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Quebec's Investment Industry Responds to 2014 Provincial Budget

*IIAC commends focus on sound fiscal policy and deficit reduction;
disappointed IPO market shortcomings weren't addressed*

Quebec City, June 4, 2014 – In its response to the 2014 Quebec budget, the Investment Industry Association of Canada (IIAC) said the fiscal management measures announced today will be welcomed by the province's investment industry.

According to Richard Morin, IIAC Managing Director, of particular interest to the association's investment dealer firms is the news that the government is committed to eliminating the budget deficit in the 2015-2016 fiscal year. Once that objective is achieved, priority should be given to paying down the province's debt and reducing the tax burden on households and companies, thereby setting the stage for renewed economic growth in the near future.

"We recognize that this is a 'transitional' budget and expect structural reforms to be announced as a result of the formation of the Quebec Taxation Review Committee and the Ongoing Program Review Committee," Morin said. "Those structural reforms should be aimed at reducing the role of government in the economy and fostering an environment where the private sector can fully play its role and create jobs and wealth for all Quebecers."

"There is no question that elimination of the province's \$3.1 billion budget deficit is the critical next step in helping Quebec regain its economic vitality and prosperity. It is a long time coming and the IIAC hopes the government will be steadfast in its efforts to live within its means."

Despite this, the IIAC was disappointed to see that the budget did not include the [IIAC's recommendation](#) to revitalize Quebec's struggling IPO market through a statement of principles. The IIAC will continue to work with private sector stakeholders on reviving the IPO market and hopes the work of the Quebec Taxation Review Committee will provide an opportunity for a debate on the impact of taxes on the sources of equity capital for Quebec businesses.

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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 160 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms – which employ approximately 10,000 people in Quebec – 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.

For more information, please visit www.iiac.ca.

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For media inquiries, please contact:

Michael Gotzamanis
Manager of Communications
The Investment Industry Association of Canada (IIAC)
416.687.5475 – office direct
416.320.6920 – mobile
mgotzamanis@iiac.ca