

## NEWS RELEASE

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*For Immediate Release*

### **IIAC Appears Before House of Commons Standing Committee on Finance**

*Warns committee any delay in passing Bill C-31  
will have “serious consequences” for FATCA*

**Tuesday, May 13, 2014 (Toronto)** – Ian Russell, President and CEO of the Investment Industry Association of Canada (IIAC), today urged members of the House of Commons Standing Committee on Finance to recommend approval of Bill C-31 at the earliest opportunity, which is necessary to implement the provisions of the United States Foreign Account Tax Compliance Act (FATCA) in Canada.

Russell appeared before the Committee via videoconference to warn members that “failure to comply with U.S. FATCA legislation would have serious consequences for Canadian financial institutions and their clients, including punitive U.S. withholding taxes and possible closure of Canadian financial accounts.”

On behalf of its 160 member firms, the IIAC has been a leader in coordinating with other financial sector institutions and associations, and engaging in extensive consultations with the U.S. Treasury and Internal Revenue Service – as well as Canadian authorities – to develop an acceptable framework that builds on the existing Canadian-U.S. information-sharing tax protocol, including:

- Exemptions from the reporting obligations for registered accounts that are low risk of tax evasion (such as RRSPs, RRIFs, TFSAs, RESPs and RDSPs);
- Phased-in reporting rules; and
- An over-arching inter-governmental arrangement.

“We believe this package of legislation embeds the best possible tax-reporting framework for Canadian investors and their investment dealers, and should be passed expeditiously,” Russell told the Committee.

“Simply put, deferral of the Canadian legislative package this close to the July 1, 2014 implementation deadline would place a more costly and difficult compliance burden on Canada’s investment industry and expose Canadian financial institutions and investors to penalties and sanctions that would severely impede access to the U.S. marketplace,” he said.

#### **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 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](http://www.iiac.ca).

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