

FEI Canada supports actions to balance the budget and bridge skills gap

Financial executives disappointed with lack of action on tax simplification

Ottawa, March 21, 2013 – FEI Canada, the organization representing Canada’s CFOs and senior financial executives, is pleased with the government’s commitment towards balancing the budget by 2015-16 through spending management without raising taxes.

“FEI Canada believes that sound fiscal management is mandatory if Canada wants to avoid a European-style crisis and maintain its social programs in their present state as the population ages,” said Michael Conway, Chief Executive and National President of Financial Executives International Canada.

“FEI Canada is, however, disappointed that the government has not yet announced the intention to undertake a comprehensive review of the tax system, as was recommended by the Finance Committee of the House of Commons in its latest report to the Minister of Finance,” Mr. Conway said. “FEI Canada is prepared to participate in this process.”

The current tax system has become too administratively burdensome and costly for most Canadian corporations. The review of the tax system should eliminate and consolidate tax provisions that relate to redundant government policies as well as improve the tax system by introducing a mandatory tax dispute settlement process at the audit level. Consolidated tax reporting could be introduced at a later date, when it is feasible.

On the issue of the government’s plan to close tax loopholes, FEI Canada agrees these loopholes should be closed, but notes that such loopholes are often an unintended result of the drafting of overly complex tax provisions.”

As FEI Canada supports job creation, the organization was encouraged by several measures announced, such as the Canada Job Grant, which directly linked focused skills training to employ Canadians and fill current vacancies where there are skill gaps. It is hoped that the funding mechanism, which is proposed to be in conjunction with the provinces and employers, will promote close cooperation between the three to achieve the desired end result.

To meet labour force needs and boost competitiveness, interprovincial barriers that prevent easy access to available jobs and the movement of goods should be removed. “To be



successful in the global economy, we need to put inter-provincial barriers behind us,” Mr. Conway said. “It is encouraging that the budget measures suggest the government will work with the provinces to harmonize requirements for, and encourage mobility of, apprentices in skilled trades. This should eliminate interprovincial barriers that inhibit Canadians throughout the country with the required skills from filling these jobs.”

To create new jobs, Canadians should be supported in their innovation and product development initiatives. FEI Canada continues to encourage the government to review innovation funding for the commercialization of products and support the access to public capital to fund innovation without the reduction of innovation tax incentives.

In addition, FEI Canada encourages the government to help Canadians plan for their retirement years. FEI Canada and Canadians expect the government to develop a national framework on the matter of adequate retirement income for Canadians, and to come up with innovative and cost effective solutions to this national issue.

About Financial Executives International Canada (FEI Canada)

FEI Canada is the all industry professional membership association for senior financial executives. With eleven chapters across Canada and 1,800 members, FEI Canada provides professional development, thought leadership, and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors, and senior executives in the Finance, Controller, Treasury, and Taxation functions, represents a significant number of Canada's leading and most influential corporations. For further information, please visit www.feicanada.org.

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