

NEWS RELEASE

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For Immediate Release

Investment Industry Association of Canada Responds to Ontario Budget

Toronto, May 3, 2013 – The Investment Industry Association of Canada (IIAC), on behalf of its 125 Ontario investment dealer member firms, is supportive of the Ontario government’s commitment to deficit elimination and debt reduction outlined in its 2013-14 budget, released yesterday. Finance Minister Charles Sousa announced a \$5 billion improvement on the projected 2012 deficit, and promised to eradicate the deficit by 2017-2018.

Ian Russell, IIAC President and CEO, says credit rating agencies will likely welcome the additional \$7 billion projected reduction in net Ontario government debt by March 31, 2013 as compared to the 2012 forecast. He said: “The government’s commitment to deficit reduction has been demonstrated by consistently meeting and bettering its budget targets.” However, Russell cautioned that, “until the province’s deficit-to-GDP ratio declines, Ontarians’ tax dollars will go toward paying interest rather than making additional investments in the province’s future.”

For the investment industry, Russell supports the Ontario government’s renewed commitment to a common securities regulator that would foster vibrant capital markets delivering strong economic growth, access to capital and protection for investors.

However, many investment dealer members are experiencing declining income due in part to rising regulatory costs, particularly affecting smaller firms. According to Russell, “regulation must be both effective and cost-efficient because financial challenges faced by many in the industry aren’t just a threat to their survival. They also threaten small and mid-cap issuers, present a risk to competitive, liquid markets for efficient securities trading, and leave Ontarians with fewer investment options.”

The IIAC also would like to see the Ontario government do more to help people prepare for retirement. “We hope Ontario will press the federal government to eliminate taxation of employer and employee contributions to group registered retirement savings plans (RRSPs). Lower-income employees and firms employing them – often small businesses – should not have to pay tax on Canada Pension Plan and Employment Insurance contributions to RRSPs when pension plan members and the businesses they work for are exempt from such withholding taxes,” Russell concluded. “We encourage the Ontario government to leave more money in the hands of Ontarians and Ontario businesses to generate jobs and investment opportunities.”

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 168 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.

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