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Scope Note

This special report provides a summary assessment of China's foreign interference (FI) activities, both in Canada and internationally. We base our general conclusions on more than 100 CSIS reports related to China's FI, allied reporting, and a body of open source analysis. This report does not assess the individual impact of Chinese FI activities in detail; the corrosive impact of these activities is cumulative, and is not always observable (for example, China's FI activities almost certainly have a chilling effect on some individuals and entities' willingness to criticize China) by the intelligence community.

Key Judgements

- **The Canadian intelligence community is of the consensus view that China poses the most significant foreign interference (FI) threat to Canada,¹ judged by the breadth, depth, and frequency of its targeted efforts.** India, [redacted] Iran, Pakistan and Russia also pose FI threats to Canada, [redacted] much less significant.¹ (S/[redacted])
- **We assess that Canada remains highly vulnerable to China's FI efforts. These efforts are either clandestine, deceptive, corruptive, or coercive.** We base this judgment on a body of intelligence that highlights deep and persistent CPC interference attempts over more than a decade. (TS/CEO)
- **The activities discussed in this report do not represent a complete account of China's observed FI activities abroad, or in Canada. China's FI efforts are sophisticated, persistent and multi dimensional.** Electoral interference is only a subset of China's broader FI efforts. (TS/CEO)

Why Canada? Understanding China's Motivations & Strategic Goals

1. **China seeks unique strategic advantages by building decisive influence over all levels of Canadian government and society.** These include:
 - a. Access to advanced technologies, denied to China by other advanced economies;
 - b. Securing critical resources required to support an advanced economy (fossil fuels, clean energy, critical minerals for electronic manufacturing);
 - c. [redacted]
2. **China also seeks additional strategic advantages, which it also pursues elsewhere:**
 - a. Canadian advocacy for China on wedge issues in leading global security groupings: i.e., Five Eyes and NATO;
 - b. Canadian advocacy for China in leading global governance institutions: i.e., G7 and the United Nations;
 - c. Canadian boost to global investor confidence among international business and financial communities;

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d. Ideological control over Canadian communities that are ethnically or historically linked to China. (S/CEO)

The CPC's FI Toolkit

3. **China has a large bureaucratic apparatus dedicated to foreign interference.**¹ The United Front Work Department (UFWD) is the Communist Party of China's (CPC) main covert interference body. United front work itself involves a range of both Party and state entities, to include the Ministry of Foreign Affairs. The UFWD's mandate is to coopt non-Party entities both within and outside of China to build and mobilise support for, and suppress opposition to, the CPC, often using clandestine or deceptive means. An array of organizations are part of the UFWD ecosystem; they do not declare their affiliation to the CPC, and always have an additional overt and legitimate function. (S/CEO)

- a. [Redacted] (S/CEO)
- b. [Redacted] (S)
- c. [Redacted] (S/CEO)

**INTERFERENCE vs INFLUENCE
Is There a Difference?**

There are a range of definitions of foreign interference (FI) in use, in Canada and abroad (see ANNEX A).

As a single, but important guideline, **the Canadian Parliament**, via the *CSIS Act*, considers foreign interference a threat to the security of Canada, defined as "activities within or relating to Canada that are detrimental to the interests of Canada, and are clandestine or deceptive or involve a threat to Canada or a Canadian person".

FI activities are deceptive; coercive; corruptive; clandestine (e.g., the involvement of a foreign government is obscured). FI is defined by means, not ends. It is used to gain hidden influence over democratic governance and societies.

FI activities are distinct from traditional foreign influence. As part of the regular conduct of diplomacy, all governments try to influence the politics and policies of other countries. Such foreign influence activity includes lobbying, public diplomacy, and regular diplomatic engagement. These are above-board and transparent efforts to enhance a country's soft power or persuade a foreign public on a particular issue.

Democracies that passed legislated definitions of malicious foreign influence separate it from legitimate state lobbying by highlighting its unique combination of standard political aims (to sway government policy, public political discourse, or subvert democracy or national interests to a the interests of a foreign state) and **devious means** (undeclared, criminal, deceptive, coercive, corruptive, or threatening).

While a number of states officially engage regularly in FI (not just China), **democratic states reject the practice because of its unavoidable corrosive effects on democratic governance.** (C)

4. **The CPC uses a whole-of-society approach to carry out interference activities.** [Redacted] Not all of these individuals are aware they are being used in this way, or that what they are doing is problematic. In this respect, many of these entities and persons are both targets of, and vectors for, CPC FI activities. **CPC united front work is designed to operate in a legal and normative grey zone, complicating attribution and possible criminal enforcement.** As such, the CPC employs a set of increasingly sophisticated, horizontally integrated tools, including cyber surveillance, signals and human intelligence, front companies, and paid propaganda assets. (S [Redacted])

- a. [Redacted] (TS/CEO)

5. **China's FI activities operate on a spectrum.** When clandestine influence operations fail to yield results, China uses coercive measures (e.g., undeclared trade embargoes, hostage diplomacy, targeted political operations, unsubstantiated police or judicial action) to extract its preferred policy outcome. [Redacted]



[Redacted]

a. Though some of these activities are overt (for example, judicial action taken against Canadian individuals in China), they are nonetheless coercive and deceptive. The link between the Chinese action and the 'bilateral irritant' that prompted it is clear; however, it is not acknowledged via official state channels. Both tactics make the coercion deniable. (C)

b. [Redacted] (TS, [Redacted])

CPC FI in Canada – Notable Activities

6. Many CPC FI activities are low-level—designed to build persistent influence over time (see text box). Nonetheless, we judge a number to be **individually corrosive of democratic governance processes**. A sample of these, most corrosive activities include:

a. *Using proxies to create the illusion of public opposition to an impending political or judicial decision. Some, but not all of the activities appear to include transfer of funds.*

• [Redacted] (S/CEO)

• [Redacted] (TS/CEO)

b. *Developing clandestine networks surrounding current and elected officials, to gain undisclosed influence and leverage over Canadian policy and government decision-making:*

• [Redacted]

Regularly Observed CPC-backed Activity in Canada

The Canadian intelligence community regularly observes China's FI activities. These activities most often include:

- ✓ **Developing clandestine networks** to surround elected officials, including via co-optation or corruption of former officials, to gain undisclosed leverage and influence over Canadian policy and government decision-making;
- ✓ **Using proxies to misrepresent genuine Canadian public opinion** regarding impending political or judicial decisions;
- ✓ **Applying punitive or threatening measures to Canadian businesses** or Canadian persons to coerce a change to a Government of Canada policy decision;
- ✓ **Threatening Canadian persons**, including dissidents, democracy activists, as well as elected officials, media representatives or academics, to deter criticism of CPC policy or its model of government;
- ✓ **Manipulating traditional media** to widely disseminate CPC-approved propaganda in what otherwise appears to be "independent" news publications. Amplifying unattributed CPC narratives minimizes Canadians' knowledge of, or sows doubt about otherwise established facts, such as China's human rights abuses, or CPC constraints on democracy.
- ✓ Using registered businesses (Canadian and Chinese) to conduct **undisclosed lobbying** on behalf of the CPC;
- ✓ **Conducting clandestine, extra-territorial law enforcement operations** on Canadian soil, sometimes with the undisclosed aid of Canadian law enforcement officers;
- ✓ **Manipulating social media** to misrepresent genuine Canadian public opinion, or spread false information among the Canadian public. (S/CEO)



[Redacted]

During the 2019 federal election, a group of PRC-linked individuals worked in loose coordination with one another to covertly advance PRC interests through Canadian democratic institutions,

- o *which included 11 political candidates and 13 political staff members who were either implicated or impacted by this group of PRC-linked individuals. Some of these individuals appeared willing to cooperate in FI-related activity while others appeared to be unaware of potential FI-related*
- o *activity due to its clandestine nature*

[Redacted]

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c. Threatening Canada's elected officials to deter their official criticism of CPC policy or governance:

- [Redacted] (TS/CEO)
- [Redacted] (TS/CEO)
- [Redacted] (TS/CEO)

d. Singling out politically influential Canadian firms for trade action as a means of exerting political pressure on elected officials.

- [Redacted] (S/CEO)
- [Redacted] (S/CEO)

e. Subjecting persons in Canada to surveillance, restricted freedoms, or coerced repatriation to China.

- [Redacted] ²⁶ (S)
- [Redacted] ²⁷
- [Redacted] ²⁸
- [Redacted] ²⁹ (S/CEO)



[Redacted] ³⁰ (S)

In A Global Context: Observed Trends Abroad

7. CPC interference activities in Canada generally align with substantiated instances abroad. [Redacted]

8. The following examples are some notable instances of China's FI.

- **Corruption of democratically-elected leaders**

- [Redacted]

- [Redacted]

[Redacted]

(TS/ [Redacted])

[Redacted]

(TS/ [Redacted])

[Redacted]

(S [Redacted])

- b. **Insertion of CPC-approved candidates in democratic elections**

[Redacted]

(S [Redacted])

[Redacted]

(S [Redacted])

- c. **Imposing undeclared sanctions on foreign governments or foreign businesses as 'punishment' for perceived 'anti-China' behaviour and in order to force a change in policy**

- [Redacted]

- [Redacted] ³⁸ restricted access for some Lithuanian agricultural product exports, and curtailed direct freight trains between China and Lithuania. ³⁹ (C)

- [Redacted]

(C)

[Redacted]

(TS/ [Redacted])

- d. **Cultivation of business elites to induce or pressure them to lobby politicians to support pro-China policy.**

[Redacted]

(TS/ [Redacted])

- e. **Targeting dissidents abroad with sanctions, punishments, or threats directed at them or their families.**

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ANNEX A

FOREIGN INTERFERENCE:
FIVE EYES WORKING DEFINITIONS

There is no single Canadian or internationally agreed definition of foreign interference. However, **there is emerging agreement that foreign interference is distinct from legitimate state lobbying because of its use of deviant means** (undeclared, criminal, deceptive, coercive, corruptive, or threatening) to achieve legitimate ends (influence a foreign state for the advancement of its own interests).

1.
⁴⁶ Australia's Department of Home Affairs defines foreign influence as open and transparent attempts by governments to influence discussions of importance. By contrast, foreign interference is defined as activities going beyond routine diplomatic influence practised by governments, that may take place in isolation or alongside espionage activities, and that are: carried out by, or on behalf of a foreign actor; coercive, corrupting, deceptive and clandestine; and are contrary to Australia's sovereignty, values and national interests.⁴⁷
2. Canada does not have a single official definition. CSIS is the only Canadian organization that has a Parliament-approved definition in its mandate. CSIS defines "foreign-influenced activities" as a threat to national security where they are **"detrimental to the interests of Canada, and are clandestine or deceptive or involve a threat to Canada or a Canadian person."**⁴⁸ Public Safety defines Foreign Interference as "efforts by a foreign state, or its proxies, to undermine Canada's national interest and values. It includes actions that are short of armed conflict yet deceptive, threatening, corrupt, covert or illegal in nature."⁴⁹
3.
⁵⁰
4.
⁵¹
5. The USA defines "malignant influence as activity that is **subversive, undeclared, criminal or coercive** in order to sway government policy, distort the country's public discourse, and undermines confidence in the democratic process."⁵²

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ANNEX B

FOREIGN INTERFERENCE: SELECT LEGISLATIVE RESPONSES

Many like-minded democracies have recently, or are reviewing, legislation intended to increase transparency of foreign activities in their jurisdictions with a view to preventing external actors from interfering with domestic democratic governance processes.

1. **Australia** has taken a multi-step approach to increasing national resilience to foreign interference. The Government passed the National Security Legislation Amendment (Espionage and Foreign Interference) Act 2018. The legislation outlines that “[t]hese offences complement the espionage offences by criminalizing a range of other harmful conduct undertaken by foreign principals who seek to interfere with Australia’s political, governmental or democratic processes, to support their own intelligence activities or to otherwise prejudice Australia’s national security. The offences will apply where a person’s conduct is covert or deceptive, involves threats or menaces or does not disclose the fact that conduct is undertaken on behalf of a foreign principal.”⁵³ (C)
2. **Australia** has also established a National Counter Foreign Interference Coordinator to centrally manage a whole-of-government approach to countering FI. It also has set up a Foreign Influence Transparency Scheme Act (2018) which requires those acting for or on behalf of a foreign state to register with the Australian government. Last, Australia passed the Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act, which restricts the receipt of foreign donations in Australian elections.⁵⁴ (C)
3. **Canada** passed the 2018 Elections Modernization Act, which prohibits the use of funds from foreign entities and includes heightened transparency measures, such as with regard to the use of foreign funds by third parties for partisan advertising and activities. It also clarifies offences related to false statements and foreign interference.⁵⁵ (C)
4. In 2021, a draft report circulated at the **European Parliament** raised concern about the activities of foreign authoritarian states including the “crucial role played by China’s United Front”, pointing out the experiences of “Australia and New Zealand in dealing with the United Front.”⁵⁶ Europe’s Parliamentary Joint Committee on Intelligence and Security (PJICIS) is reportedly reviewing whether to better target undeclared representatives of China and Russia via an Influence Transparency Scheme, like Australia’s.⁵⁷ In 2019, the European Parliament adopted a resolution on foreign electoral interference and disinformation. The resolution noted that foreign interference, by compromising citizens’ right to participate in their country’s government, was part of a broader strategy of hybrid warfare. In 2020, the European Parliament voted to set up a special committee on foreign interference in all democratic processes in the EU, including disinformation.⁵⁸ (C)
5. **Singapore’s** proposed Foreign Interference (Countermeasures) Act criminalizes FI, defined as “attempts by foreign actors to manipulate our domestic politics through covert and deceptive means to undermine our political sovereignty and harm our social cohesion.”⁵⁹ The Act will very likely be passed in 2021. (C)
6. In 2021, the **United Kingdom** announced legislation to counter hostile state activity by foreign states. Foreign interference is one of five categories of hostile state activity, defined as “a wide range of activity through which states seek to further their aims by use of covert means or by obfuscation of intent and originator, including disinformation, bribery and coercion.”⁶⁰ This legislation introduces a Foreign Influence Registration (FIR) scheme in which the government manages a register of declared activities that are taken for or on behalf of a foreign state. It includes activities that are directly commissioned by a foreign state, such as espionage, as well as those that have been commissioned by an individual or entity that is subject to foreign state influence or control.⁶¹ Under the legislation, failure to register, or registering false information is a criminal offence. (C)
7. In 2019, the **United States** passed the Prevention of Foreign Interference with Elections Act. The bill criminalizes the provision of “substantial assistance” to foreign nationals trying to affect US elections. This includes conspiring with a foreign national to prevent, obstruct, impede, interfere with, promote, support, or oppose the nomination or the election of any candidate for any Federal, State, or local office, or any ballot measure, initiative or referendum.”⁶² (C)
8. The United States enacted the Foreign Agents Registration Act (FARA) nearly eighty years ago. According to the US Department of Justice, FARA requires certain agents of foreign principals who are engaged in political activities or those designed to influence the US government or American people. Foreign agents meeting this definition are

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required to make periodic public disclosure of their relationship with the foreign principal, as well as activities, receipts and disbursements in support of those activities. Failure to do so can result in prosecution, if their failure is deliberate.⁶³

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2 [Redacted] S.

3 [Redacted] TS/CEO.

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[Redacted] TS/CEO.

7 [Redacted] TS/CEO.

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⁹ Ibid.

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¹⁶ CSIS 2019-20/80 The PRC Foreign Interference [Redacted] S/CEO.

¹⁷ CSIS IA 2021-22/31, PRC Foreign Interference in Canada: A Critical National Security Threat, 2021 07 20, TS/CEO.

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¹⁹ Cooper, S. (2019) B.C. politician breaks silence: China detained me, is interfering 'in our democracy'. Global News. November 29. U

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24 [Redacted] S/CEO.

25 [Redacted] S/CEO.

26 [Redacted] S.

27 [Redacted] S/CEO.

²⁸ CSIS IA 2021-22/31 PRC Foreign Interference in Canada: A Critical National Security Threat, TS/CEO.

²⁹ CSIS IA 2021-22/31 PRC Foreign Interference in Canada: A Critical National Security Threat, TS/CEO.

30 [Redacted] S.

[Redacted] S/ [Redacted] TS/ [Redacted] S/ [Redacted]

[Redacted] S/ [Redacted]

[Redacted] S/ [Redacted]

³⁹ Fergus Hanson, Emilia Currey and Tracy Beattie (2020) The Chinese Communist Party's coercive diplomacy, *Australian Strategic Policy Institute*, Policy Brief, Report No. 36/2020. U.

⁴⁰ Fergus Hanson, Emilia Currey and Tracy Beattie (2020) The Chinese Communist Party's coercive diplomacy, *Australian Strategic Policy Institute*, Policy Brief, Report No. 36/2020. U.

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