



THE INVESTMENT FUNDS INSTITUTE OF CANADA  
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA  
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**BY EMAIL: [Hamilton.bob@fin.gc.ca](mailto:Hamilton.bob@fin.gc.ca) & MAIL**

April 24, 2008

Mr. Robert Hamilton  
Senior Assistant Deputy Minister, Tax Policy Branch  
Department of Finance  
140 O'Connor Street  
Ottawa, ON K1A 0G5

Dear Mr. Hamilton:

**RE: Tax-Free Savings Accounts (“TFSA”)**

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The Investment Funds Industry of Canada (“IFIC”) would like to advise you of our support for the introduction of the TFSA program.

IFIC is the national association of the Canadian investment funds industry. IFIC’s membership includes mutual fund managers representing nearly 100% of the \$600 billion in mutual fund assets under management in Canada, retail distributors of investment funds and affiliates from the legal, accounting and other professions.

We do, however, recognize that further clarification on certain reporting and filing issues is required, as well as certain amendments to the proposed TFSA draft legislation contained in Bill C-50, before IFIC members will be able to offer this product in a timely manner.

To this end, please find attached recent submissions made by both the Canadian Bankers Association and the Investment Industry Association of Canada regarding TFSA’s. IFIC endorses the comments and recommendations contained in each of such submissions.

The matters of most concern to IFIC members are as follows:

1. More detailed specifications on registration and reporting requirements are required no later than June of 2008 in order for TFSA’s to be offered to the public in January of 2009. In addition, the Industry supports reporting on an annual basis to CRA, and does not feel that TFSA Holders will require any reporting in addition to statements that they will be receiving from the TFSA Issuer.
2. Can CRA provide any information on the processing of specimen plan approval requests in order for TFSA’s to be available in January of 2009?
3. Please clarify that any fees will be treated in the same manner as fees charged in respect of RRSPs and RRIFs. That is, such fees may be paid either inside the TFSA or by the Holder, and will constitute neither a withdrawal nor a contribution.

Mr. Robert Hamilton, Senior Assistant Deputy Minister, Tax Policy Branch  
*RE: Tax-Free Savings Accounts ("TFSA's")*  
April 29, 2008

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4. We recommend that an exempt period on death of the Holder be incorporated into the draft legislation. As proposed subsection 207.01(2) contains the concept of a rollover period during which amounts may be transferred to the TFSA of the spouse of a deceased Holder without being considered to be a contribution, we propose that this same period can be used as an exempt period after death of the Holder prior to the TFSA becoming taxable.
5. We recommend that the Department of Finance liaise with provincial governments to ensure that provincial succession laws permit the designation of beneficiaries of TFSA's.
6. Please provide clarification on the effect of proposed subsection 207.01(3).

We look forward to meeting with you to discuss these issues in further detail.

Yours truly,

**THE INVESTMENT FUNDS INSTITUTE OF CANADA**

By: Joanne De Laurentiis  
President & Chief Executive Officer

Cc Valarie Atkinson, Canadian Bankers Association  
Barbara Amsden, Investment Industry Association of Canada

Maureen Tapp  
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