



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

News Release

For immediate release

BC positioned to attract investment and jobs -- keeping a firm hold on finances

Victoria, March 2, 2010 - The British Columbia Government released the Budget and Fiscal Plan for the next two fiscal years. The Investment Industry Association of Canada (IIAC) has reviewed the measures released and has the following comments:

1. Domestic and foreign investors will applaud the measures in the Fiscal Plan. The BC Government re-affirmed the priority for budget balance within the next three years. The Government will keep spending to an annual average rate of 2.3% and achieve planned personal and corporate tax rate reductions. The modest rise in the public debt burden will not impair the province's credit rating.
2. The province will reduce the corporate tax rate to 10% and eliminate the small business corporate rate by 2011. As well, eligible businesses under the IFA program have been expanded. Ian Russell, President and CEO, IIAC commented, "With the lower corporate tax rate and implementation of the HST, BC will have one of the most attractive business tax regimes in Canada, laying the foundation for future investment and growth. The expansion of the IFA program will be a catalyst to attract offshore business."
3. The Association supports the harmonization of sales tax. Mr. Russell stated "We believe a strong case can be made for HST relief for financial services. The increased sales tax will impose a direct cost on consumers, increasing the difficulty to save for retirement."
4. The Fiscal Plan has focused on stimulating mining investment. The decision to extend the flow-through share tax credit to 2013 recognizes the important contribution the mining industry makes to the BC economy.
5. The province supports a Canadian securities regulator for domestic capital markets. The IIAC commends BC for taking a leadership role in building an efficient single securities regulator, with a decentralized structure responsive to the regulatory needs of vibrant regional capital markets.

The Investment Industry Association of Canada (IIAC) advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

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