



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA

By fax to (613) 996-0830

**JOANNE DE LAURENTIIS
PRESIDENT AND CEO**

January 22, 2009

Mr. Rob Wright
Deputy Minister of Finance
Department of Finance Canada
Consultations and Communications Branch
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Dear Mr. Wright:

Re: Investment Funds Industry a Part of Canada's Capital Markets Advantage

I am writing on behalf of The Investment Funds Institute of Canada (IFIC) regarding recent advertisements for the new tax-free savings accounts (TFSA's). The ads led with references to banks and credit unions as TFSA suppliers, but did not refer to the fund industry's and advisors' role in Canada's financial services industry.

IFIC staff have worked actively with Finance and later Canada Revenue Agency staff for the past year to resolve details relating to the delivery of TFSA's and ensure a successful launch. We believe that mutual funds will become one of the investments of choice for TFSA-holders, despite the effects of the international financial crisis. With investment funds allowing investors to save as little as \$50 a month, to diversify and to select options tailored to their return and risk profiles, mutual funds continue to meet widely varying investor profiles, needs and preferences at different stages in investors' lives.

While the advertisements correctly state that TFSA's can be obtained from banks, credit unions and other financial service providers, investors seeking to decide on whether to invest in a TFSA could benefit from discussion of the tax implications of TFSA's as compared to registered retirement savings plans (RRSPs). This advice component may come best from financial advisors with training credentials, such as those who work in Canada's investment funds industry.

We recognize that the television advertisements were not intentionally undervaluing the fund industry, and it is our understanding that the ad campaign will come to an end shortly. Should the ads be continued or re-used in print or other media, we request that the ads use wording along the lines of "speak with your financial advisor ...".

In addition, to broaden knowledge of Canadian investment funds consistent with the Finance Minister's commitment to Canada's capital markets advantage and his wish to promote financial literacy, we would appreciate the opportunity to work with the Department of Finance to update the Finance webpage pertaining to our industry.

We look forward to speaking with you on this second issue after the budget and budget follow-up period. In the meantime, please contact Barb Amsden (416 309-2323; bamsden@ific.ca) if you would like to discuss the website update further.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



Cc: Kevin Wright

