

THE STANDING SENATE COMMITTEE ON BANKING, TRADE AND
COMMERCE

EVIDENCE

OTTAWA, Wednesday, January 30, 2008

The Standing Senate Committee on Banking, Trade and Commerce, to which was referred Bill C-10, An Act to amend the Income Tax Act, including amendments in relation to foreign investment entities and non-resident trusts, and to provide for the bilingual expression of the provisions of that act, met this day at 4 p.m. to give clause-by-clause consideration to the bill.

Senator W. David Angus (*Chair*) in the chair.

The Chair: I call the meeting to order. We are here to consider Bill C-10, an act to amend the Income Tax Act, including amendments in relation to foreign investment entities and non-resident trusts, and to provide for the bilingual expression of the provisions of that act. This is the bill, this huge tome that we started considering on December 12, 2007, and continued on December 13.

I want to remind everyone that at the end of our hearing on December 13, we heard fairly troublesome evidence from witnesses in the area of pensions in particular and various investment vehicles and the potential consequences or unintended consequences this bill could have. There were discussions.

I then stated on the record that an agreement had been reached whereby some of the witnesses and the people they represented, officials from the Department of Finance and representatives of the minister's office, with input from myself and other members of this committee, efforts would be made during the period commencing on December 13 until today to try to find a solution. In anticipation that a solution would be found, we had scheduled a meeting today for the officials and the ministerial representatives to appear and to tell us what the solution was or was not, and then we anticipated doing clause-by-clause consideration.

I inform you that these meetings will continue. I am very encouraged by what I see and the progress that has been made, but it is still a work in progress because there are many implications involved.

I am suggesting that we cancel and advise the officials to continue working with the minister and not appear today. We will adjourn this meeting now on the clear understanding that I have consulted with the minister himself and the people in his office that within a very short delay, they will advise us. I said we will be flexible. We will schedule them in on the very first day they are ready to proceed.

Our program is full. As you know, we have witnesses scheduled at all our hearing times from now until the end of the month for Bill-C12. Those witnesses can be flexible. I am hopeful that we might be in a situation where we have a day of hearing, we then adjourn and then complete clause-by-clause consideration and report the bill back in a one-day or one-session hearing. Is everyone comfortable with that?

Senator Massicotte: I have a question. Before we have the hearing and the witnesses, I presume the witnesses will also be aware of the recommended solutions so they can comment on what are being proposed as solutions for the obvious problems?

The Chair: I believe it is fair to say that some of the interested parties are participating in the process. When the process of trying to find a solution is complete, I am assuming they will know.

That is not to say that everyone who has a problem with the bill will be satisfied. As you will see in a moment when we go in camera, we have identified a lot of issues that have been raised.

Senator Massicotte: Will we have the right to ask those experts what they think of the proposed solutions?

The Chair: Yes. If everyone is okay with that, I propose we adjourn the formal part of this meeting and go in camera. We have a lot of documents for you all. Thank you very much.

The committee continued *in camera*.