



Society of Trust and Estate Practitioners

To: Senate Committee on Banking, Trade and Commerce

Re: Bill C-10, Non-resident Trusts (NRT) and Foreign Investment Entities (FIE)

Date: January 25, 2008

Further to our submission on December 12, 2007, the Society of Trust and Estate Practitioners (Canada) would like to offer two possible solutions for dealing with these controversial proposals.

As we emphasized during our appearance before the Committee, we feel the tax policy underlying these proposals requires further, independent review. We urge you to refer the NRT/FIE provisions to the independent committee reviewing Canada's international tax rules.

This referral could be accomplished in either of two ways.

First, your Committee could seek comfort from the Minister of Finance that the effective date of the NRT/FIE provisions of Bill C-10 will be deferred until they have been reviewed by the independent committee. Since the Governor General in Council must proclaim the legislation in force, it could defer proclamation of these particular provisions, while proclaiming the balance of the legislation into effect.

Alternatively, your Committee could excise the NRT/FIE provisions from Bill C-10 and pass the balance of the Bill. As the Committee requested during our appearance, we have conveyed the provisions that we feel should be removed to the Committee's Clerk.

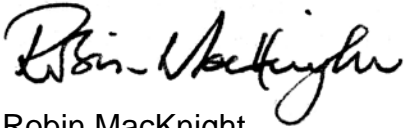
We understand that such action would require the Bill to be re-introduced in the House of Commons, and appreciate that such action would further delay the implementation of a number of other tax changes that have been outstanding for some time.

However, STEP Canada remains committed to working with the Department of Finance to resolve the many outstanding issues, and to develop a set of workable rules that will improve the tax system for the benefit of all Canadians.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stewart Lewis". The signature is fluid and cursive, with a large initial "S" and "L".

Stewart Lewis
CEO, STEP Canada

A handwritten signature in black ink, appearing to read "Robin MacKnight". The signature is fluid and cursive, with a large initial "R" and "M".

Robin MacKnight
Chair, Technical Committee, STEP Canada