that we expect.

GALLOWAY: [Kevin O'Leary says](#) this is a matter of competitiveness, but do you think to some degree he's right? That we have to be thinking about the fact that money will follow, like water, the path of least resistance and if there are safe havens elsewhere it will follow those trails?

MORNEAU: I want to step back to, I'm here to talk about my budget, so that's really what we should be focused on and that's how do we grow the economy so that Canadians are successful and as we create opportunities for Canadians, opportunities for Canadians, opportunities for Canadians across all parts of the country and across all income levels they're going to make investments in our economy that will allow some people to be very financially successful they'll be tied to Canada and should be paying Canadian taxes because this is where their opportunities are.

So I'm not of the view that people will move their money abroad because that suggests that they're going to move abroad, away from the place where they're actually creating the success for themselves and their families. I think that's a fairly small percentage of Canadians. I think we should be focused on how do we grow the economy how do we create success for Canadians and people need to pay their fair share of tax. We need to have tax rates that are competitive, I believe our tax rates are competitive.

Explore CBC			
CBC Home	Music	Comedy	Digital Archives
TV	Arts	Books	Games
Radio	Kids	Parents	Contests
News	Local	Aboriginal	Site Map
Sports	Documentaries	CBC Connects	
Stay Connected			
Mobile	RSS	Podcasts	Newsletters & Alerts
Services and Information			

Corporate Info	Reuse & Permission	CBC Shop	Jobs
Public Appearances	Terms of Use	Help	Doing Business with Us
Commercial Services	Privacy Policy	Contact Us	Renting Facilities