

NEWS RELEASE

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For Immediate Release

Investment Industry Responds to Federal Budget: IIAC

*Another step that strengthens public finances and
the competitive position of the Canadian economy*

OTTAWA, March 21, 2013 – The latest federal budget builds incrementally on measures introduced in the past seven budgets, with spending initiatives, and other measures, to improve the competitiveness and efficiency of the tax system, strengthen the integrity of capital markets and soundness of the financial system, and obtain better access to global markets.

First and foremost, public finances remain firmly under control, with this year’s budget deficit of \$25.9 billion moving to balance within three years, and public debt as a share of GDP falling below 30% in four years. “Strong finances and competitive tax rates have been achieved over a period of difficult economic conditions at home and abroad. Canada is well positioned to further strengthen its competitive position, and improve the welfare of all Canadians, as the global recovery gathers momentum,” said Ian Russell, President and CEO of the Investment Industry Association of Canada (IIAC).

The federal government underscored its strong support for a national securities regulator to strengthen the regulatory framework of the Canadian capital markets. The government will extend the mandate of the Canadian Securities Transition Office, and is committed to introducing legislation to carry out its regulatory responsibilities, if timely agreement with the provinces on the common regulator cannot be reached. “We are pleased the government has taken this decisive action. In an era of global regulatory reform, our country needs a strong national voice to ensure the interests of Canadian market participants are properly heard,” said Russell.

Steps have been taken in the budget to assist small business access risk capital and expertise, including \$400 million already earmarked for the Venture Capital Action Plan, an increase to the Lifetime Capital Gains exemption for small business, intended changes to the Immigrant Investor Program, and a phase-out of the federal tax credit for Labour Sponsored Venture Capital Corporations. The IIAC is disappointed, however, not to see a more broadly based incentive for small business capital-raising.

The IIAC – Representing Canada’s Investment Professionals

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry’s position on securities regulation, public policy and industry issues on behalf of our 172 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets.

Investment Industry Fast Facts

Canada’s investment industry employs **39,870 people** across Canada.

In 2012, Canada’s investment industry raised **\$32 billion** in equity capital to finance corporations and, in turn, deliver more products and services to Canadians.

Canada’s investment industry helped **609 companies** become public in the last three years, raising **\$15 billion**.

Canada’s investment industry manages **\$272 billion** in RRSP investments for more than **6 million Canadians** preparing for retirement.

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