



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

## News Release

For immediate release

### **Tax and regulatory reform are needed to increase Canada's competitiveness, says the Investment Industry Association of Canada**

**Vancouver, April 30, 2008** – “The cost of capital in Canada is simply too high” said Ian Russell, President and CEO, Investment Industry Association of Canada (IIAC) to the Vancouver Board of Trade today. Mr. Russell continued, “Access to cost-effective capital depends on efficient capital markets, innovative financing vehicles and low barriers of entry to domestic and foreign markets.”

In his [remarks](#), Mr. Russell argued that the key to ensure Canada's competitiveness in the global marketplace is to increase the access to cost-effective capital. To accomplish this, the IIAC recommended revising Canadian tax and regulatory policies.

Mr. Russell commended the British Columbia government on their elimination of capital tax on financial institutions and legislation amendments to widen the range of eligible financial activities through the International Financial Centre. But, clarified that this is only a start, current tax policy, specifically for small and medium-sized enterprises (SMEs), needs to be reformed to increase the growth of SMEs in Canada. He also indicated that the overlap and duplication of the Canadian regulatory system cost Canadian companies the ability to raise capital. He recognized the work done by the Canadian Securities Administrators (CSA) which includes the Passport System and Registration Reform, but highlighted the recent decision by the U.S. Securities and Exchanges Commission (SEC) to begin formal discussion with Australia regarding mutual regulatory recognition, as need for regulator reform to allow for better access to global financial markets.

“Now, we must compete and prosper on our ability to deploy capital to do new things, and do the same things better than the rest of the world. That demands investment. It demands a tax system and a regulatory system that encourage investment,” concluded Mr. Russell.

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For a full copy of Ian Russell's speech, visit [www.iiac.ca](http://www.iiac.ca).

The Investment Industry Association of Canada (IIAC), formerly the industry association arm of the Investment Dealers Association of Canada (IDA), 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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