



HOUSE OF COMMONS OF CANADA
44TH PARLIAMENT · 2ND SESSION · AN ACT OF PARLIAMENT

Bill C-XXX

Digital Adult Media Integrity and Financial Access Act

*Loi sur l'intégrité des médias adultes numériques
et l'accès aux services financiers*

STATUS DATE SPONSOR
FIRST READING APRIL 2026 PRIVATE MEMBER

PREAMBLE

Whereas lawful adult digital media constitutes protected expression and lawful commerce in Canada when produced and distributed in accordance with applicable law;

Whereas the integrity of financial systems requires transparent, evidence-based risk management rather than categorical exclusion of lawful industries;

Whereas the protection of individuals requires verifiable consent, prevention of illegal content, and proportionate enforcement mechanisms;

And whereas regulation must respect privacy rights and be consistent with the Canadian Charter of Rights and Freedoms;

Now, therefore, Her Majesty, by and with the advice and consent of the
Senate and House of Commons, enacts as follows:

PART I

INTERPRETATION

1. Definitions

In this Act:

"Adult Digital Media Service"

means a business facilitating the creation, distribution, or monetization of lawful adult audiovisual content.

"Accredited Compliance Provider" (ACP)

means an independent entity authorized to audit and certify compliance under this Act.

"Consent Record"

means a time-stamped, auditable record of informed consent linked to specific content.

"Evidence-Based Detection System"

means a system that identifies potential illegal content using lawfully obtained data, documented indicators, and multi-source corroboration.

"Illegal Content"

means content prohibited under Canadian law.

"Verified Participant"

means an individual whose age and identity have been verified through compliant methods.

PART II

LEGAL STATUS AND NON-DISCRIMINATION

2. Lawful Status

- (1) Adult digital media produced and distributed in compliance with Canadian law is lawful commercial activity.

3. No Industry-Specific Licensing

- (1) No federal authority shall require a category-specific licence for lawful adult digital media.
- (2) Nothing in this Act exempts entities from general business registration requirements.

4. Financial Non-Discrimination

- (1) A financial institution shall not deny service solely on the basis of lawful industry classification.
- (2) Any denial must be based on documented, measurable risk factors.

PART III

CONSENT AND PARTICIPATION

5. Verification Requirements

- (1) All participants must be verified as adults prior to content creation.
- (2) Verification may be conducted through:
- ▶ direct identification methods, or
 - ▶ certified third-party attestations.

6. Consent Standards

- (1) Consent must be:
 - ▶ explicit;
 - ▶ informed;
 - ▶ time-stamped; and
 - ▶ linked to specific content.
- (2) Consent Records must be retained in secure, auditable form.

7. Data Minimization

- (1) Systems must minimize retention of personal data.
 - (2) Identity data must be separated from content systems where feasible.
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PART IV

DETECTION AND ENFORCEMENT

8. Evidence-Based Detection Systems

- (1) Services must implement systems to detect potential illegal content.
- (2) Such systems shall:
 - ▶ rely on multi-source corroboration;
 - ▶ avoid sole reliance on unverified signals; and
 - ▶ include false-positive mitigation.

9. Proportionality

All enforcement actions must be:

- ▶ proportionate;
- ▶ minimally impairing; and
- ▶ targeted to unlawful conduct.

10. Enforcement Process

- (1) Services shall follow:
 - ▶ flagging;
 - ▶ corroboration;
 - ▶ human review; and
 - ▶ documented action.
- (2) Actions may include:
 - ▶ content removal;
 - ▶ account restriction; and
 - ▶ referral to law enforcement.

11. Due Process

- (1) Affected users shall have access to:
 - ▶ notice (where lawful);
 - ▶ reason categories; and
 - ▶ appeal mechanisms.
 - (2) Appeals must include human review.
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PART V

FINANCIAL RISK FRAMEWORK

12. Risk-Based Controls

Financial institutions may impose restrictions where:

- ▶ fraud thresholds are exceeded;
- ▶ chargeback ratios exceed defined limits;
- ▶ AML/KYC violations occur; or
- ▶ compliance failures are identified.

13. Consistency Requirement

Institutions must treat similarly situated entities consistently and be able to demonstrate such consistency.

14. Safe Harbour

- (1) A financial institution servicing an entity certified by an ACP shall be deemed compliant with federal risk obligations unless fraud, AML breach, or material misrepresentation is demonstrated.

PART VI

ACCREDITED COMPLIANCE PROVIDERS

15. Accreditation

- (1) The Minister may designate Accredited Compliance Providers.
- (2) ACPs must:
 - ▶ audit consent systems;
 - ▶ validate risk metrics;
 - ▶ maintain independence; and
 - ▶ carry liability coverage.

16. Certification

- (1) ACPs shall issue standardized compliance attestations.
- (2) Certifications must be subject to periodic renewal and audit.

PART VII

INDUSTRY RISK MITIGATION

17. Reserve Mechanism

- (1) Services above a prescribed scale shall participate in a pooled reserve system.
- (2) The reserve shall be used to:
 - ▶ cover chargebacks;
 - ▶ mitigate fraud losses; and
 - ▶ stabilize financial exposure.

PART VIII

PRIVACY AND LEGAL ALIGNMENT

18. Privacy Compliance

All activities under this Act must comply with the *Personal Information Protection and Electronic Documents Act* (PIPEDA).

19. AML Compliance

Nothing in this Act limits obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* or FINTRAC reporting requirements.

20. Prudential Regulation

Nothing in this Act overrides requirements imposed by the Office of the Superintendent of Financial Institutions (OSFI).

PART IX
TRANSPARENCY

21. Public Reporting

Services must publish:

- ▶ aggregated fraud and dispute rate bands;
- ▶ compliance certification status; and
- ▶ enforcement summaries.

No personally identifiable information shall be disclosed.

PART X
ENFORCEMENT

22. Violations

Violations may result in:

- ▶ administrative penalties;
- ▶ compliance audits;
- ▶ corrective orders; and
- ▶ suspension of operations.

PART XI
LIMITATION

23. Scope Limitation

Nothing in this Act shall authorize monitoring or restriction of lawful content beyond what is necessary to detect illegal activity.

LEGISLATIVE ANALYSIS
COMPLIANCE SUMMARY

CHARTER ALIGNMENT REVIEW

- ✓ No category-specific licensing — avoids Section 2(b) overreach
- ✓ Consent infrastructure embedded as enforceable statutory obligation
- ✓ Safe harbour + measurable framework provided to financial institutions
- ✓ Surveillance constrained through privacy and proportionality provisions
- ✓ Consistent with *Canadian Charter of Rights and Freedoms* principles

Note: This framework transforms the industry from an unpredictable risk category to an auditable system — the threshold required for sustainable cooperation from banks, regulators, and financial infrastructure providers.

