



CANADIAN ASSOCIATION
OF INCOME FUNDS

L'ASSOCIATION CANADIENNE
DES FONDS DE REVENU

For Immediate Release:

Canadian Association of Income Funds (CAIF) responds to Department of Finance Guidelines

Toronto, December 17 – Today, the Canadian Association of Income Funds (CAIF) expressed their disappointment at the piecemeal approach of the guidelines released by the Department of Finance late Friday night. The guidance provided regarding normal growth is welcome but in no way mitigates the long-term damage to the income trust sector, to individual investors, and to the Canadian economy.

“We are deeply disappointed that the Government has chosen, at the very least, not to extend the transition period,” said George Kesteven, President, CAIF. “The government’s decision to impose a tax on income trusts has caused significant hardship, particularly to the small and medium sized income trusts that rely on this structure for access to capital.”

Kesteven further states, “Income trusts are a vital part of Canadian capital markets against the backdrop of an increasingly competitive global capital market. The Government’s punitive approach to the income trust sector has unnecessarily increased the cost of capital for these businesses that represent 10% of the TSX/S&P Index.”

CAIF has been actively lobbying the government since Minister Flaherty’s surprise announcement on October 31, and has repeatedly called for ongoing consultation, as well as a grandfathering across the board for all existing income trusts prior to October 31.

-30-

Contact:

Brenda Paul-Ishikawa
Director, Communications
Canadian Association of Income Funds
416-469-0188 (direct)
416-420-4538 (mobile)
communications@caif.ca