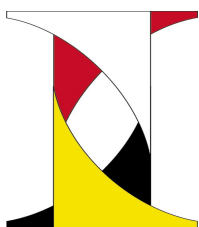




## **NEWS RELEASE**

### **FIRST NATIONS LEGISLATION AIMED AT ATTRACTING PRIVATE INVESTMENT TO PROMOTE ECONOMIC GROWTH IN FIRST NATION COMMUNITIES**



**OTTAWA, ONTARIO (November 2, 2004)** – First Nations have been leading an initiative that will provide a statutory base for four public institutions designed to assist First Nations in improving the investment climate and promoting economic growth in First Nation communities. In that regard, the *First Nations Fiscal and Statistical Management Act* (FSMA), was introduced in the House of Commons today by the Honourable Andy Scott, Minister of Indian Affairs and Northern Development. The decision to participate in the FSMA rests with each First Nation, as the legislation is optional.

C.T. (Manny) Jules, spokesperson of the First Nations Fiscal Institutions Initiative, called today's announcement "a critical step towards building the foundations for investment and economic growth in First Nation communities." Mr. Jules further added, "It is currently ten times harder to attract investment on First Nation lands. These institutions will begin to change that by promoting investor confidence, providing better information for investment decisions, and facilitating the development of local infrastructure through debenture financing."

Over the last ten years, First Nations have been leading an initiative to establish, through legislation, four institutions which will be operated by and for First Nations. The proposed institutions include a finance authority, a tax commission, a financial management board and a statistical institute. The tax commission and finance authority will build upon the established reputations and expertise of the existing Indian Taxation Advisory Board and First Nations Finance Authority (FNFA). The Union of Ontario Indians and the BC First Nations Summit sponsor the First Nations Statistical Institute and Financial Management Board respectively.

These institutions will provide participating First Nations with the access to capital markets available to other governments. They will further strengthen the First Nations real property tax system and provide greater representation for taxpayers. The institutions will also improve the reliability of First Nation financial and statistical information, and build financial and information management capacity. In sum these institutions will improve the First Nation investment climate.



Over 100 First Nations currently levy property tax on their lands, generating over \$44 million dollars a year in revenue. The FSMA will immediately offer these First Nations opportunities to strengthen their property tax systems and enable them to participate in debenture financing through the use of their property tax revenues. By pooling their tax revenue under the FNFA, First Nations will be able to leverage economies of scale into a better interest rate. Conceivably, there could even be a premium on First Nations-backed bonds, which could appeal to domestic and international investors wishing to make an ethical investment. Only participating First Nations whose financial management systems have been certified by the Financial Management Board will be able to access the FNFA debenture system.

“This legislation affords an opportunity for all the political parties to work together in an effort that makes sense to First Nations and is in the interest of all Canadians” said Mr. Jules.

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**For more information on the proposed institutions, please contact:**

First Nations Tax Commission - [www.fntc.ca](http://www.fntc.ca)

First Nations Finance Authority - [www.fnfa.ca](http://www.fnfa.ca)

First Nations Financial Management Board - [www.fnfmb.com](http://www.fnfmb.com)

First Nations Statistics - [www.firststats.ca](http://www.firststats.ca)