



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

January 26, 2001

VIA FACSIMILE

(613) 992-4450

Mr. Gerard Lalonde

- and -

Mr. Patrick Boyle
Tax Legislation Division
Department of Finance
17th Floor East
L'Esplanade Laurier
Ottawa, Ontario
K1A 0G5

Dear Messrs. Lalonde and Boyle:

**Re: Bill C-43 and Draft Legislation to Amend the Income Tax Act (Canada)
Released on December 21, 2000**

Nigel Johnston of Fasken Martineau DuMoulin LLP has provided us with a copy of his submission to you dated January 3, 2001 relating to the above-noted matter.

We confirm that The Investment Funds Institute of Canada supports a further amendment to the proposed amendments to the Income Tax Act (Canada) (the "ITA") in order to allow a mutual fund trust to elect that the reduction in proceeds of disposition on an *in specie* redemption of units of a trust contemplated by paragraph 107(2.1)(c) of the ITA, as the same would be amended by Bill C-43, not apply.

Please contact me at 416-363-2150 ext. 271, or by e-mail at jmountain@ific.ca, if you require any additional information.

Yours truly,

"ORIGINAL SIGNED BY J. MOUNTAIN"

John Mountain
Vice President, Regulation