



Affidavit #1 of C. Hansen,  
made May 29, 2017

No. S-174164  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

THE NEW YORK TIMES COMPANY

PETITIONER

AND:

INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY  
dba ADVANTAGEBC INTERNATIONAL BUSINESS CENTRE

RESPONDENT

**AFFIDAVIT**

I, **COLIN HANSEN**, Businessman, of Suite 3093, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President and Chief Executive Officer of the Respondent, International Financial Centre British Columbia Society, doing business as AdvantageBC International Business Centre ("AdvantageBC"). As such, I have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information and belief and where so stated, I verily believe the same to be true.

2. AdvantageBC was established in 1986. It is a non-government non-profit society. Since its inception, AdvantageBC's mandate has been to encourage companies to locate international business activity in British Columbia. One of the ways that AdvantageBC carries out its mandate is by raising awareness about a tax rebate program called the International Business Activity program (the "IBA program") that is governed by the *International Business Activity Act*, [SBC] 2004 Chapter 49.

3. While AdvantageBC promotes the IBA program, the program is administered solely by the BC Ministry of Finance in accordance with the provisions of the IBAA.

4. The British Columbia Ministry of Finance does not provide AdvantageBC with confidential tax information of companies registered in the IBA program. It is my understanding that while refunds provided to all registrants are set out, globally, in the Province of British Columbia's annual budgets, specifics of taxpayer information is protected from disclosure by the Ministry of Finance. In fact, s. 58(2) of the IBAA prohibits the disclosure of claimant information absent specific circumstances. It is my understanding that this provision is consistent with the confidentiality with which taxpayer information is treated under Canadian tax law including, for example, s. 241 of the *Income Tax Act*.

5. Contrary to the Petitioner's assertions, the terms of the IBA program are transparent. The terms of the program are legislated as set out in the IBAA. The program is administered solely by the B.C. Ministry of Finance and registration of the program is approved by the B.C. Ministry of Finance. Registrants in the IBA program are subject to oversight and monitoring by the usual Canadian regulatory authorities, including the Office of the Superintendent of Financial Institutions ("OSFI"), the B.C. Securities Commission, and the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC").

6. It is my belief that the IBA program is more transparent than certain other tax incentive programs, such as the Scientific Research and Experimental Development ("SR&ED") tax credit or the Film and Television Tax Credit program in that the companies that are registered to use the IBA program are made public on the AdvantageBC website.

7. The IBA program has generated significant benefits for the Province of British Columbia. Dozens of companies have chosen to locate international financial services activity in B.C. that would have been located elsewhere. The program has been successful in its original intent, which was to build the reputation of Vancouver as an International Financial Centre and as a desirable place for international commerce generally. An organization based in London, England has been doing a global ranking of International Financial Centres since the mid-1980's.

In 2008 Vancouver was ranked as #33. Vancouver has now advanced in the rankings to its current ranking as #17.

8. AdvantageBC is an entirely member-funded society. Companies that are registered in the IBA program are required to become members of AdvantageBC and pay an annual membership fee. This membership fee is used to fund AdvantageBC's marketing activities. AdvantageBC has not received government funding for many years at levels that would disqualify it from being characterized as a member-funded society, as defined in the *Societies Act*, [SBC 2015] Chapter 18 (the "Societies Act").

9. I have been President and Chief Executive Officer of AdvantageBC since July 2014.

10. On December 16, 2016, I received an email from B.C. Registries and Online Services advising that every society was required to file a transition application "within two years, by November 28, 2018." The email further explained: "To assist societies with filing their Transition Application, BC Registries and Online Services has developed a step-by-step user guide." A link to the "Guide to the Transition Process" was included in the email. Attached to this Affidavit and marked as **Exhibit "A"** is a true copy of the email that I received on December 16, 2016 and a true copy of the Transition Guide provided in the emailed link.

11. In or around January 2017, I reviewed the Transition Guide provided by B.C. Registries and Online Services. My review of the document caused me to conclude that AdvantageBC qualified as a "member-funded society" under the *Societies Act* and it had until November 28, 2018 to file its transition application to preserve that status.

12. On February 23, 2017, I received an email from New York Times reporter Dan Levin asking to speak with me "about BC's success in attracting international business and what has worked so well in boosting BC's brand." Attached and marked as **Exhibit "B"** is a true copy of the email I received from Mr. Levin.

13. I agreed to a telephone interview with Mr. Levin and provided him with the details he requested. However, during that telephone conversation, it became apparent that Mr. Levin was

not interested in discussing “BC’s success” and that he already had a pre-determined negative view of the IBA program and a different agenda that he was intent on pursuing.

14. On March 14, 2017, Mr. Levin requested copies of AdvantageBC’s “financial statements from 2008 until present, including compensation of directors and compensation of any employees and contractors earning more than \$75,000 and meeting minutes” that he said were subject to disclosure under the new *Societies Act*. Mr. Levin advised me that the B.C. Registry’s records indicated that AdvantageBC was not a member-funded society.

15. On March 15, 2017, I responded to Mr. Levin and thanked him for bringing the B.C. Registry records to my attention. I indicated that the records were inaccurate as AdvantageBC was a member-funded organization. I advised him that it was not Board policy to circulate financial statements outside of membership, though I did tell him that Board members are not remunerated for their role as directors. Attached and marked as **Exhibit “C”** is a true copy of my correspondence with Mr. Levin from March 14 and 15, 2017.

16. When I advised Mr. Levin on March 15, 2017 that we were a member-funded society and thus not required to produce the requested financial information, I was operating on the belief that AdvantageBC was a member-funded society because it qualified for that status and that the B.C. Registry records were simply inaccurate.

17. Mr. Levin requested additional information concerning AdvantageBC in March and April, 2017, which I provided to him. Attached and marked as **Exhibit “D”** is a true copy of my correspondence with Mr. Levin from March 22, 24, 28 and April 20, 24, and 25.

18. On March 27, 2017, I received correspondence from Chantler & Company, barristers and solicitors, advising that they represented The New York Times. Chantler & Company requested financial statements for the last complete fiscal year, including compensation information for directors, employees and contractors. Chantler & Company gave AdvantageBC one day to respond to the request, failing which counsel for The New York Times advised they would proceed with an application to the Registrar.

19. In or around March 28, 2017, I decided to consult the *Societies Act* directly rather than relying on the information provided in the Transition Guide. In reviewing the legislation, I became aware that AdvantageBC was required to file its transition application to formalize its status under the new *Societies Act* as a member-funded society. Since our annual general meeting was already scheduled for April 6, 2017, AdvantageBC took steps to formalize its status as a member-funded society at the meeting and the transition application was filed later that day.

20. On April 13, 2017, I provided the B.C. Registrar of Societies with a signed statement setting out why the financial information requested by Mr. Levin was not being provided. I explained that AdvantageBC has been a member-funded society for many years; it has never in those years received funding in amounts that would disqualify it from being a member-funded society; and it has never been one of the societies prohibited from being a member-funded society as defined in s. 13 of the *Societies Regulation*, B.C. Reg. 216/2015. I further explained that AdvantageBC's constitution contained the statement required for member-funded societies under the *Societies Act*. Attached and marked as **Exhibit "E"** is a true copy of my correspondence to the B.C. Registrar of Societies dated April 13, 2017.


21. Given that AdvantageBC met the criteria for a member-funded society for many years and has been so registered under the new *Societies Act*, my belief is that AdvantageBC is not required to disclose the financial information requested by Mr. Levin and Chantler & Company.

22. My perception that Mr. Levin had a pre-determined negative view of the program and a different agenda from that which he advanced when he initially asked to speak with me was confirmed when Mr. Levin authored and published on May 2, 2017 an article in The New York Times ("the NYT article") that unfortunately disregarded material facts about the program and its impact. The NYT article is inaccurate, as set out in paragraphs 15 through 19 of the Response to Petition.

23. Although AdvantageBC is and has met the criteria for a member-funded society for many years and does not believe that it is required to disclose the financial information requested by

Mr. Levin, in the interests of transparency and to avoid expending scarce judicial resources and occupying court time on the matters raised in this Petition, AdvantageBC has decided to voluntarily disclose its 2016 financial statements. Attached and marked as **Exhibit "F"** is a true copy of AdvantageBC's 2016 Annual Report which attaches its 2016 financial statements. Further, although I believe that I am not required by the *Societies Act* to do so, once again in the interests of transparency and to avoid expending scarce judicial resources and occupying court time on the matters raised in this Petition, I am prepared to voluntarily disclose that as the President and Chief Executive Officer of AdvantageBC, I receive a salary of \$189,000 per annum.

SWORN BEFORE ME )  
at the City of Vancouver, Province of )  
British Columbia, )  
this 29<sup>th</sup> day of May, 2017 )

  
\_\_\_\_\_  
A Commissioner for taking Affidavits )  
for British Columbia )

  
\_\_\_\_\_  
COLIN HANSEN

**ROBIN N. McFEE, Q.C.**  
**SUDEN, McFEE & ROOS LLP**  
Barristers & Solicitors  
700 - 375 Water Street  
Vancouver, B.C. V6B 5K3  
604-687-7700

**Colin Hansen**

---

**From:** Levin, Dan <dan.levin@nytimes.com>  
**Sent:** Thursday, February 23, 2017 12:55 PM  
**To:** Colin Hansen  
**Subject:** Hi Colin

Hi Colin,

I'm Dan Levin, a reporter with The New York Times, covering Canada. I'm writing a business article about how Canada is working to attract international investment. It would be great to speak with you today about BC's success in attracting international business and what has worked so well in boosting BC's brand.

Please let me know how and when to reach you.

Looking forward!

Best,  
Dan

--  
Dan Levin

The New York Times  
[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

This is Exhibit "B" referred to in the  
Affidavit of Colin Hansen  
sworn (or affirmed) before me at  
Vancouver, B.C.  
this 24<sup>th</sup> day of May, 2017.  
[Signature]  
A Commissioner/Notary Public for the  
Province of British Columbia

**Colin Hansen**

**From:** Colin Hansen  
**Sent:** Wednesday, March 15, 2017 3:38 PM  
**To:** 'Levin, Dan'  
**Subject:** RE: Hi Colin, documents please

Hello Dan,


Thank you for bringing the corporate records to my attention. They are inaccurate as we are a member funded organization. I am curious as to where they would have got that misinformation as the annual filing that we submit to them does not ask that question. I will advise them of the error.

As I mentioned to you on the phone, it is a Board policy not to circulate the financial statements outside of membership. I can advise you that our Board members are not remunerated for their role as Directors.

Sincerely,

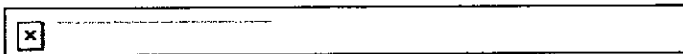
- Colin

**From:** Levin, Dan [mailto:dan.levin@nytimes.com]  
**Sent:** Tuesday, March 14, 2017 9:43 AM  
**To:** Colin Hansen <chansen@advantagebc.ca>  
**Cc:** Katherine Lee <klee@advantagebc.ca>  
**Subject:** Hi Colin, documents please

This is Exhibit "C" referred to in the Affidavit of Colin Hansen sworn (or affirmed) before me at Vancouver, B.C. this 29<sup>th</sup> day of May, 2017.  
  
A Commissioner/Notary Public for the Province of British Columbia

Hi Colin,

According to the BC Registry corporate records, the "International Finance Centre British Columbia Society," of which you are a director, is not a member-funded society. Please see below (I have also included a scan of the relevant part of the document to this email):



According to the new Societies Act, "Societies, other than 'member funded societies,' must provide copies of financial statements to members of the public upon request."

Regarding Financial Matters: "Societies, other than "member funded societies", must disclose remuneration paid to directors, and to the highest paid employees and contractors (earning over \$75 000), in their financial statements."

Thus, please provide me with copies of the International Finance Centre British Columbia Society's financial statements from 2008 until the present, including compensation of directors and compensation of any employees and contractors earning more than \$75,000, and meeting minutes. I require this information by Thursday.

Thank You,



**Colin Hansen**

**From:** Dan Levin <dan.levin@nytimes.com>  
**Sent:** Friday, March 24, 2017 9:01 AM  
**To:** Colin Hansen  
**Subject:** Re: NYT query

This is Exhibit "D" referred to in the Affidavit of Colin Hansen sworn (or affirmed) before me at Vancouver, B.C. this 29th day of May, 2017.  
Colin N. Hansen  
A Commissioner/Notary Public for the Province of British Columbia

917-714-2330.

What's your cell?

Sent from my iPhone

On Mar 24, 2017, at 11:57, Colin Hansen <chansen@advantagebc.ca> wrote:

What number should I call?

---

**From:** Dan Levin  
**Sent:** Friday, March 24, 2017 11:55 AM  
**To:** Colin Hansen  
**Subject:** Re: NYT query

Sure

Sent from my iPhone

On Mar 24, 2017, at 11:45, Colin Hansen <chansen@advantagebc.ca> wrote:

I'm bouncing between meetings. Can I call you about 4:30?

---

**From:** Levin, Dan  
**Sent:** Friday, March 24, 2017 10:25 AM  
**To:** Colin Hansen  
**Subject:** Re: NYT query

Hey Colin,

Do you have a few minutes to chat today? What's the best number to reach you at?

Thanks,  
Dan

On Wed, Mar 22, 2017 at 7:04 PM, Colin Hansen <chansen@advantagebc.ca> wrote:

Hello Dan,

Most of our Associate Members join because they want to be plugged into the international business community. We do offer them some good networking opportunities.

13

~~Professional services (law/accounting) are the biggest subset of our Associate Members.~~ They want to be on the leading edge of welcoming new companies to Canada. (we are careful not to play favourites!).

We also have companies, that are new to Canada, join as Associate Members because they want to get plugged into the Vancouver International business community prior to them applying to become Core Members.

We also have Associate Members who appreciate the public policy issues were are advancing. Some of our successes in that area include:

- our role in getting Canada designated as a RMB settlement hub
- encouraging Payments Canada to extend "bank settlement hours" past 6 PM (ET) - ie past 3 PM Vancouver time - to allow for an overlap with the start of the business day in East Asia.
- mapping out a path to strengthen the FinTech sector in BC.

We also have "reciprocal" members - typically business/academic organization that we want to collaborate with.

I should also point out that our "pitch" to international companies is more than just the IBA tax rebate system. Other factors that we point out are:

- time zone (business day) overlap with East Asia
- access to multi-lingual work force
- low business costs (see KPMG "Competitive Alternatives")
- proximity (Vanc Airport closest to Asia)
- easier access to business visas.

Let me know if you need any more info. I'm in Toronto and Thurs/Friday are busy days but I will get back asap.

Regards  
- Colin

---

**From:** Levin, Dan  
**Sent:** Wednesday, March 22, 2017 5:45 PM  
**To:** Colin Hansen  
**Subject:** NYT query

Hi Colin,

I hope you're doing well.

I'm curious about the point of being an AdvantageBC Associate Members. Why be an associate member, which doesn't offer the benefits of IBA tax refunds? What benefits does associate membership offer?

14

Thanks,  
Dan

--  
Dan Levin  
The New York Times  
[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

--  
Dan Levin  
The New York Times  
[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

**Colin Hansen**

---

**From:** Colin Hansen  
**Sent:** Tuesday, March 28, 2017 10:05 AM  
**To:** 'Levin, Dan'  
**Subject:** RE: query

Hello Dan,

To the best of my knowledge, no Schedule III bank has ever applied to participate in the program.

- Colin

**From:** Levin, Dan [mailto:dan.levin@nytimes.com]  
**Sent:** Monday, March 27, 2017 2:21 PM  
**To:** Colin Hansen <chansen@advantagebc.ca>  
**Subject:** query

Hi Colin,

I see that the IBAA legislation was amended to allow Schedule III banks (branches of foreign banks operating in Canada) to qualify for the IBA program with respect to their international financial business. Are any Schedule III banks currently or previously part of the IBA program since the amendment was passed?

Thanks,

Dan

--  
Dan Levin

The New York Times

[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

**Colin Hansen**

---

**From:** Colin Hansen  
**Sent:** Thursday, April 20, 2017 3:08 PM  
**To:** Levin, Dan  
**Subject:** Re: pacnet

Yes. That's correct.

---

**From:** Levin, Dan  
**Sent:** Thursday, April 20, 2017 3:01 PM  
**To:** Colin Hansen  
**Subject:** Re: pacnet

So to be clear, the companies that were removed are no longer members, correct?

On Thu, Apr 20, 2017 at 5:58 PM, Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)> wrote:

Hello Dan,

To be a member in good standing, a company has to pay the annual membership fee which is invoiced in January of each year.

If a company has not paid the fee after a period of time, we will no longer consider them to be members in good standing and we delete them from the website.

We also have cases where a company will notify us that they are merging or going out of business and we will delete them at that time.

- Colin

**From:** Levin, Dan [mailto:[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)]  
**Sent:** Thursday, April 20, 2017 2:42 PM  
**To:** Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)>  
**Subject:** pacnet

Hi Colin,

I see that Pacnet and some other companies have been removed from the list of IBA-registered "core members" on the AdvantageBC website. Are they still members or were they just taken off the site?

Thanks,

Dan

--

Dan Levin

The New York Times

[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

--

Dan Levin

The New York Times

[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)

**Colin Hansen**

---

**From:** Dan Levin <dan.levin@nytimes.com>  
**Sent:** Tuesday, April 25, 2017 11:49 AM  
**To:** Colin Hansen  
**Subject:** Re: A few more questions

Sure call me then.

But for now, I was told that First Resolution Management Corp., which is listed as a core member, has ceased operating. The link connects to Unifund, which acquired a related company First Resolution Investment Corp., but that's separate. Unifund told me FRMC ceased operating. Why is it still listed as a core member?

Sent from my iPhone

On Apr 25, 2017, at 16:07, Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)> wrote:

I am tied up in a meeting until about 3 pm. I should be back in the office by 3:30. I can call then. If you prefer, I can try to answer by email while I'm sitting here.

- Colin

---

**From:** Dan Levin  
**Sent:** Tuesday, April 25, 2017 11:19 AM  
**To:** Colin Hansen  
**Subject:** Re: A few more questions

Give me a call at 917-714-2330. Got a few more questions.

Sent from my iPhone

On Apr 25, 2017, at 13:50, Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)> wrote:

There are companies that will join as core members before becoming registered with the IBA program.

---

**From:** Dan Levin [<mailto:dan.levin@nytimes.com>]  
**Sent:** Monday, April 24, 2017 6:05 PM  
**To:** Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)>  
**Subject:** Re: A few more questions

Ok. Are there non-IBA registered companies that are core members?

Sent from my iPhone

On Apr 24, 2017, at 20:35, Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)> wrote:

No. All IBA registered companies are required to be core members.

**From:** Dan Levin  
**Sent:** Monday, April 24, 2017 5:31 PM  
**To:** Colin Hansen  
**Subject:** Re: A few more questions

Hi Colin,

Thank you for taking the time to promptly explain this to me. Are there IBA members that are associate members or just core members?

Best,  
Dan

Sent from my iPhone

On Apr 24, 2017, at 19:37, Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)> wrote:

Hello Dan,

The IBA Program is entirely administered by the Province of BC. Our role is to raise awareness of the program with companies who may be considering expanding activities in North America.

To put our mandate into one sentence: The role of AdvantageBC is to encourage companies to locate international business activity in BC. The IBA Program is one of the tools in our tool belt as we reach out to companies around the world. We will make sure that those companies are aware of the program and we will connect them to professional advisors (typically tax accountants) who have the credentials to advise them as to how the program could work for them.

Having the requirement in the Act for all IBA Registrants to become members of AdvantageBC was the route the government of the day chose to ensure that the marketing role of AdvantageBC could be sustained. In essence, companies who choose to set up activities in BC (and thereby benefit from the tax rebates) are looked to to fund AdvantageBC's efforts to attract more companies. (In addition, our Core



Members get the benefits that I outlined in my email about the benefits that our Associate Members get.)

The IBA Program came into existence in about 1988 – two years after the International Financial Centre Society, Vancouver was established.

As I understand the history, the Society was set up initially to promote a program set up by the federal government in 1986. The federal government had led an initiative to have Montreal and Vancouver designated as “International Financial Centres” and put in place legislation that provided banks with rebates of federal corporate income tax if they located international financial activity in either city. The federal program was apparently very cumbersome and companies lost interest in it fairly quickly. The federal government finally amended the legislation only about 3 years ago to take the program off the books but hardly anyone took notice as no companies had used that program in years.

Meanwhile in 1988, the provinces of BC and Quebec brought in their own programs which still exist today. The BC program provides tax rebates of provincial corporate income tax. The Quebec program provides tax credits based on jobs created.

I hope this helps.

- Colin

**From:** Levin, Dan [<mailto:dan.levin@nytimes.com>]  
**Sent:** Monday, April 24, 2017 12:12 PM  
**To:** Colin Hansen <[chansen@advantagebc.ca](mailto:chansen@advantagebc.ca)>  
**Subject:** A few more questions

Hi Colin,

Would you please explain AdvantageBC's role is in the IBA program. IBA members have to join AdvantageBC, which promotes the program, but I'm unclear exactly what AdvantageBC's connection is to the program and its members.

Does AdvantageBC help run the program? What is the reason IBA members are required by law to join and fund AdvantageBC, a non-government organization?

Also, was AdvantageBC created together with the program or separately?

Thanks,  
Dan

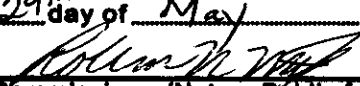
--  
Dan Levin

The New York Times

[dan.levin@nytimes.com](mailto:dan.levin@nytimes.com)



April 13, 2017  
Ms. Tammy Wiedeman,  
Team Lead/Societies  
BC Registry Services and Online Services  
Ministry of Technology, Innovation and Citizens' Services  
Box 9431, Stn Prov Govt  
Victoria, BC V8W 9V3

This is Exhibit "E" referred to in the  
Affidavit of Colin Hansen  
sworn (or affirmed) before me at  
Vancouver, B.C.  
this 29<sup>th</sup> day of May, 2017.  
  
A Commissioner/Notary Public for the  
Province of British Columbia

Dear Ms Wiedeman,

**Re: International Financial Centre British Columbia Society/Number S0021854**

Further to the Registrar's Order issued to the International Financial Centre British Columbia Society (the Society) under section 107 of the Societies Act on March 31, 2017, I am providing the following statement in accordance with section (b) of the Order that requires that the society provide "a signed statement of a director or senior manager of the society setting out why access to, or a copy of, the record is not being provided to the applicant."

The requested information is not being provided to the applicant because the Society is a member-funded society as provided for in Part 12, Division 1 of the Societies Act and Sections 12 and 13 of the Societies Regulations.

The Society has been a member-funded society for at least twenty years. We have checked back through records as far back as 1996 and I can confirm that the Society has never, in that time, received funding in "amounts that disqualify (the) society from being a member-funded organization" as set out in Section 12 of the Regulations. Further, the Society is not, and has never been, one of the "societies prohibited from being (a) member-funded society" as defined in Section 13 of the Regulations.

The Society's constitution contains the statement as set out in Section 191 (2) of the Act.

The Society has filed the required Transition Application with the Registrar in accordance with Section 240 of the Act.

Therefore, as provided for in Sections 195 and 196 of the Act, Section 28 and Section 36 do not apply to the Society.

Sincerely,  
  
Colin Hansen,  
President & CEO

AdvantageBC is the official business name of the International Financial Centre British Columbia Society. It is not affiliated with the B.C. Society for...



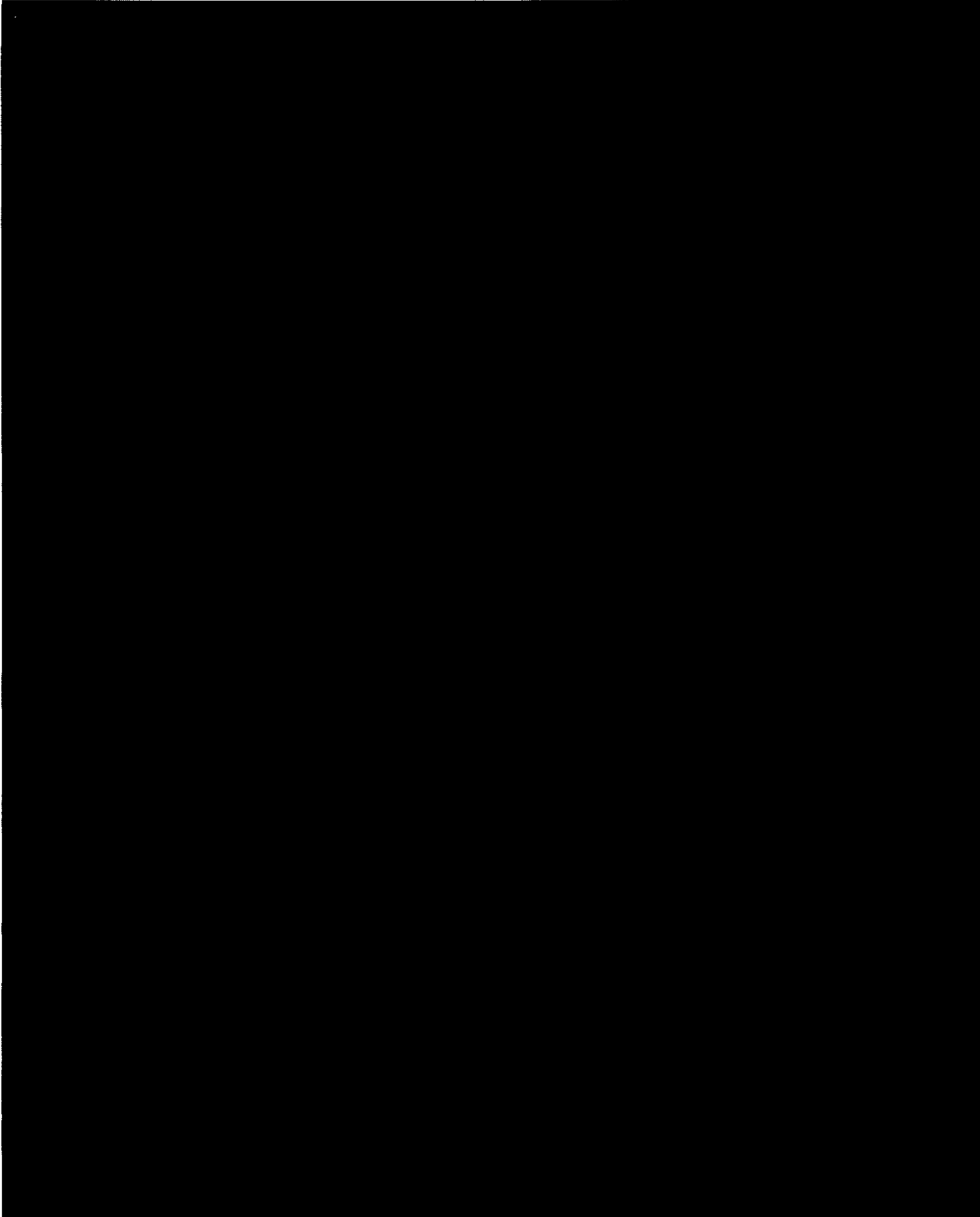
# AdvantageBC

2016 Annual Report.



This is Exhibit " F. " referred to in the  
 Affidavit of Colin Hansen  
 sworn (or affirmed) before me at  
Vancouver ,B.C.  
 this 29th day of May 2017  
[Signature]  
 A Commissioner/Notary Public for the  
 Province of British Columbia

## Celebrating 30 Years



# Contents

Chair’s Report: Celebrating 30 Years.....3

President & CEO’s Report.....5

Major Initiatives in 2016.....7

2016 Financials

    Independent Auditors Report.....9

    Statement of Financial Position.....10

    Statement of Operations.....11

    Statement of Changes in Net Assets.....11

    Statement of Cash Flows.....12

    Notes to Financial Statements.....13

2016 Event Highlights.....17

Core Members.....19

Associate Members.....20

Our Team.....21

Our Board.....22

is a non-profit society, established in 1986, with a mandate to promote British Columbia as a favourable location for international business.

communicates the International Business Activity (IBA) program as well as the many advantages British Columbia offers as a location for corporate investment, including an educated and multilingual workforce, an outstanding telecommunications infrastructure, clean and competitive energy, and a high quality of living.

# 2016 Marked the 30<sup>th</sup> Anniversary of AdvantageBC

A message from Ron Bozzer, Board Chair

In a 1986 presentation to the House of Commons, Graham Clarke, then Chair of the Vancouver Board of Trade (VBOE) postulated, "Vancouver is Canada's natural gateway to the Pacific. No other centre can claim this distinction. If the infant financial services industry can reach maturity, Vancouver will become the front door to the commercial opportunities in the rapidly growing Asia-Pacific region." Thirty years later these words continue to ring true.

What started as a nascent, fledgling financial services industry in Vancouver during the mid-1980's has grown significantly over the past 30 years - in part as a result of the decision to create what is now AdvantageBC. Despite challenges, the demand for international financial services offered in Vancouver continues to grow and provide growth opportunities and benefits to the business community throughout British Columbia.

As both member and industry expectations continue to evolve, your Board devoted much of our time in 2016 to guiding the strategic direction of AdvantageBC and exploring opportunities for the advancement of the financial services sector in British

Columbia. Specifically, the Board oversaw the diversification of our outreach platforms, undertook initiatives to strengthen Canada's brand globally and advanced our research to better serve our members and the community in the years to come.

Led by our dedicated team, AdvantageBC continued to perform well in 2016. We completed the year with a total of 156 core and associate members and hosted a number of successful member events.

Together with the provincial government, we hosted the second annual Pacific Finance and Trade Summit in May, highlighting the financial tools available to enhance Canada's trade in goods and services. The goal of the Summit was to cover the

practical and innovative approaches to help Canadian business gain a competitive edge when doing business in the Asia-Pacific region. The Summit once again provided an excellent networking platform for our business community and brought together participants from all over Canada and across the globe. Future summits are being planned.

Original research plays an important role in understanding and capitalizing on the strengths and opportunities within the B.C. financial services sector. AdvantageBC research initiatives in 2016 included studying Canada's financial services industry as a whole to understand the unique successes and advantages of the industry to British Columbia, exploring the opportunity to extend the Canadian payment settlement

***The demand for international financial services offered in Vancouver continues to grow and provide growth opportunities and benefits to the business community throughout British Columbia.***

hours, and developing a greater understanding of the global opportunities for BC's FinTech sector.

In 2016, 12 directors were elected to the Board for a two-year term and 11 directors continued to serve the second year of a two year term on the board. Throughout 2016 five new directors joined the AdvantageBC Board: Creative BC, President and CEO, Prem Gill, KPMG Tax Counsel, Grant Russell, HSBC Bank Canada Regional Head of Business Development, David Price,

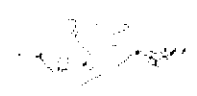
Vertical Insurance (in up CEO) Brad Shantz, and Bank of China Senior Branch Manager Jennifer Guo. Each brings their own special set of knowledge, insight and expertise to AdvantageBC.

Former directors Liang hao from Bank of China and Ananth Krishnan from HSBC Canada stepped down from the Board as they were transferred out of Vancouver. Long serving director Tony Martin, KPMG's International Tax Partner, stepped aside for his colleague Grant Russell to join the board, while Don Rose retired from the Board upon his retirement from Shaw Sabex. Each former director contributed to the board in their own way and we thank them for their efforts in promoting and helping to drive forward AdvantageBC's mandate.

I extend my personal gratitude to each member of AdvantageBC's staff, Board of Directors, Executive Committee, Governance Committee and Audit Committee for their enthusiasm, continued support, dedication and guidance throughout the year. Furthermore, I thank all of our members for their support. I encourage all of our members to continue to

engage in AdvantageBC's activities, use our research, attend our events and get involved with our organization as much as possible.

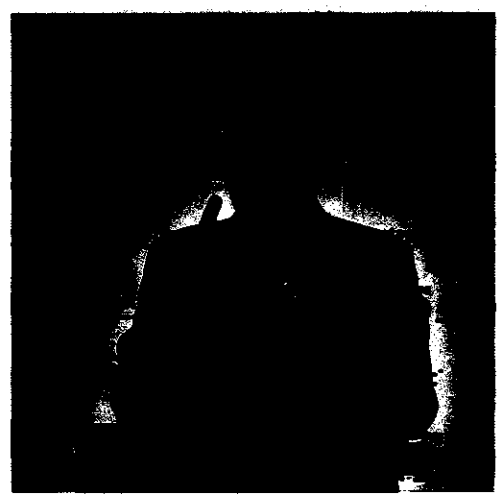
We look forward to an exciting and rewarding 2017.



Ron Bozzer  
Board Chair

*Original research plays an important role in understanding and capitalizing on the strengths and opportunities within the BC financial services sector.*

Ron has practiced general business and corporate law for more than 35 years, with emphasis on mergers and acquisitions, project finance, banking and financing transactions, regulation of financial institutions, public private partnerships and corporate restructurings. He advises on lending and compliance matters including syndications, derivatives, securitizations and letters of credit. Ron's expertise in project finance is in the transportation, real estate, mining, forestry, aeronautics and distribution sectors.





# President & CEO's Report

AdvantageBC's mission is first and foremost to promote British Columbia as a favourable location for international business. Our organization develops original research and provides key facts to inform the discussion. We also track relevant research outside of British Columbia. One of the reports we track is Z/Yen's Global Financial Centre's Index, which puts Vancouver among the top 20 financial centres in the world. This has allowed us to increase our reputation globally and advance our key strategic initiatives, which in-turn creates value for our growing membership.

We picked up the pace in 2016, producing more research reports than before and increasing our travels to new markets. We have continued to grow our national collaboration of our "sister organizations" to build Canada's reputation when it comes to excellence in banking and financial services. This partnership, which includes Calgary Economic Development, Toronto Financial Services Alliance, and Finance Montreal, is based on the premise that if we build Canada's reputation in international finance together, every jurisdiction will benefit. In January 2016, the four organizations jointly funded a promotional effort to promote the Canadian financial services sector at the Asia Financial Forum in Hong Kong.

This four city collaboration also contracted the Conference Board of Canada to do a study of our financial services strengths region by region, and the results were released in July 2016. The report, *Stronger Together: The Strengths of Canada's Four Global Financial Centres*, shows that Vancouver stands out within Canada as a centre for wealth management, higher than any other financial activity in the city.

According to the study, facilitating foreign direct investment is a core strength for Vancouver and the second highest rated activity for the city after wealth management. The credit union system in the city is also a significant contributor to the growth in Vancouver's financial services sector as well as Canada becoming a settlement hub for the Renminbi.

Furthermore, with the city's strong high-tech infrastructure, which has developed due to its strong ties to Silicon Valley, venture capital is becoming a key strength for the city. The upswings in financial technology (FinTech) start-ups is attracting a growing amount of venture capital financing in the city.

Earlier in the year, we commissioned a report, *Blockchain and Emerging Financial Technologies: Positioning British Columbia as a Global FinTech Hub*, which further demonstrated that British Columbia is uniquely positioned to be a leader in Canada's FinTech future. Vancouver is already ranked as the world's 18th largest FinTech cluster and 5th in North America.

We also released a report, *The Case for Extended Payments Settlement Hours in Canada*, with the objective to foster support for the extension of payment settlement hours in Canada. Extended payment settlement hours will create a more favourable environment for Canadian financial service companies to compete in a changing global marketplace as well as enhance Canada's position to capture future business opportunities in Asia.

We were successful in getting Payments Canada to commit to extending their payment settlement hours and are awaiting further details on when this change will occur. This will create a fundamental opportunity to ensure that businesses operating in the Pacific and Mountain Time Zones will be better served, and all Canadian businesses will be able to fully capitalize on the potential of growing trade with Asia.

***We picked up the pace in 2016,  
producing more research reports  
than before and increasing our  
travels to new markets.***

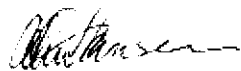
This year we hosted the second annual Pacific Finance and Trade Summit in partnership with the Province of British Columbia, which focused on the financial tools that enhance Canadian trade initiatives. The Summit was attended by 250 participants from federal and provincial governments, financial industry leaders, legal and accounting professionals and corporate leaders from companies involved in trade and investment opportunities across the globe.

Our travels took us across Canada on various occasions where we met with large multinationals and other resource-based firms, as well as AdvantageBC members. In October, I traveled to Geneva to the SIBOS conference to meet with international banking officials.

International opportunities in 2016 took us to Taipei, Tokyo, Beijing, Shanghai, Guangzhou, Hong Kong, Delhi, Mumbai and Geneva. We had meetings with various investment firms, corporate management and resource companies, government agencies, and partner agencies. We highlighted the advantages available to Asian companies investing in North America using B.C. as the gateway.

I want to thank AdvantageBC's staff, Board of Directors, Executive Committee, Governance Committee and Audit Committee for your dedication and commitment over 2016. Thank you to our members for your continued support of AdvantageBC and a special recognition to our partners and advocates for helping us to grow as an organization.

Sincerely,



Colin Hansen  
President & CEO

*International opportunities in 2016  
took us to Taipei, Tokyo, Beijing,  
Shanghai, Guangzhou, Hong Kong,  
Delhi, Mumbai and Geneva.*

Colin was elected to the British Columbia Government in 1996 and served as Deputy Premier and Minister of Finance from June 2008 to March 2011. He also served for almost four years as Minister of Health and three years as Minister of Economic Development, which included responsibility for the 2010 Olympics and the Asia Pacific Initiative. He serves on the boards of several not-for-profit organizations: The Jack Austin School of Asia Pacific Business, Canada Japan Society, Arthritis Research Centre of Canada and the Fraser Basin Council. In addition, he is Chair of the Advisory Board for Retirement Concepts and is Chair of the Board of Directors for the Transportation Investment Corporation (a provincial crown corporation).



# Major Initiatives in 2016

We work with members and partners to promote British Columbia as a favourable location for international business and develop original research to advance business in the financial sector.

## ANNOUNCEMENT: B.C. Enters World's Third-largest Capital Market with Panda Bond Issue

**January 22, 2016:** The Province of British Columbia issued its first Panda bond in China's domestic bond market Jan 21, 2016, officially accessing one of the world's largest capital markets and strengthening relations with a key partner in the Asia-Pacific region.

## REPORT: KPMG Competitive Alternatives

**March 29, 2016:** KPMG says Canada has proven to be the second most competitive market in a comparison test of 10 leading industrial countries. In its report, KPMG indicates Canada lags only behind Mexico when it comes to how little businesses have to pay for labour, facilities, transportation and taxes. The report, which compared the competitiveness of a number of western countries along with Australia and Japan, found that a high U.S. dollar has helped Canada stay affordable despite rising office real estate costs and lower federal tax credits.

## ANNOUNCEMENT: Standard and Poor's affirms B.C.'s AAA-stable credit rating

**April 26, 2016:** Standard and Poor's has affirmed British Columbia's AAA credit rating and stable outlook, praising the province's strong economy, budgetary and fiscal performance. The agency's report says B.C.'s AAA rating reflects the province's "very strong" financial management, economy, and budgetary flexibility, adding that B.C.'s credit strengths include: "its very strong, wealthy, and well-diversified economy."

## REPORT: The Case for Extended Payments Settlement Hours in Canada

**June 23, 2016:** The primary objective of this report is to foster support for the extension of payment settlement hours in Canada. Extended payment settlement hours will create a more favourable environment for Canadian financial service companies to compete in a changing global marketplace as well as enhance Canada's position to capture future business opportunities in Asia.

## REPORT: Better Together: Building On The Strengths Of Canada's Four Global Financial Centres

**July 12, 2016:** Canada has four main global financial centres—Montreal, Toronto, Calgary and Vancouver—each with their own unique strengths. A new Conference Board of Canada report suggests that the cities complement each other, allowing Canada's financial services sector to have a depth and breadth beyond what any one financial centre would be able to provide. The report indicated Vancouver stands out within Canada as a centre for wealth management activity, higher than any other financial activity in the city.

## ANNOUNCEMENT: Mizuho Bank Canada and AdvantageBC – MOH Signing

**July 14, 2016:** Mizuho Bank Canada, AdvantageBC, The Business Council of British Columbia (BCBC) and HQ Vancouver sign a Memorandum of Understanding. Mizuho has been an important part of the business community in British Columbia and through this collaboration we can find opportunities that will be of mutual benefit to Japan and Canada.

## ANNOUNCEMENT: Vancouver ranks 3rd Most Livable City in the World

**August 18, 2016:** According to the Economist Intelligence Unit's (EIU) Global Liveability Ranking, which scores 140 cities on five lifestyle categories, six of the top ten livable cities in the world are in Australia and Canada. Melbourne ranked first, Vienna was second and Vancouver third, with Toronto, Calgary, Adelaide and Perth rounding up the top seven, though the scores differentiating the quality of life in the top 15 to 20 cities were marginal.

## ANNOUNCEMENT: B.C. First Foreign Government to Issue Masala Bond

**September 1, 2016:** The Province of British Columbia has successfully issued an Indian Rupee denominated bond on the London Stock Exchange today, making it the first-ever foreign government to issue a bond in the Indian offshore market and strengthening increasingly important ties with India.

*In 2016 we built on our partnerships and conducted research to continue to grow B.C. as a global financial services hub.*

### REPORT: Vancouver Climbs Global Financial Centre Index Ranking to #20

**September 26, 2016:** Z. Yen's Global Financial Centres Index (GFCI) is a bi-annual ranking of the competitiveness of financial centres based on over 29,000 financial centre assessments from an online questionnaire together with over 100 indices from global organizations. The GFCI 20 report indicates that Vancouver is rapidly climbing the ranks of the world's financial centres - from 33rd on the Global Financial Centre Index in 2008 to 20th in 2016. Four Canadian cities rank among the top of the 2016 Global Financial Centre Index - Toronto (#13), Vancouver (#20), Montreal (#15) and Calgary (#34).

### REPORT: Blockchain and Emerging Financial Technologies: Positioning British Columbia as a Global FinTech Hub

**November 16, 2016:** A comprehensive report commissioned by AdvantageBC and produced by DigitalFutures has shown that British Columbia is uniquely positioned to be a leader in Canada's FinTech future. Vancouver is already ranked as the world's 18th largest FinTech cluster and 5th in North America. The report details the foundations and policies that have allowed B.C.'s FinTech sector to flourish in its initial stages. Its purpose is to offer a blueprint that will allow the province's FinTech sector to gain critical mass and reach its full potential.

Greg D'Avignon  
Member  
Executive Committee

Yoshiyumi Takata  
Member  
Executive Committee

Colin Hansen  
Member  
Executive Committee

# 2016 Financials

## Independent Auditors Report

**TO THE MEMBERS OF INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY**  
(also known as AdvantageBC)

**Report on the Financial Statements**

We have audited the accompanying financial statements of International Financial Centre British Columbia Society, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Financial Centre British Columbia Society as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on Other Legal and Regulatory Requirements**

As required by the *Society Act* (British Columbia), we report that, in our opinion, the principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
March 7, 2017

# 2016 Financials


## Statement of Financial Position

**INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY**  
 (also known as AdvantageBC)  
 Statement of Financial Position  
 December 31

	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 547,765	\$ 1,066,156
Term deposits	1,536,475	834,064
Prepaid expenses	8,900	58,287
Deposit	6,759	6,759
	2,099,899	1,965,266
<b>Capital Assets (note 4)</b>	<b>3,628</b>	<b>8,462</b>
	<b>\$ 2,103,527</b>	<b>\$ 1,973,728</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 115,603	\$ 118,973
Deferred lease inducement	0	870
	115,603	119,843
<b>Net Assets</b>		
Invested in Capital Assets	3,628	8,462
Unrestricted	1,984,296	1,845,423
	1,987,924	1,853,885
	<b>\$ 2,103,527</b>	<b>\$ 1,973,728</b>

Commitment (note 5)

Approved by the Board:

 Director

 Director

See notes to financial statements.

# 2016 Financials

## Statement of Operations

**INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY**  
(also known as AdvantageBC)  
Statement of Operations  
Year Ended December 31

	2016	2015
<b>Revenues</b>		
Participation assessment (note 2(d)(ii))	\$ 1,027,582	\$ 1,144,819
Membership fees	78,845	76,725
Interest	28,612	19,842
	<u>1,135,039</u>	<u>1,241,386</u>
<b>Expenses</b>		
Salaries and employee benefits	519,824	473,457
Travel and parking	95,318	96,315
Public relations and advertising	81,574	26,440
Rent	79,547	78,924
Professional services	75,440	82,048
AdvantageBC events (note 6)	67,930	31,428
Promotional activities	33,670	34,559
Office and supplies	14,359	14,445
Computer and maintenance	11,453	8,311
Telecommunications	10,992	9,868
Translation fees	2,371	6,037
Postage and couriers	1,684	1,796
Amortization	6,838	6,865
	<u>1,001,000</u>	<u>870,493</u>
<b>Excess of Revenues over Expenses for Year</b>	<b>\$ 134,039</b>	<b>\$ 370,893</b>

## Statement of Changes in Net Assets

**INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY**  
(also known as AdvantageBC)  
Statement of Changes in Net Assets  
Year Ended December 31

	Invested in Capital Assets	Unrestricted	2016	2015
<b>Net Assets, Beginning of Year</b>	\$ 8,462	\$ 1,845,423	\$ 1,853,885	\$ 1,482,992
Excess of revenues over expenses for year	0	134,039	134,039	370,893
Capital asset additions	2,004	(2,004)	0	0
Amortization of capital assets	(6,838)	6,838	0	0
<b>Net Assets, End of Year</b>	<b>\$ 3,628</b>	<b>\$ 1,984,296</b>	<b>\$ 1,987,924</b>	<b>\$ 1,853,885</b>

See notes to financial statements.

# 2016 Financials

## Statement of Cash Flows

**INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY**  
 (also known as AdvantageBC)  
**Statement of Cash Flows**  
 Year Ended December 31

	2016	2015
<b>Operating Activities</b>		
Excess of revenues over expenses	\$ 134,039	\$ 370,893
Items not involving cash		
Amortization	6,838	6,865
Lease inducement amortization	(870)	(1,307)
	<u>140,007</u>	<u>376,451</u>
<b>Changes in non-cash working capital</b>		
Accounts receivable	0	5,000
Prepaid expenses	49,387	(48,278)
Accounts payable and accrued liabilities	(3,370)	4,394
	<u>46,017</u>	<u>(38,884)</u>
<b>Cash Provided by Operating Activities</b>	<u>186,024</u>	<u>337,567</u>
<b>Investing Activities</b>		
Increase in term deposits	(702,411)	(2,663)
Purchase of equipment	(2,004)	(4,228)
<b>Cash Used in Investing Activities</b>	<u>(704,415)</u>	<u>(6,891)</u>
<b>Inflow (Outflow) of Cash</b>	<u>(518,391)</u>	<u>330,676</u>
<b>Cash, Beginning of Year</b>	<u>1,066,156</u>	<u>735,480</u>
<b>Cash, End of Year</b>	<u>\$ 547,765</u>	<u>\$ 1,066,156</u>

See notes to financial statements.



# 2016 Financials

## Notes to Financial Statements

### **INTERNATIONAL FINANCIAL CENTRE BRITISH COLUMBIA SOCIETY** (also known as AdvantageBC) Notes to Financial Statements Year Ended December 31, 2016

---

#### **1. NATURE OF OPERATIONS**

International Financial Centre British Columbia Society (also known as AdvantageBC or International Business Centre Vancouver) (the "Society") is a non-profit organization incorporated under the laws of the *Society Act* (British Columbia). As a non-profit organization, the Society is not subject to income tax under section 149.1(l) of the *Income Tax Act*. The nature of the Society's activities includes the promotion of British Columbia as a centre for international business.

The Society's mandate includes:

- (a) fostering and encouraging the development of international business in British Columbia;
- (b) promoting British Columbia as an exceptional location for business because of its competitive taxes and costs, and other advantages to doing business in British Columbia; and
- (c) acting as a liaison between members of the Society and the British Columbia government on matters concerning the *International Business Activity Act* (the "IBA") and the IBA program.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Society were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

##### **(a) Fund accounting**

The Society follows the deferral method of accounting for contributions. Membership fees are unrestricted and are recognized in the year in which they are received.

##### *Unrestricted*

Unrestricted net assets are a reserve for ongoing operations and are intended to provide a level of support to the Society when participation assessment and membership fees are lower than that projected, and to fund any participation assessments that become refundable.

##### *Invested in capital assets*

Net assets invested in capital assets represent the Society's investment in capital assets used in its operations less the respective accumulated amortization.

# 2016 Financials

## Notes to Financial Statements (Continued)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Amortization

Amortization of capital assets is calculated on a straight-line basis at the following annual rates:

Computer hardware	- 5 years
Office equipment	- 5 years
Furniture	- 5 years
Leasehold improvements	- over the term of the lease

Additions during the year are amortized at one-half the annual rates.

#### (c) Term deposits

Term deposits have maturity dates of more than three months, and as such, are not considered as cash or cash equivalents for the purposes of financial statement presentation.

#### (d) Revenue recognition

##### (i) Membership fees

The Society invoices membership fees at the beginning of the year. These fees are recognized as revenues when received.

##### (ii) Participation assessment

Participation assessment fees are based on 0.45% (0.33% for international patent businesses) of income derived from the qualifying business activities. As the assessment amount is calculated annually by the member, assessments are recognized as income when received in the respective year. The Society relies on the net income figures reported by members, as substantiated by their IBA Tax Refund form.

##### (iii) Interest income

Interest income is recognized as it is earned.

# 2016 Financials

## Notes to Financial Statements (Continued)

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Financial instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenses. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in excess of revenues over expenses provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in excess of revenues over expenses in the period incurred.

#### (f) Deferred lease inducement

The value received by the Society represented by a rent-free period relating to leased premises is deferred and amortized as a reduction to rent expense on a straight-line basis over the term of the lease.

#### (g) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include accrued liabilities and useful lives of capital assets. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

### 3. FINANCIAL INSTRUMENTS

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Society is not exposed to significant interest rate risk due to the short-term maturity of its financial assets and liabilities.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Society is exposed to credit risk on its cash and term deposits. This risk is minimized, as cash has been placed with a major Canadian financial institution and term deposits have been placed with an insured credit union.

# 2016 Financials

## Notes to Financial Statements (Continued)

### 3. FINANCIAL INSTRUMENTS (Continued)

#### (c) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities.

The Society is exposed to this risk mainly in respect of its accounts payable. The Society does not view liquidity risk as a significant risk and manages it by forecasting cash flows from operations. The Society has sufficient current assets to meet its short-term financial liabilities.

### 4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2016	2015
Computer hardware	\$ 9,381	\$ 7,177	\$ 2,204	\$ 2,745
Office equipment	12,255	11,493	762	2,893
Furniture	8,836	8,174	662	529
Leasehold improvements	16,737	16,737	0	2,295
	<b>\$ 47,209</b>	<b>\$ 43,581</b>	<b>\$ 3,628</b>	<b>\$ 8,462</b>

### 5. COMMITMENT

The Society is committed to minimum rental payments for property and premises of approximately \$38,000 for a lease expiring September 30, 2017.

### 6. EVENTS

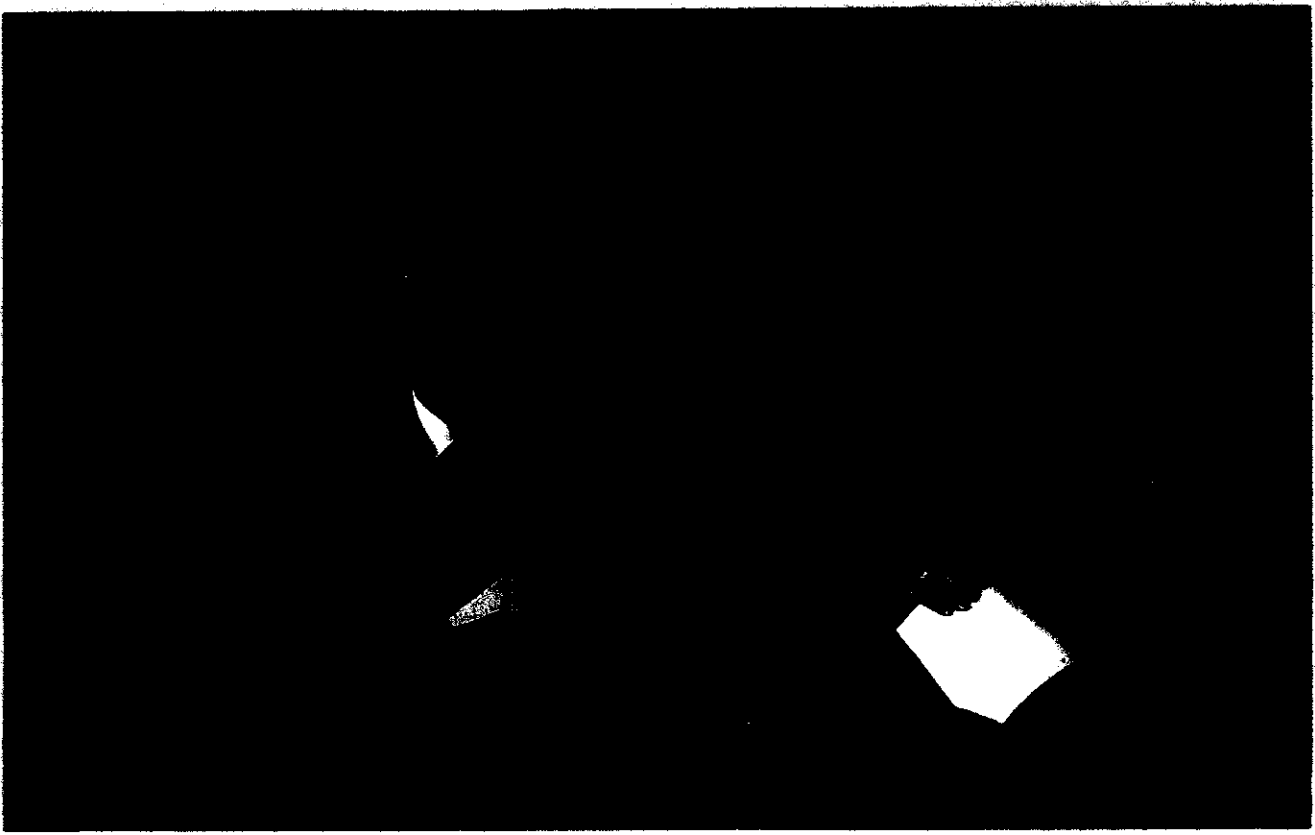
AdvantageBC event expenses are net of recovery amounts charged to attendees of various events held by the Society.

### 7. GOVERNMENT REMITTANCES

At December 31, 2016, government remittances payable were \$nil (2015 - \$11,347).

# 2016 Event Highlights

In 2016 we sponsored, as well as hosted, a number of events to provide opportunities for our members to further understand the IBA program, network with others and learn more about the international business network in British Columbia. Highlights of our 2016 event roster include our 30th Anniversary Gala celebration and our 30th Anniversary Golf Tournament.



## Winter

January 14: Asia Financial Forum  
Hong Kong

January 26: Western Business Outlook

February 12: GF Securities Chinese New Year Gala

February 29: Western Canada Oil & Gas Industry Roadmap Calgary

March 8: Export Seminars at  
Calgary, Nanaimo, Kelowna & Vancouver

## Spring

May 5: AdvantageBC Annual Golf Tournament

May 9: China-Canada Economic and Trade Cooperation Conference

May 19: AdvantageBC Technical Summit

May 24: AdvantageBC 5th Anniversary Celebration

May 25: Pacific Finance Summit (cohosted with the Province of British Columbia)

May 31: AdvantageBC Annual General Meeting

June 2 to 4: Hong Kong China Business Council, Nanaimo Conference

June 5: Canada Summit - Toronto Economist Partnership Event

June 13: BC Economic Development Summit

June 13: China's State Administration for Foreign Exchange

## Summer

June 25: RMB Summit and Networking Reception

## Fall

September 22: Canada-China Trade and Investment Conference

October 17: AdvantageBC Business Gateway Seminar Tokyo

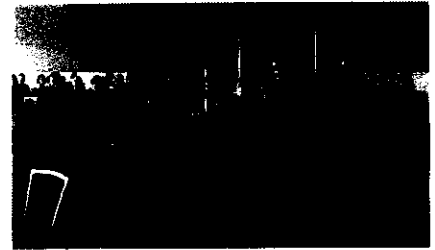
October 21: China Entrepreneur Club Roundtable

October 25: BC at India Investor Luncheon Mumbai

October 25 to 27: China Offshore Summit Shanghai

November 18: BC Export Awards

December 6: AdvantageBC Seasonal Reception



# Core Members

Core Members comprise of an array of businesses from financial institutions to companies in the life sciences and manufacturing sectors.

**Alectos Therapeutics Inc.**

- Bank of China Canada
- Bank of Nova Scotia
- Canaccord Genuity Corp
- Canfor Pulp International Ltd.
- Canfor Wood International Ltd.
- Chrysalis Energy
- CIFF
- Citizens Bank of Canada
- Coast Capital Savings Credit Union
- Exchange Corporation Canada
- First Resolution Management Corporation
- Genus Capital Management
- GenomeBC
- Global Relay Communications
- Grant Thornton Capital Inc.
- Harmony Distribution
- Haywood Securities Inc.
- Haywood Securities USA Inc.
- HSBC Bank Canada
- HSBC Capital Canada Inc.
- HSBC Investment Funds Canada Inc.
- HSBC Global Asset Management Canada Ltd.
- Industrial and Commercial Bank of China
- Interamerican Investments Inc.
- JP Morgan Asset Management Canada Inc.
- KEP Hana Bank Canada
- Kuehne & Nagel Services Ltd.
- Mackenzie Financial Corporation
- Mondrag Asset Management Inc.
- Nerd Corps International Distribution Inc.
- Nortostar Trade Finance Inc.
- Oakridge Accounting Services Ltd.
- Orbis Investments Canada Limited
- Pacad Investment Ltd.
- Pacific Capital Real Estate Corporation**
- PI Financial Corp
- PI Financial US Corp
- Pinnacle Canada Fund Administration
- Polyculture North America Investment Corporation
- Protiva Biotherapeutics Inc.
- QLI Inc.
- Raymond James Ltd.
- Raymond James USA Ltd.
- RBC Dominion Securities Inc.
- RBC Global Asset Management Inc.
- Ritchie Bros Auctioneers Canada Ltd.

- Ritchie Bros Financial Services Ltd.
- Royal Bank of Canada
- Sastra Capital
- Shoreline West Asset Management
- Sierra View Holdings
- Stemcell Technologies Inc.
- Sunstone Advisors USA Inc.
- Tolko Finance Ltd.
- Toronto-Dominion Bank
- True Gold Mining
- UBS Bank Canada
- Vancouver Bullion & Currency Exchange
- Vancouver City Savings Credit Union
- Versant Ventures Canada Limited
- Veap Ltd.
- Water Street Releasing (Omnifilm)**
- Welchem Biotech Inc.
- West Fraser International Ltd.
- Westminster Management Corporation
- Wolverton Securities Ltd.



# Associate Members

Associate membership applies to financial and non-financial companies who represent the infrastructure of the financial community but are not registered in the IBA program.

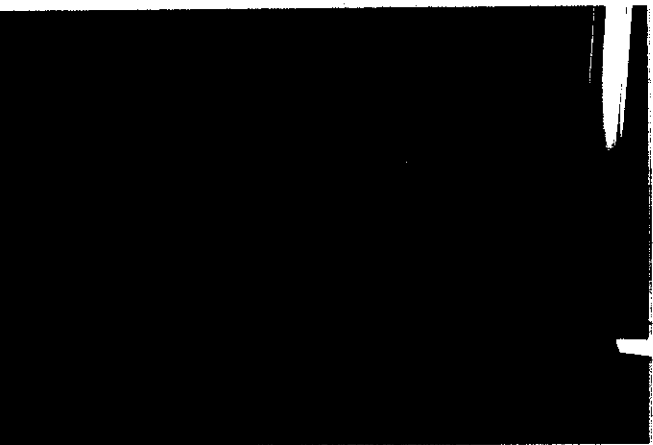
360 Capital Financial Services Group Inc  
 Agricultural Bank of China  
 Amber Financial Services Corporation  
**Asia Pacific Foundation of Canada**  
 Bank of Canada  
 MUFG Bank of Tokyo-Mitsubishi U.F.I. Ltd.  
 Bander Entertainment  
 BC Chamber of Commerce  
 BC Economic Development Association (BCEDA)  
 BC Innovation Council  
 BC Investment Management Corporation  
 BC Tech Association  
 BDC Canada LLP  
 Blake Cassels & Graydon LLP  
 BMO Financial Group  
 Borden Ladner Gervais LLP  
 Boughton Law Corporation  
 British Canadian Business Association  
 Business Council of British Columbia  
 Canada Australia & New Zealand Business Association  
 Canada China Business Council  
 Canada India Business Council  
 Canada Japan Society of British Columbia  
 Canada Korea Business Association  
**Canada Pacific Russia Trade Centre**  
 Canadian Captive Insurance Association  
 Canadian German Chamber of Industry & Commerce  
 Canadian Manufacturers & Exporters  
 Chamber of Shipping of BC  
 Comessa Capital Canada Corporation  
 Creative BC  
 Davison Law Group  
 Deloitte LLP  
 Dentons Canada LLP  
 DigiBC  
 DLA Piper Canada LLP  
 DS Lawyers Canada LLP  
 EncoreFX Inc.  
 Ernst & Young LLP  
 Farris, Craigh, Wells & Murphy LLP  
 Fasken Martineau DuMoulin LLP  
**F-Pacific Optical Communication Co. Ltd.**  
 GE Securities Canada Company Limited  
 Globe Group  
 Gowling WLG  
**Grant Thornton LLP**  
 Hong Kong-Canada Business Association  
 IIG Vancouver  
 Hungerford, Poirer, Lawrenson and Nichols  
 Integro Canada Limited  
 International Forest Products Limited (Interfor)  
 International Genealogical Search Inc  
 Investment Industry Association of Canada  
 Estuary Innovation Group  
 KPMG LLP  
 Life Sciences BC  
 Macdonald Commercial Real Estate Services Ltd.  
 Manpower  
 McCarthy Tétrault LLP  
 McMillan LLP  
**Miller Thomson LLP**  
 Mitsubishi Canada Ltd  
 Mizuho Bank  
 MMK Consulting Inc  
 MNP LLP  
 Modern Investment Group Canada Ltd  
 Odium Brown  
**Pacific Corridor Enterprise Council**  
**Pacific Northwest Economic Region**  
**Pacific Rim Group**  
 Parv Holdings Ltd  
 Phebe and Company Law Corporation  
 PricewaterhouseCoopers LLP  
 Republic Life Sciences Inc  
 Scottish Canadian Business Association of BC  
 Shaw Saxe & Associates  
 Smythe LLP  
 Société de développement économique de la Colombie  
 Britannique  
 State Bank of India  
 Surrey Board of Trade  
 Teck Resources Ltd.  
**Thorsteinssons LLP**  
 Turkish Canadian Chamber of Commerce  
 United Overseas Bank Limited  
 Vancouver Board of Trade  
 Vancouver Economic Commission  
 Vanderluit & Associates, Inc  
 Wavefront Wireless Innovation  
 Walrige Mahon LLP



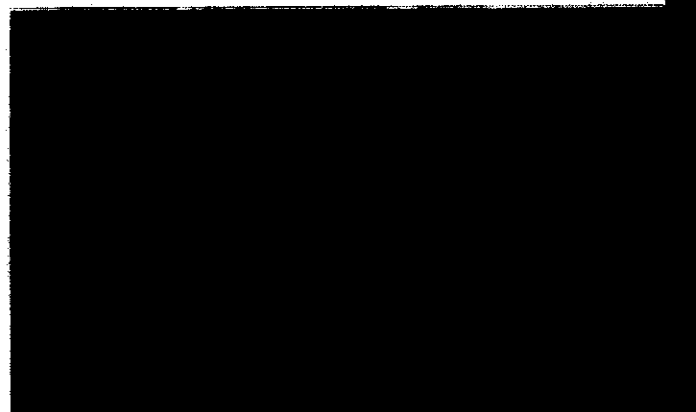
# Our Team



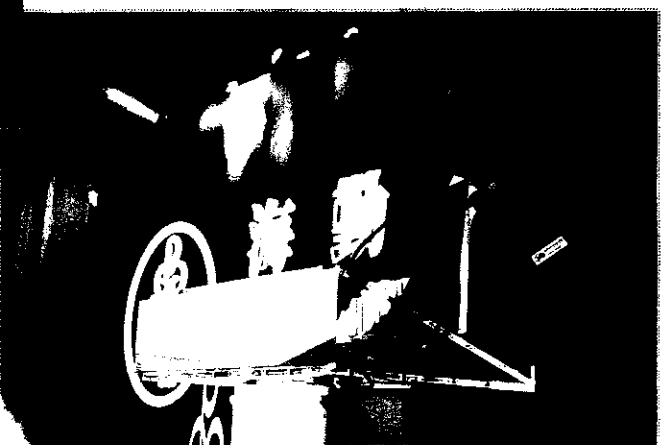
Colin Hansen



Katherine Lee & Kyla Humphreys



Talia Beckett



Jimmy Mitchell

# Our Board

Andrew Parkinson  
COO, Conessa Capital Canada  
Corporation, Pritz Holdings

Anne Meyer  
Senior VP and CFO, Raymond James Ltd.

Brad Shantz  
CEO, Vertical Insurance Group

Bradley Saxton  
Tax Partner, Pricewaterhouse  
Coopers LLP

Bruce Heyman  
Past President, AdvantageBC

Chris Duggan  
VP Trade, Canada, Global Transaction  
Solutions, RBC

Chris Grampel  
Partner, Business Tax, Deloitte LLP

Colin Hansen  
President & CEO, AdvantageBC

Cris Da Silva  
VP Finance and Credit, Mitsubishi Canada  
Limited

Dalbir Rai  
Tax Partner, Ernst & Young LLP

David Hill  
CEO, President and Director,  
Reginald Life Sciences

David Price  
Regional Head of Business Development,  
Global Trade & Receivables Finance, HSBC

Grant Russell  
Tax Counsel, KPMG

James Mavnaed  
President & CEO, Wavefront Wireless  
Innovation Society of British Columbia

Jennifer Guo  
Senior Branch Manager, Bank of China

John Henderson  
Managing Director, Pacific Rim Group

Melanie Clarence  
COO, Conessa Capital Canada Corporation

Prem Gill  
President & CEO, Creative BC

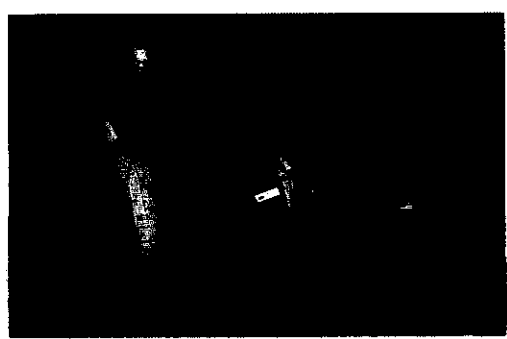
Robert Cass  
Managing Director and Industry Head,  
Scotiabank

Rodger Hutchinson  
VP, Corporate Controller and Investor  
Relations, West Fraser International Ltd.

Ron Bozzer  
Lawyer, Hungerford Town Lawrenson  
and Nichols

Steve Bow  
Executive VP Operations, Northstar Trade  
Finance, Inc.

Tracey Orr  
VP and Director, Global Transaction  
Banking, TD Securities



## Board Committees

### EXECUTIVE

- Ron Bozzer, Chair
- Andrew Parkinson, Vice Chair
- Steve Bow, Director
- Chris Duggan, Director
- Colin Hansen, Director
- Anne Meyer, Director

### AUDIT

- Anne Meyer, Chair
- Ron Bozzer, Director
- Steve Bow, Director
- Chris Duggan, Director
- Colin Hansen, Director
- Andrew Parkinson, Director

### GOVERNANCE

- Andrew Parkinson, Chair
- Ron Bozzer, Ex-Officio
- Chris Duggan, Director
- Colin Hansen, Ex-Officio
- Rodger Hutchinson, Director



5093 - 595 Burrard Street  
PO Box 49067  
Vancouver BC  
Canada  
V7X 1C4

604 683 6626  
info@advantagebc.ca  
www.advantagebc.ca  
@AdvantageBC



*Gateway For Global Business*

