

BRIEFING NOTE

INFORMATION PURPOSES ONLY

Clarity to the First Nations Financial Entity Resolution

To: Chiefs in Assembly- for INFORMATION PURPOSES ONLY

Date: June 13th, 2023

Purpose: To clarify any questions relevant to the First Nations Financial Entity and to shed light on overlooked financial issues in First Nations communities

ISSUE

The goal of this briefing note is to clarify the need for the First Nations Financial Entity resolution and shed light on issues often overlooked in the arena of economic rights.

BACKGROUND

In order to address the numerous banking and taxation hurdles that First Nations communities face, the Chiefs Committee on Economic Development created the Taxation and Banking Sub-Table to address one of the resolves of “Resolution 21/19 - Recognition of first nation rights to financial Self-determination”.

Taxation and Banking Sub-table meetings occurred on September 23rd and October 28th of 2022. The Sub-table technical representatives and Chiefs created the resolution with support from COO’s Economic Development Department to set up a First Nations-owned financial entity. The sub-table has helped to identify specific gaps and barriers that are unique to First Nations’ access to banking, Business Bonding, loans, mortgages, etc.

The Chiefs Committee on Economic Development has met virtually ten times in the past year and have sought numerous expert opinions to inform the drafting of the resolution. Leadership Council input has also been sought for the formation of the resolution through briefing notes.

ANALYSIS

1. CCoED members would like reiterate the need for the First Nations Financial Entity resolution due to the importance of establishing cash settlement infrastructures within our communities. Recognizing the diversity of our communities' economic activities, the CCoED would like to assert the importance of access to and the use of cash in our daily transactions. Cash settlements ensure that no one is left behind in our economic transactions. Furthermore, they allow us to maintain and control our economic systems and traditions. Hence, we commit to advocating for and implementing the necessary changes that will ensure accessible, secure, and reliable cash settlement systems for all First Nations communities in Ontario. The goal of the newly established First Nations

Financial Entity will be to have the infrastructure needed to support cash based transactions.

As stated in the resolution, the new First Nations Financial Entity will develop policies that align with federal regulations whilst also developing their own compliance and Anti-Money Laundering (AML) policies. There is a compelling need to develop our own compliance and Anti-Money Laundering (AML) policies. In designing these policies, we are not merely concerned with adhering to conventional practices and external regulatory standards. Instead, we intend to create policies that genuinely respect and take into account the unique ways in which business is conducted within our communities. We recognize that our economic and social customs differ significantly from those outside our communities, and this distinctiveness should be reflected in our financial practices. Therefore, our compliance and AML policies must be formulated with an understanding and respect for our unique cultural practices and the principles of self-governance.

2. These details should be thought of when contemplating and comprehending the First Nations Financial Entity Resolution. The new First Nations Financial Entity will not interfere with existing financial entities or banks.

CURRENT STATUS

Resolution will be presented to the Chiefs in Assembly.