



THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA

151 YONGE ST., 5TH FLOOR, TORONTO, ONTARIO, M5C 2W7 TEL 416 363-2158 FAX 416 861-9937

BY FACSIMILE: 1-613-992-4450

May 7, 2002

Mr. Brian Ernewein
Tax Legislation Division
Department of Finance
17th Floor East
L'Esplanade Laurier
140 O'Connor Street
Ottawa, ON K1A 0G5

Dear Mr. Ernewein:

Re: Affiliated Persons – Trusts – Suspended Loss Rules

I enclose, for your information, a copy of my letter of even date to Mr. Rick Biscaro of the CCRA relating to the position taken by the CCRA that two trusts with the same trustee are considered to be affiliated. This position has numerous inappropriate consequences for our industry, some of which are described in our letter. We also believe that there is no requirement that the CCRA take this position nor do we believe that it corresponds with the intention of your department. We will follow up with you in due course when we receive a response from the CCRA.

Yours truly,

“ORIGINAL SIGNED BY JOHN MOUNTAIN”

John Mountain
Vice President
Regulation