



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

February 12, 2016

The Honourable Bill Morneau
Minister of Finance
Department of Finance
90 Elgin Street
Ottawa, Ontario
K1A 0G5
Via email: bill.morneau@canada.ca

Dear Minister Morneau:

Re: Pension Investment Amendment on 30% Rule

The purpose of this letter is to inquire about the status of the review of pension investment guidelines relating to quantitative limits. As you know, other pension jurisdictions in Canada refer to the Federal pension regulations on investment guidelines, so it is important for the Federal government to take a leadership role in such a review.

PIAC has been the national voice for Canadian private and public pension funds since 1977 in matters related to pension investment and governance. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1.5 trillion in assets on behalf of millions of Canadians. PIAC's mission is to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries.

It has long been PIAC's position that quantitative limits are unnecessary and have unintended negative consequences. We would be happy to share past studies and submissions by PIAC on this issue.

One of the remaining quantitative limits in pension legislation is the "30 per cent rule" which prohibits federal pension funds from holding more than 30 percent of the voting shares of a company. The 2015 Federal budget indicated there would be a review of this rule with the intent to eliminate the 30 per cent limit. Further, the *2015 Ontario Economic Outlook and Fiscal Review* indicated that Ontario intends to eliminate the 30% Rule for pension funds regulated in that province.

We would appreciate receiving an update on when the Department of Finance intends to launch its review of the 30 per cent rule and would be pleased to offer our assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lisa Jankov", with a stylized flourish at the end.

Lisa Jankov
Chair