
NEWS RELEASE

For Immediate Release
2010FIN0023-000557
May 11, 2010

Ministry of Finance

B.C. EXPANDS INTERNATIONAL FINANCIAL ACTIVITY PROGRAM

VICTORIA – Building on the throne speech commitment to position B.C. as a leading centre for international commerce, the Province intends to expand the International Financial Activity (IFA) program within the banking industry, Finance Minister Colin Hansen announced today.

The Province intends to introduce legislation to allow Schedule III banks to access the IFA program. Schedule III banks are branches of foreign banks operating in Canada. The government plans to have this change in effect for April 2011.

“This proposed addition to the IFA program will encourage foreign banks to strongly consider British Columbia as a destination both for their branch operations and regional headquarters,” said Hansen. “It will also create a level playing field for all banks under the IFA program.”

Today’s announcement builds on legislation recently introduced to further enhance the IFA program and support B.C.’s expansion in the growing clean technology, green economy and digital media sectors. This legislation expands the types of eligible specialists and allows new types of international businesses to qualify under the program: digital media publishing and distribution, certification and trading of carbon credits, and clean technology.

To better reflect the expansion of the program beyond financial businesses, the program is being renamed the International Business Activity program. B.C. and Quebec both offer incentives to encourage international financial activities.

“Continuing to expand the IFA program will give B.C. more competitive advantages over other jurisdictions,” said Iain Black, Minister of Small Business, Technology and Economic Development. “We are committed to attracting more investment to B.C., creating jobs and strengthening our position in the global economy. As Canada’s Pacific Gateway, having more banks from the Asia-Pacific region in B.C. will help attract new business from overseas.”

The IFA program was established in 1988 to draw international financial activity to B.C. In 2004, the program was expanded to include additional international financial activities and expand eligibility for tax refunds under the program. Qualifying activities include lending, treasury functions, factoring trade account receivables, distributing film and television rights, leasing property, certain insurance and foreign exchange activities, backup office, administrative support services and commercialization of life science and green-related patents.

These changes were recommended by the Vancouver International Financial Sector Steering Committee to enhance Vancouver as a top-tier International Financial Centre and as a key link in the financial marketplace for emergent trade between Asia and North America. More information about the steering committee report is available at:

www2.news.gov.bc.ca/news_releases_2009-2013/2010FIN0009-000188.htm.

For more information about B.C.'s IFA program, visit:

www.sbr.gov.bc.ca/business/Income_Taxes/International_Financial_Activity/ifa.htm

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