

RESPONSE TO MEMBER QUESTIONS FROM FEBRUARY 22, 2021 TESTIMONY

BEFORE THE HOUSE OF COMMONS STANDING COMMITTEE ON CITIZENSHIP AND IMMIGRATION

FEBRUARY 26, 2021

Corporate structure of VFS Global Inc. parent companies, subsidiaries, contractors and subcontractors

VF Worldwide Holdings Ltd (“VFS Global” or “VFS”), registered in Dubai, is the company’s global operational entity.

As we have stated to Canadian media and the committee, VFS Global has no Chinese ownership. All of VFS Global’s operations and entities, including those in China (operating as VFS China), are structured under our corporate entity VFS Global. VFS Global is owned and controlled by EQT, a global investment organization based in Stockholm, Sweden. The Swiss-based Kuoni and Hugentobler Foundation has a minority investment stake in VFS Global. VFS Global is part of EQT’s investment fund EQT VII. VFS Global AG and VFS Global Investments AG, both registered in Zurich/Switzerland are part of EQT’s investment fund EQT VII.

VFS operations in China

In China, VFS Global’s operations are registered under VFS Business Information Consulting (Shanghai) Co., Ltd (“VFS China”), which is 100% owned by VF Worldwide Holdings Ltd. VFS Business Information Consulting (Shanghai) Co. Ltd. was incorporated in 2005 and started visa application operations in China in 2005. VFS China has no subsidiaries within or outside of China. It has four branches - in Beijing, Shanghai, Chongqing and Guangzhou. VF Services (Hong Kong) Pvt Limited provides our services in Hong Kong.

It is common practice in China that state-owned organizations are invested in commercial entities in many different industries. All foreign companies in China in the visa application sector, like VFS Global, operate with locally-owned or state-owned Facility Management Companies (FMCs).

Key dates for VFS Global’s relationship with the Government of Canada

- 2007:** VFS Global was awarded the initial contract for operating the Canada Visa Application Centers (VACs) in China
- 2008:** VFS Global started operations of the VACs in 4 cities in mainland China - Beijing, Shanghai, Chongqing and Guangzhou
- 2012:** VFS Global was awarded a global VAC contract to operate Canada VACs in several countries across the globe including China
- 2013:** VAC operations under this global contract began in China and Hong Kong in 2013.
- 2017:** VFS Global expanded the Canada VAC network in mainland China to 11 cities by commencing operations in the cities of – Wuhan, Shenyang, Jinan, Hangzhou, Nanjing, Chengdu and Kunming

2018: After a competitive tender process, VFS Global was once again awarded a global VAC contract to operate Canada VACs in several countries across the globe including 11 VACs in mainland China and 01 VAC in Hong Kong.

Beijing Shuangxiong Foreign Service Company (BSFSC)

Beijing Shuangxiong Foreign Service Company (BSFSC) was our sole FMC in 2005 for our pan-China VAC operations. We accordingly recommended their name to all our client governments who, in turn, and in accordance with established protocols and local law requirements, nominated them to the Chinese Ministry of Public Security, authorizing them to operate VACs in the relevant cities of operations in China for that particular client government.

When VFS Global responded to the 2007 RFP for the outsourcing of Canada VAC operations in China, full details of all our FMCs operating across the different cities in China were included in our proposal.

The visa outsourcing business, referred to as the “Entry & Exit Services” in China, required foreign companies to partner with local companies for operations of VACs in accordance with Chinese law. Virtually all foreign companies in China, like VFS Global, operate with locally owned or state-owned FMCs.

Prospective FMCs are required to have “Entry & Exit Services” or “Visa-related Services” mentioned in the scope of their business licenses. Prospective FMCs need to be financially sound to set up VAC infrastructure, hire and retain quality resources, procure and deploy equipment (e.g. office, furniture, displays, keyboards etc.) following VFS guidelines.

VFS followed the established protocol of recommending BSFSC to the Canadian Embassy for them to conduct their due diligence on the FMC and to have them appointed to operate the Canada VAC in Beijing. Once approved by Canada, the Canadian Embassy confirmed this in writing to the Chinese Ministry of Public Security.

As our services for Canada expanded in China, we accordingly recommended other FMCs to the Canadian mission for operations of Canada VACs in other cities.

Please refer to the details of all our FMC’s managing the Canada VACs in mainland China and Hong Kong:



IRCC VAC NETWORK - CHINA (Including Hong Kong)			
Sr. No	City	Name of the subcontractor	Name of the Shareholders
1	Beijing	Beijing Shuangxiong Foreign Service Company	Beijing Tongda Asset Management Group Corporation (100%)
2	Chengdu	Chengdu Sino Visa Etemal Exit & Entry Immigration Co., Ltd.	Beijing Tianlongjia Investment Management Co., Ltd. (63%) Bie Jian (37%)
3	Chongqing	Chongqing Taifu Exit&Entry Service Co., Ltd	Shen Lihong (95%) Peng Chenlin (5%)
4	Guangzhou	Guangdong CTS Visa Consulting Service Co., Ltd.	Guangdong China Travel Service Co., Ltd.(70%) Xiao Guobin(14%), Zheng Bei(7%), Wang Jun(1.5%), Su Yong(1.5%), Hou Zhong(1.5%), Cai Jing(1.5%), Li Shangkang(1.5%), Lin Peijin(0.5%), Zhao Guiqing(1%)
5	Hangzhou	Hangzhou Leader Business Consultant Co. Ltd.	Zhou Peiheng(90%) Shenzhen Taidou Industrial Co., Ltd (10%)
6	Jinan	Shandong Yihui Industry and Commercial Co., Ltd.	Pei Zhongyi (95.55%) Zhao Jun (3.23 %) Pei Yang (3.23 %)
7	Kunming	Yunnan Delang Business Consulting Co., Ltd	Wang Chenbing (70 %) Yue Jiao (27 %) Yang Jianhong (3%)
8	Nanjing	Nanjing Taidou Business consulting Company Ltd.	Shanghai Taidou Private Exit&Entry Service Co., Ltd (70%) Chen Guilian (20%), Lu Haiyan(5%), Chen Hao (5%)
9	Shanghai	Shanghai Shenhui Overseas Affairs Service Co., Ltd.	Hangzhou Leader Business Consultant Co Ltd.(70%) International Education Association Shanghai (20%) Shanghai Shangjiao International Communications Co., Ltd.(10%)
10	Shenyang	Liaoning Aoxin Consulting Co., Ltd	Wang Yingjie(60%) Zeng Hao(40%)
11	Wuhan	Wuhan Glorious-Fly Exit&Entry Service Co., Ltd	Zhou Wei (99%) Qiao Feiming (1%)
12	Hong Kong	Glory Visa Consulting Company Limited	May Xu (100%)

Note that TT Services is a fully owned entity of VFS Global Investments AG, Zurich/Switzerland. TT Services does not operate in China. It operates Canada VACs in the Americas.

Number of CCP members employed by VFS Global or its subsidiaries or contractors.

a) Number of CCP members from each of the individual subsidiaries and subcontractors of VFS Global

b) particularly the breakdown for the VAC in Beijing, including Beijing Shuangxion

Chinese law provides workers with equal employment opportunities and equitable conditions of employment to avoid discriminatory employment practices. Under the law, the employees are under no obligation to share their political affiliations with their employers. Accordingly, it is not feasible for an employer to obtain information regarding political affiliations of their employees, while respecting their privacy rights.

As the committee will know from its study, the Chinese Communist Party (CCP) is the sole governing party of the People's Republic of China and had more than 90 million members in 2019. CCP grassroots organizations are common in China and have been established in nearly all state-owned and private enterprises. It would therefore not be surprising, as would be the case with any company

operating in China, if CCP members were among VFS Global's employees or the staff of our FMCs in China.

All of our employees, regardless of their political party membership or affiliation, are subject to the same rigorous security screening, background checks and protocols that apply to our operations around the world. In accordance with the requirements of the Canadian government, we conduct deep identity, credit, criminal, residency, education and employment checks on all of our employees before they are hired.

We also ensure the following robust physical security and data protection measures at our VACs, which apply to all employees and visa applicants, comprising Chinese and any third country nationals.

- a. Screening of all staff and applicants at the VAC entrance: Screening is performed by IRCC-cleared personnel at the entrance. This applies to visa applicants as they enter the VAC; and staff are screened when entering and exiting the VAC, to ensure the staff do not possess any personally identifiable information (PII) data or office assets.
- b. No-mobile policy and implementation: Use of mobile phones inside the Canada VAC is not permitted. Applicants are requested to switch off their mobiles before entering the premises. Canada VAC staff hand over their mobile devices to the VAC Managers upon entering the VAC and retrieve them when leaving for the day. Staff mobiles are kept in a centralized controlled area with live monitoring by VAC managers.
- c. CCTV monitoring: CCTV cameras are installed in the Canada VACs and the digital video recorder (DVR) is kept in a secured area. The access to CCTV is only provided to IRCC-cleared VAC Managers for monitoring. The DVRs are password protected.
- d. Hardening of devices and monitoring of e-mail traffic: Desktops installed at the Canada VACs do not permit the copying or downloading of any data. USB access is disabled in all desktops installed at the Canada VACs to prevent copying of any data to an external media drive. All VAC staff access their machines through a unique user ID and password and e-mail access is restricted to those roles requiring its use. E-mail traffic is monitored by the information security team.
- e. Data Management: We do not store any personal data related to a visa application. Data is purged from our systems within 30 days of a case being closed, in accordance with IRCC regulations. All data servers transferring China Visa applications to IRCC are located in Canada. We operate no servers for IRCC in China, and IRCC also conducts unannounced audits to review the integrity of our systems.

All these measures are managed and controlled by VFS Global. FMC management, owners or investors have absolutely no access to any data at these visa application centres and no IT infrastructure access. They cannot influence the visa application process set by client governments. Notwithstanding any potential CCP related structure or hierarchy in an FMC, party membership has no influence on the integrity of the visa application process, nor on how a VAC is operated. This process is defined only by VFS Global in full compliance with the regulations of the Canadian government.

Given all the security safeguards we deploy, there is no basis for the concerns expressed that visa applicant information collected at VFS-operated VACs is somehow communicated to the CCP, the government of the PRC or any other unauthorized third parties.

Finally, we underscore that Canada Visa Application Centres do not receive applications from Canadian nationals or process data belonging to them.

Does VFS or its subcontractors use any Huawei hardware/equipment in its facilities for the Canadian government in China?

We do not procure or use Huawei branded hardware equipment for the visa application submission process in any of our Canada VACs in China. In some Canada VACs the Internet Service Providers (ISP) have installed Huawei routers as part of their connectivity setup. This raises no cybersecurity concerns. The routers, regardless of brand or configuration, cannot provide a “back door” to the data or other unauthorized access. All data is fully encrypted in real-time at the point of entry and only transferred via a 256-bit encrypted VPN tunnel managed by VFS Global and this mitigates cybersecurity concerns with respect to Huawei routers. VFS Global does not have any servers in China where applicant data is stored. Applicant data is transmitted fully encrypted to servers in Canada immediately after the entry. Only IRCC authorized personnel, have access to the fully encrypted visa application data and biometric data is accessible to Canadian government officials only.

We have deployed security tools and technologies on systems in visa application centres to ensure the security of our infrastructure and access controls. Security systems and policies are governed and controlled by VFS Global and undergo regular audits by the client government. Our global IT Infrastructure is monitored comprehensively by a specialist Security Operations Centre based in the UK which has the capability to detect and alert any cyber-attack directed towards our systems. In all our years operating in China, we have not had any cybersecurity incidents for any of our client governments.

