

**INSTITUTIONAL REPORT
FOR THE PUBLIC ORDER EMERGENCY COMMISSION**

About Stripe

Stripe is a technology company that builds financial infrastructure for the internet. Businesses of every size — from small startups to public companies — use our technology and tools to accept payments and manage their businesses online. Stripe's products are used by businesses in more than 50 countries. We are regulated in jurisdictions around the world based on the products and services we offer in those jurisdictions. Agencies that supervise our regulated operations include the Central Bank of Ireland, the UK Financial Conduct Authority, the U.S. Financial Crimes Enforcement Network, the New York Department of Financial Services, and now FINTRAC, among many others.

Stripe's relationships with its users are governed by various terms of service, which detail activities that may or may not be permitted on Stripe. For example, Stripe prohibits the use of its services for "[a]ny business or organization that ... engages in, encourages, promotes or celebrates unlawful violence or physical harm to persons or property."

Stripe has a strong commitment to compliance with the laws and regulations where we operate. We have invested in building a best-in-class global program to comply with our regulatory obligations, including Know Your Customer and Anti-Money Laundering regulations, sanctions rules, capital and liquidity standards, and data privacy rules. Stripe is developing advanced systems to analyze transaction flow, detect and prevent fraud, monitor for financial crimes, and protect our users against bad actors. And Stripe's risk-based controls help us better understand who our users are, when they require additional due diligence, and when their transactional activity may pose a heightened financial crimes risk.

Stripe in Canada

Stripe has operated in Canada since 2012, and we are serving nearly 430,000 businesses in Canada. Our Canadian operations under Stripe Payments Canada Ltd. ("SPCL") focus on payment processing — enabling merchants to accept online payments. We also offer certain ancillary services and software to businesses, such as fraud detection and calculation of taxes. Payment processing has historically been treated differently than, for example, providing money transmission or banking services. As such, Stripe was not required to register with or submit reports to FINTRAC prior to the issuance of the Emergency Order on February 15, 2022. Nonetheless, our payment processing activities in Canada at all times have been subject to our robust global risk management and compliance policies and procedures, as well as the requirements of our regulated bank partners.

Pursuant to the Emergencies Act, SPCL completed the pre-registration process with FINTRAC in February 2022. We continue to be engaged in active dialogue with FINTRAC on our efforts to comply with the permanent regulatory changes that were adopted in response to the Freedom Convoy. We have also participated in the government's consultations on how payment processors such as Stripe should be regulated under that Act, including as a member of the Bank of Canada's Retail Payments Advisory Committee.

Stripe's Response to the Freedom Convoy

During the relevant time period, Stripe provided payment processing services to a number of crowdfunding platforms, enabling them to accept payments through the major card networks, such as Visa or Mastercard. Two such fundraising platforms on Stripe are GiveSendGo and GoFundMe. Each platform agreed, among other things, that they will comply with all laws and regulations, card network rules, and Stripe's various terms of service, including Stripe's prohibition on violence or physical harm to persons or property. Each platform was also obliged to take all reasonable steps to ensure that their connected accounts (i.e., individual fundraising campaigns) do not use Stripe's services in violation of Stripe's terms of service or for any activity that is expressly prohibited, including those activities listed in our Prohibited and Restricted Businesses List. In addition, platforms often enforce their own terms of service, which may place additional restrictions or prohibitions on their connected accounts. As with any activity on Stripe, individual fundraising campaigns are subject to information collection requirements with respect to the campaign organizer, screening for sanctioned parties, and other fundamental risk management and fraud controls. Stripe takes seriously our role as payments infrastructure, and we work alongside our bank partners, card networks, and platforms with a view towards supporting users in having the appropriate controls, policies, and procedures in place to comply with the law and any applicable terms of service.

At various points during the relevant time period beginning in January 2022, when the events related to the Freedom Convoy began unfolding in Ottawa and elsewhere in Canada, Stripe engaged directly with the crowdfunding platforms – primarily GoFundMe and GiveSendGo – to facilitate their compliance with applicable legal obligations. This included compliance with Stripe's Restricted Business List and, in particular, our prohibition against the promotion of unlawful violence. Stripe's proactive reviews considered a number of factors in trying to assess when robust political or expressive activity crosses the line into unlawful violence – against the backdrop of fast-moving developments and often conflicting media coverage – and Stripe continued to conduct further diligence as our understanding of the facts evolved. We also worked closely with our financial institution partners to monitor related user activity. We shared information with our financial partners as to how SPCL intended to comply with the various orders related to the Freedom Convoy, and financial partners would flag to Stripe certain accounts to be reviewed for supportability. We were careful throughout this process to uphold our responsibilities and adhere to the law, while minimizing errors that would have cut off law-abiding Canadians from the financial system.

On January 14, 2022, supporters of the Freedom Convoy created a fundraising campaign with GoFundMe to raise funds for the Freedom Convoy's "costs of fuel, food and lodgings." Stripe verified the domain of the campaign page and performed an initial, high-level review of the account for compliance with our terms of service. About ten days after the campaign was created, GoFundMe conducted its own review and decided to hold funds in its platform account until it was satisfied that the fundraisers had a clear plan for distribution of the funds and that such actions would comply with GoFundMe's terms of service. On February 2, 2022, pursuant to instructions from the campaign account owner, GoFundMe executed a \$1 million payout to the campaign organizers. Stripe also proactively reviewed this payment to ensure compliance with our terms of service.

GoFundMe subsequently determined that the campaign did violate its own terms of service and announced on February 4, 2022, that it would be removing the account from its platform. GoFundMe also provided instructions to its users on how to request a refund. On February 5, 2022, GoFundMe changed course with respect to the refunds and announced that it would automatically refund all donations. That same day, GoFundMe contacted Stripe to initiate the automatic refund process for all Freedom Convoy fundraiser donations, and Stripe began to process the refunds accordingly.

As protest activities increased around the globe, and the Freedom Convoy attracted more attention, multiple media outlets and global platforms, including GiveSendGo, announced their support for protests against Covid-related restrictions and the Freedom Convoy movement. Shortly after new

fundraising campaigns were created, Stripe became aware through media reports, public statements, and our own account reviews that campaigns connected to the Canadian Freedom Convoy organizers had shifted fundraising to GiveSendGo.

Stripe engaged with GiveSendGo to ensure that it was appropriately tracking developments related to the Freedom Convoy and that any campaigns would comply with Stripe's terms of service. This outreach included, for example, multiple requests for information to understand how GiveSendGo was ensuring that the funds from any applicable campaigns were not going to be disbursed to individuals who had promoted or engaged in, or who would promote or engage in, unlawful violence.

On February 10, 2022, Stripe became aware of the Restraint Order issued by the Ontario Superior Court of Justice that imposed restrictions on a limited number of accounts specified in the Order. Once the Order was entered, Stripe immediately took steps to freeze two GiveSendGo accounts with SPCL that were covered by this Restraint Order: the "Adopt-a-Trucker" campaign and the "Freedom Convoy 2022!" campaign. SPCL paused all charges and payouts for each of these campaigns on February 11, 2022, and worked with the Canadian bank where the funds were held to ensure the accounts would remain frozen pursuant to the Restraint Order.

On February 14, 2022, the Government of Canada declared a public order emergency under the Emergencies Act, and on February 15, the Emergency Regulations were enacted, requiring payment service providers to register with FINTRAC and subjecting them to various obligations. The Emergency Order also categorized any fundraising activity in support of the Freedom Convoy as unlawful. Immediately following the announcement of the Emergency Order, Stripe reached out to GiveSendGo to confirm that it was still operating in accordance with Canadian law. Specifically, we requested details regarding how GiveSendGo planned to comply with the Emergency Order, including confirmation that GiveSendGo would not make any disbursements unless it was legal to do so. GiveSendGo responded with the appropriate information and ultimately made the following disclosure on its website to notify potential donors regarding the applicable legal restrictions and affirm its intention to comply with the law: "Funds from this campaign will be disbursed in a manner permitted under Canadian Law and there are current restrictions in place that might impede the immediate ability to disburse funds to this recipient."

In response to the Emergency Order, Stripe again reviewed a number of accounts related to the Freedom Convoy and ultimately suspended 119 connected accounts with SPCL pursuant to the requirements of the Emergency Order. In order to identify these accounts, SPCL undertook a thorough keyword search of its user base looking for terms like "convoy" and "freedom convoy." Those accounts were then manually reviewed to confirm whether they were in fact related to providing financial support for the Freedom Convoy protest. Adding to our efforts to comply with the Emergency Order, SPCL worked closely with its financial partners to identify accounts associated with names provided by Canadian law enforcement. The 119 connected accounts with SPCL were largely individual crowdfunding campaigns on fundraising platforms such as GoFundMe, GiveSendGo, and Facebook Fundraiser. All accounts except for the two GiveSendGo campaigns subject to the Restraint Order were re-enabled on February 25, 2022, after the Canadian government revoked the Emergency Order.

On February 17, 2022, Stripe became aware of a Mareva Injunction Order issued by the Ontario Superior Court of Justice in the matter of *Li v. Barber, et al.* Again, Stripe reviewed all pertinent accounts, and the GiveSendGo accounts that were frozen pursuant to the earlier Restraint Order were now also subjected to a freeze under the Mareva Injunction Order. These funds remained frozen as SPCL continued to monitor orders relating to the Restraint Order and Mareva Injunction Order. Pursuant to an order issued by the Ontario Superior Court of Justice on May 2, 2022, SPCL disbursed the entire balance of the two GiveSendGo accounts to an escrow agent on May 10, 2022.

Stripe continues to monitor our users' compliance with our terms of service. For example, since the Freedom Convoy incident, we have proactively reached out to all Canadian crowdfunding platform users to notify them of the recent amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, effective as of April 27, 2022, and the various obligations such platforms

are now subject to under the Proceeds of *Crime (Money Laundering) and Terrorist Financing Act* as money services businesses.

****Submitted to the Public Order Emergency Commission on September 2, 2022****