



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

**Press Release
For Immediate Release**

IIAC Says Federal Budget Creates Solid Foundation for Sustained Growth and Prosperity

Toronto, March 29, 2012 – The Investment Industry Association of Canada (IIAC) supports the long-term vision in the federal budget to strengthen growth prospects in the country and underpin the sustainability and effectiveness of Canada’s social programs.

“We have not had a strong recovery since the 2008 financial crisis, and only modest growth is expected over the next few years. However, the budget has addressed the need to encourage sustained private sector growth and job creation in the country, and put health, education and social programs on a sound footing,” said Ian Russell, IIAC President and CEO. “In that regard, this budget is different from those of the past.”

The budget has introduced structural measures to promote investment spending in the country. These include a streamlined review process to begin major projects quickly with appropriate environmental consideration, and a faster, more flexible immigration program to address skilled work shortages. These measures complement Canada’s competitive federal corporate tax rates, now among the lowest in the G-20 countries. As a result of these initiatives, Canada will be even more attractive to foreign capital.

The Association agrees with the observation that small and mid-sized businesses continue to have difficulty raising equity capital for start-up and expansion. “IIAC encourages the government to direct the planned \$400 million to help increase private-sector risk investments to a market-driven tax incentive to attract investors and benefit businesses,” said Russell. “We look forward to participating in consultations.”

The Association is pleased the federal government has re-affirmed its commitment to a national securities regulator, by continuing dialogue with the provinces to seek consensus and move forward.

The federal fiscal plan moves steadily into budget surplus over the next four years. The debt burden (public debt-to-GDP ratio) falls within this period to 28.5% in 2016-17, consistent with the pre-recession target and lowest among G7 countries. “The key to sustained effective social programs is healthy public finances,” said Russell.

Demographic changes and sustainability argue for measured and careful adjustments to Old Age Security (OAS) and, as well, fairness dictates the proposed overhaul of public sector pensions. For these reasons, the Association is disappointed the government has not extended the designated conversion age for RRSPs to RRIFs, nor increased flexibility of these retirement programs.

The Investment Industry Association of Canada (IIAC) is a member-based professional association that advances the growth and development of the Canadian investment industry, acting as a strong, proactive voice to represent the interests of our members and the investing public. The following four areas of focus provide clear and purposeful direction for our actions and initiatives: market advancement, advocacy, profile and reputation, and member support. For more information, please visit www.iiac.ca.

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