



The Economic Impact of Counterfeiting in Canada

The Bank of Canada’s role—promoting confidence in bank notes and the economic welfare of Canada

The Bank of Canada promotes the economic and financial welfare of Canada through its activities in four main areas: monetary policy, currency, financial system stability, and funds management.

Bank notes are a vital method of payment used in about 40 per cent of all retail transactions in Canada. In fact, the demand for cash continues to grow with the economy.

The Bank is responsible for supplying Canadians with bank notes that they can use with confidence. This means issuing quality bank notes that are readily accepted and secure against counterfeiting.

Impact of counterfeiting on Canadians

- Any individual who, knowingly or not, accepts a counterfeit bears the loss. In other words, there’s no reimbursement. It’s the same in any country. If central banks reimbursed for every counterfeit bill, it would only be an incentive for counterfeiters to ramp up their activities. In Canada, it is a criminal offence to knowingly use or keep counterfeit money.

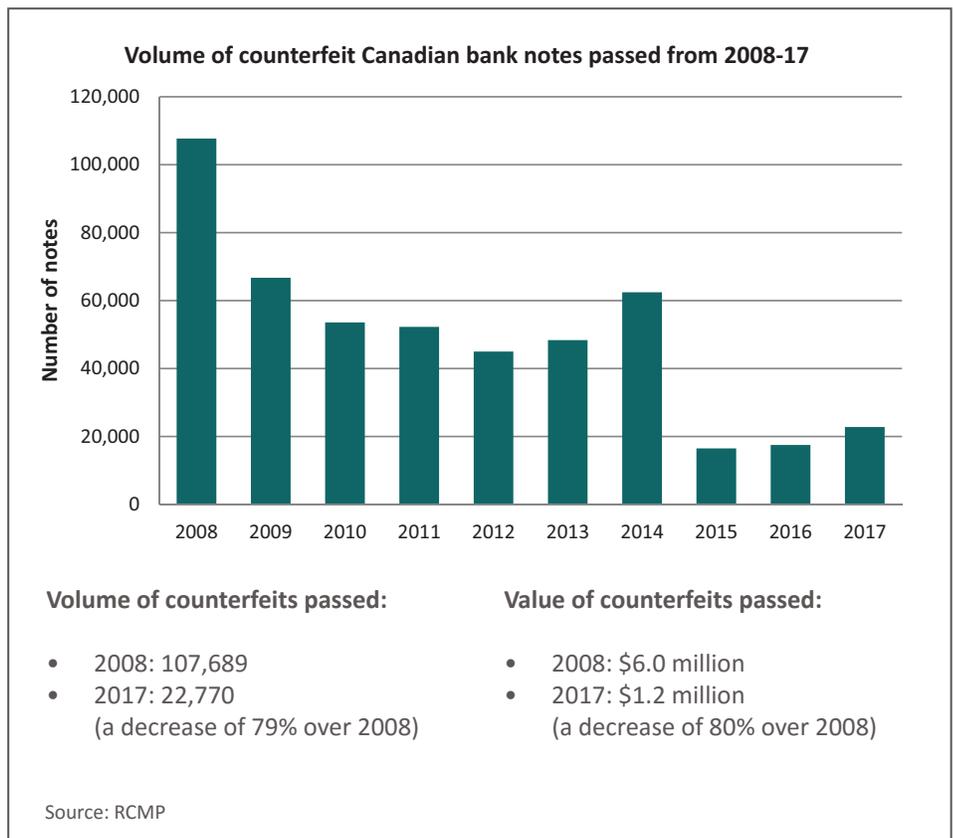
- The financial loss from a counterfeit note can be significant for individuals and businesses alike. Whether it’s a small retailer or a large business, the loss incurred from accepting a single counterfeit \$100 note can affect a day’s profits or lead to increased prices that are ultimately borne by the consumer.
- Counterfeiting not only causes a financial loss to whoever gets stuck with it, it can also seriously undermine public confidence in our currency. Confidence is essential to maintaining a

strong economy because once lost, it’s hard to regain.

In 2017, Canadians’ confidence in their bank notes remained steady, and the number of counterfeits in circulation remained low.

“One of the most important functions of the Bank of Canada is to design and issue bank notes that are hard to counterfeit, and can be used with confidence.”

Bank of Canada Governor
Stephen S. Poloz



The decrease in counterfeiting rates over the last decade is a result of continuous efforts by the Bank to address counterfeiting threats as they arise, and to minimize their impact on Canadians.

The Bank continues to focus its efforts on:

- **Security**—by issuing bank notes with leading-edge security features to help stay ahead of counterfeiting.
- **Education**—conducting outreach that teaches the public, businesses and the police how to detect counterfeit bank notes.
- **Quality**—from printing new notes to monitoring those that are already in circulation, the focus on quality ensures that worn notes are replaced efficiently and notes that are handled in day-to-day transactions are easy to verify and use.

Achieving consistently low levels of counterfeiting is critical to maintaining confidence in bank notes.

For more information on bank notes:

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