




Department of Finance
Canada

Ministère des Finances
Canada

STRUCTURE *and* ROLE

December 1999

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INTRODUCTION

The Department of Finance Canada is the federal department primarily responsible for providing the Government with analysis and advice on the broad economic and financial affairs of Canada. Its responsibilities include preparing the federal budget; developing tax and tariff policy and legislation; managing federal borrowing on financial markets; administering major federal funding transfers to provinces and territories; developing regulatory policy for the country's financial sector; and representing Canada within international financial institutions.

To meet these challenges, departmental staff monitor and research the performance of the Canadian economy in all important aspects – output and growth, employment and income, price stability and monetary policy, and long-term structural change. The Department is also vitally concerned with trade, monetary affairs and other aspects of the global economy that affect Canada's domestic performance.

Given the Department's wide-ranging policy role, departmental officials work closely with officials in other government departments to encourage co-ordination and harmony among all federal initiatives that impact on the economy. As well, the Department constantly works to encourage and assist improved co-operation in its areas of responsibility – especially on fiscal and taxation issues – between the federal and provincial governments.

Because its work directly affects all Canadians, the Department emphasizes active public consultation – through its own initiatives and the work of parliamentary committees – on policy directions and options. In particular, the Department recognizes that an open, accessible budget-planning process plays an important role in more effective, responsive decision making.

The Department's Internet site provides Canadians with electronic access to a wide range of Department of Finance publications and material, including key budget documents, press releases, speeches and economic reports. It can be accessed at <http://www.fin.gc.ca/> and allows Canadians to e-mail their concerns to the Minister and the Department.

General inquiries regarding the Department of Finance can also be made by phone at (613) 992-1573 or by writing to:

Public Affairs and Operations
Division
Department of Finance Canada
140 O'Connor St.
Ottawa, Ontario
K1A 0G5

Journalists with questions on departmental activities and general economic and fiscal issues should contact the Media Relations Unit at (613) 996-8080.

Background

The Department of Finance dates back to 1867 and Confederation itself. Prior to the formation of Canada, each province had an “inspector general” who handled financial affairs. This responsibility was allocated to a “Minister of Finance” under the new federal government.

At various times since 1867, the Department has included functions now carried out by the Treasury Board Secretariat, the Comptroller of the Treasury, the Royal Canadian Mint and the Canadian International Trade Tribunal, as well as responsibilities for tax inspection and old age and public service pensions. In the early 1930s, the Government transferred detailed operational and program responsibilities to other departments or agencies so that the Department of Finance could concentrate on essential analytical and policy work.

Department of Finance staff numbered 38 in 1867 and at one point reached 6,000. Excluding ministerial staff, the Department now has approximately 600 employees, half of whom are economists.

Activities

The main objective of the Department is to assist the Government, the Minister of Finance and the Secretary of State (for International Financial Institutions) in developing fiscal and other economic policies that support Canada’s economic and social goals. Specific activities include:

- analyzing the economic and fiscal situation and prospects for Canada and other countries important to our economy;
- recommending measures on federal spending, taxation, borrowing and cash management to meet the goals of the Government;
- providing advice on Canada’s balance of payments, foreign exchange reserves, international monetary and financial arrangements, coinage and related matters;
- participating in international negotiations and meetings related to trade, finance, taxation and economic development. The Department also provides the Canadian funding for international financial institutions such as the World Bank;

- advising on federal-provincial fiscal and economic relations, and undertaking liaison and negotiation with the Department's provincial counterparts. The Department is also responsible for funding federal transfer payments to the provinces and territories under programs such as Equalization, the Canada Health and Social Transfer and Territorial Formula Financing agreements;
- providing advice, developing policies and co-ordinating with regulatory agencies regarding the future direction of the nation's financial sector, particularly as it relates to banking and insurance in Canada; and
- communicating to Canadians about the economic and fiscal challenges and opportunities facing them and the Government's policy objectives in these areas.

General Organization

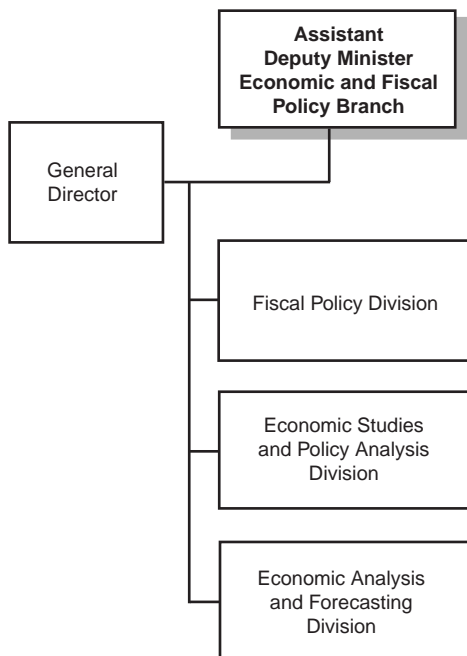
The Department reports to the Minister of Finance through a senior executive comprised of a deputy minister and two associate deputy ministers.

The Clifford Clark Visiting Economist, a post established in 1983 in honour of the late Dr. Clifford Clark, also reports to the Minister of Finance. Occupants of the position advise the Department on emerging economic issues and take part in policy development at the highest level.

Eight branches are responsible for economic analysis and policy development, legal services, and consultations and communications, while corporate services are shared with the Treasury Board Secretariat. Each branch has an assistant deputy minister and includes a number of divisions headed by directors. Branch roles and structures are outlined in the following pages.

In addition to heading up the Department of Finance, the Minister of Finance also reports to Parliament on the activities of several agencies such as the Bank of Canada and the Office of the Superintendent of Financial Institutions. These activities are summarized at the end of this booklet.

ECONOMIC AND FISCAL POLICY BRANCH



The Branch analyzes the economic and fiscal situation of the country and advises the Minister on the Government’s fiscal framework – including revenues, expenditures and debt requirements – and on monetary policy. It also provides the Minister with analytical support on a wide range of economic and financial issues related to the Government’s macroeconomic policies.

Given the complex interaction among international and domestic economic and policy developments,

the Branch closely monitors economic developments in our major trading partners. It also prepares the Department’s publicly distributed monthly fiscal and quarterly economic reports, and continuously tracks fiscal developments at all levels of government. This mandate means the Branch plays a lead role in the federal budget-making process.

In addition, the Branch represents Canada at expert-level economic policy discussions at the Organization for Economic Co-operation and Development (OECD) and takes the lead role in facilitating the economic surveillance of Canada carried out annually by the OECD and the International Monetary Fund.

The Branch has three divisions.

Fiscal Policy Division

This division plays the primary role in analyzing the financial requirements of the Government and tracking the developing fiscal positions of other levels of government. It also has lead responsibility for providing analysis and advice on the Government’s fiscal framework and for co-ordinating the Department’s advice to the Minister on overall federal spending priorities. As well, the Division prepares the Department’s monthly publication, *The Fiscal Monitor*.

As a result of these responsibilities, the Division plays a key role in the budgetary process and drafts budget papers. In addition, the Division reviews the form and content of the *Public Accounts of Canada* and other statements for which the Minister has responsibility under the *Financial Administration Act*.

The work of the Division takes place within four groups.

- Two groups – Revenue Forecasting and Analysis and Expenditure Forecasting and Analysis – prepare the forecasts and analyses of the Government’s fiscal position, and monitor revenue and expenditure developments that are basic to fiscal policy and debt management decisions. In addition, these groups develop policy options that support the Government’s fiscal objectives. Forecasts are prepared on both a Public Accounts and National Income and Expenditure Accounts basis.
- The Intergovernmental Fiscal Policy Group tracks the domestic and international fiscal positions of other levels of government in order to understand their financial implications and impact on the economy.
- The Fiscal Policy Analysis Group undertakes short-term applied research on policy-related fiscal issues.

Economic Studies and Policy Analysis Division

This is the largest policy research group in the Department and one of the largest in the federal government. Its mandate is to conduct policy-focused applied research on major economic and fiscal issues.

Examples of the Division’s recent activities include analysis of the economic and fiscal implications of population aging; studies on the economic implications of policies to reduce greenhouse gas emissions; and analysis of proposals to change the Canada Pension Plan.

Economic Analysis and Forecasting Division

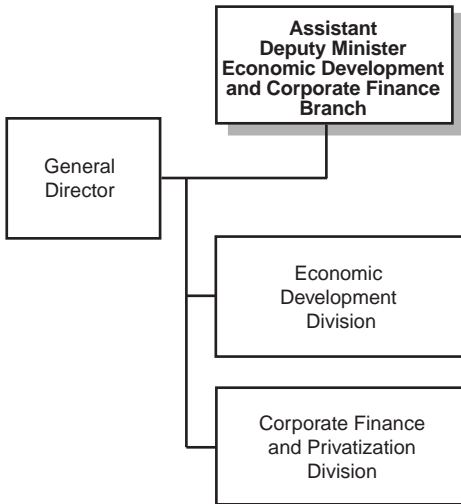
This division tracks, evaluates and forecasts Canada’s economic performance. Two groups undertake these activities.

- The Economic Analysis Group provides continuous assessment of current economic conditions. In co-operation with the forecasting group, analysts provide sector-specific information for the Department’s Canadian economic forecast. A key output is the quarterly *Economy in Brief*, which provides a departmental view of recent economic developments.

- The Forecasting and Model Development Group prepares the Department's quarterly economic forecast and maintains close contacts with leading private sector forecasters and provincial governments. As well, it closely tracks U.S. economic developments and prepares a quarterly economic and fiscal forecast of the U.S. and other Group of

Seven (G-7) economies. The Group is also responsible for the Department's computer-based forecasting models of the Canadian economy (e.g., the Canadian Economic and Fiscal Model), which are used to evaluate the macroeconomic and fiscal impact of economic events and policy options.

ECONOMIC DEVELOPMENT AND CORPORATE FINANCE BRANCH



The Branch is responsible for advising the Minister on policies and issues related to key sectors of the economy and regions of the country. As well, it exercises a central co-ordination function with respect to issues before the Cabinet Committee on the Economic Union. The Branch also undertakes analysis and provides policy advice in support of three main objectives. It:

- ensures that expenditure proposals and contingent liabilities are managed within the Government's fiscal parameters and financial management structure;

- assesses and develops initiatives and framework policies conducive to economic growth and job creation; and
- furthers the Government's agenda in the areas of commercialization and privatization involving government-owned or government-managed agencies and activities such as Crown corporations.

The Branch is divided into two divisions, each with policy sections devoted to specific issues and sectors. A separate **Policy Analysis and Co-ordination Section** undertakes data collection and analysis on a range of concerns and co-ordinates the Branch's involvement in federal budget preparations, expenditure management and priority setting.

Economic Development Division

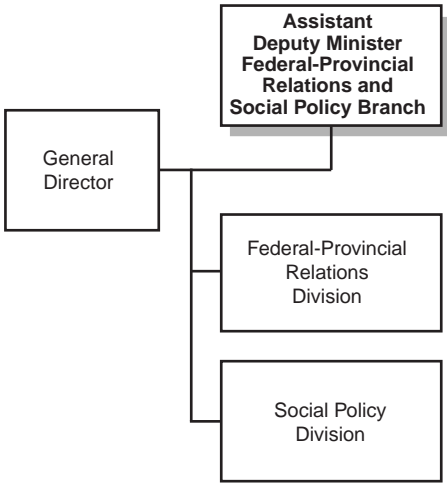
- **Industry Innovation and Telecommunications** – This section provides policy analysis concerning science and technology funding; telecommunications and the information highway; specific industry sector issues; and small-business programs and regional development.

- **Agriculture and Fisheries** – This section deals with policy proposals related to the Government’s agricultural support programs and fisheries resources management.
- **Environment, Energy and Resources** – The work of this section concerns the Government’s approach to the environment and the economy as well as energy and resource policy.

Corporate Finance and Privatization Division

- **Transportation and Corporate Analysis** – This section analyzes programs and policies related to the future of Canada’s transportation system and the federal government’s involvement in public infrastructure. It also focuses on issues requiring financial analysis associated with major economic development projects or major corporations facing financial difficulty.
- **Privatization and Crown Corporations** – This section deals with specific transactions pertaining to the disposition of the Government’s Crown commercial holdings. It also serves as the departmental focal point for Crown corporation policy issues of concern to the Minister.

FEDERAL-PROVINCIAL RELATIONS AND SOCIAL POLICY BRANCH



The Branch provides policy advice to the Minister on federal-provincial financial relations and social policy issues and their economic and fiscal implications. It also administers most federal-provincial fiscal arrangements. Two divisions reflect the Branch's dual policy responsibilities.

Federal-Provincial Relations Division

This division administers the major federal funding transfers to the provinces and territories, and advises on federal-provincial fiscal arrangements and federal-provincial financial relations in general. It has policy and program responsibilities

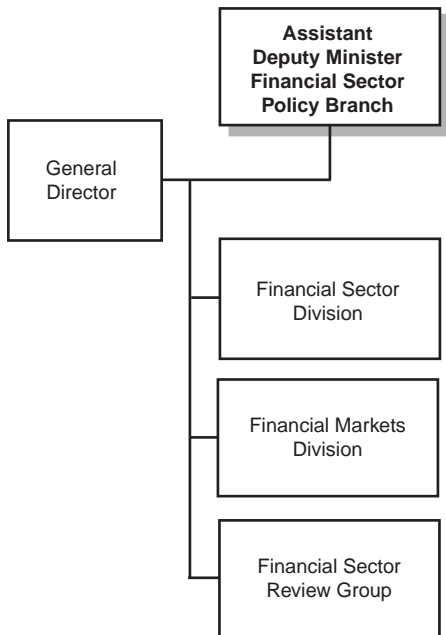
for federal transfer payments to the provinces and territories – primarily Equalization, the Canada Health and Social Transfer and Territorial Formula Financing. Activities also include consultations with the provinces and territories concerning program changes. In addition, the Division serves as a liaison between the Department and its provincial counterparts and acts as a secretariat for meetings of federal-provincial ministers of finance and treasurers.

Social Policy Division

This division provides advice on social policy and the financial management of federal social programs. It is the principal contact point between the Department of Finance and federal departments responsible for the development of social policy and the administration of social programs.

Programs and policy areas that fall under the Division's mandate include income security, pensions (public and private), employment and labour market issues, employment insurance, immigration, post-secondary education, health, housing, communications, culture, justice, and issues affecting Aboriginal peoples, women and children.

FINANCIAL SECTOR POLICY BRANCH



The Branch is responsible for providing policy analysis on Canada's financial sector and on the regulation of federally chartered financial institutions (banks, trust companies and insurance firms). It also manages the federal government's borrowing program and provides support to the Minister regarding Crown corporation borrowing and financial market and exchange rate policy. The Branch is composed of two divisions and the Financial Sector Review Group.

Financial Sector Division

This division develops and evaluates policies on the regulatory framework covering Canada's financial institutions. It has four sections.

- **Financial Institutions** – This section deals with corporate issues such as proposed structural changes by regulated financial institutions, deposit insurance, Canada Deposit Insurance Corporation and financial sector Y2K preparedness. The Section is also responsible for, and reviews, the national payments system, which covers inter-bank fund transfers and electronic banking. As well, it co-ordinates Canada's position on international regulatory and supervisory issues. The Group interacts regularly with the Office of the Superintendent of Financial Institutions and the Bank of Canada.
- **Policy Development** – This section deals with financial sector policies and develops legislation and regulations. A particular focus is the relationship of financial institutions with small businesses and consumers.
- **Intergovernmental Relations** – This section is responsible for the federal government's relations with the provincial governments as well as Canada's

international relations regarding financial services. The latter encompasses bilateral relations and the administration of Canada's commitments under various agreements such as the North American Free Trade Agreement and the General Agreement on Trade in Services. The Section will be negotiating new financial services arrangements in the next round of World Trade Organization trade negotiations (the 2000 Round).

- **Financial Crimes** – This section develops and analyzes policies relating to combating money laundering and financial crime. The Section also co-ordinates Canada's position on methods being considered in international fora to combat money laundering and financial crime.

Financial Markets Division

This division provides policy analysis and advice on the federal government's financing operations and on financial market developments. The Division is comprised of three sections.

- **Pensions and Investment Policy** – This section provides policy analysis and advice on exchange intervention, management of Canada's international reserves, financial market developments, and investment policies for the Canada Pension Plan, the public service pension plan and other public moneys.

- **Debt Management** – This section provides policy analysis and advice relating to managing the Government's public debt and implementing the borrowing program, and provides intelligence and analysis about financial market developments. It is also responsible for relations with credit rating agencies and investors.
- **Government Financing** – This section provides policy analysis and advice on financing and debt issues associated with privatizations and commercializations, loan and loan guarantees and other financing arrangements, and on investment policies for Crown corporations. The Section also provides policy advice on issues involving circulating coinage and bank notes.

Financial Sector Review Group

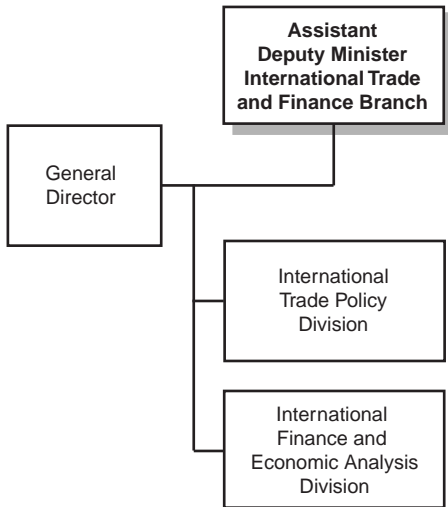
This group was created in 1998 to help the Minister and the Government address the rapid pace of change in the financial services sector and the ensuing policy challenges. Its first responsibility was to provide analysis and advice on proposed bank mergers.

The key part of the Group's work has been to assess the recommendations of the Task Force on the Future of the Canadian Financial Services Sector, which tabled its report in September 1998. This work

culminated with the June 25, 1999 release of the Government's new policy framework for the sector, contained in *Reforming Canada's Financial Services Sector: A Framework for the Future*. The Group will be drafting the legislation and consequential regulations stemming from this new framework and facilitating their passage through Parliament. There are four sections in this group.

- **Systems Issues** – This section is active on major financial sector transactions issues, including the merger proposals that were put forward last year by four of Canada's largest banks, and assesses their impact on competition, safety and soundness, and overall public interest. It also co-ordinates the legislative and regulatory implementation of the new policy framework
- **Strategic Planning and Communications** – This section is responsible for strategic planning and communications related to financial sector issues and priorities, and manages relationships with parliamentary committees and parliamentarians. It also co-ordinates federal-provincial consultations on financial sector issues and manages relationships with agencies and other departments.
- **Consumer Issues** – This section is responsible for consumer-related issues in the financial services sector. It develops policies and legislation in areas such as access to services, oversight and redress, and social accountability.
- **Structural Issues** – This section develops policy on structural issues within the financial services sector that relate to corporate organization, permitted activities and regulation of financial institutions. Specifically, the Section has provided policy advice on changes to the ownership regime, credit unions, the promotion of new entrants and the introduction of a holding company structure. This work encompasses the review of past legislative developments, as well as international considerations and best practices as they relate to changes in the Canadian financial services sector.

INTERNATIONAL TRADE AND FINANCE BRANCH



The Branch is the focal point for the Department's participation in international economic matters. This includes the Department's lead responsibility within the Government for international financial institutions (i.e., the International Monetary Fund (IMF), the World Bank Group and the European Bank for Reconstruction and Development (EBRD)), for import policy and for participation in the Group of Seven (G-7) industrial countries' economic policy co-ordination exercises and in the work of the Group of Twenty (G-20), the new forum of the G-7 with other systemically significant economies. The Branch is composed of two divisions.

International Trade Policy Division

This division is central to the development and management of Canadian trade and investment policies. It also evaluates domestic economic policies relative to Canada's international obligations and relations with other countries.

Within the Government, the Division plays a lead role – including in international negotiations – on import policy, especially on tariff and trade remedies (anti-dumping, subsidies/countervail and safeguards). It is also responsible for related domestic legislation and regulations and for the quasi-judicial Canadian International Trade Tribunal. It also addresses specific issues and disputes related to trade in goods and services.

As well, the Division is responsible for all aspects of Canada's tariff policy. It develops and recommends policy on:

- tariff-relieving measures to foster economic development in Canada and help domestic businesses adjust to competitive pressures;
- tariff reductions to be offered to Canada's trading partners in exchange for greater access to their markets;
- the content of rules of origin;
- the imposition of emergency surtaxes on imports that cause, or threaten to cause, serious

injury to Canadian production, and surtaxes to exercise Canada's rights under trade agreements; and

- the establishment of preferential rates of duty on imports from developing countries.

In carrying out its tariff policy responsibilities, the Division reviews representations from the private sector and consults with stakeholders, such as industry sectors, as well as with other government departments and agencies.

The Division also plays a major role in developing and representing Canada's policies and positions in bilateral and multilateral negotiations on other trade and investment issues. These issues include trade in services; the linkages between trade and competition policy, environmental policy, labour standards and culture; and electronic commerce.

International Finance and Economic Analysis Division

This division leads on many aspects of international financial relations and analyzes developments in the international economy affecting Canada's economy.

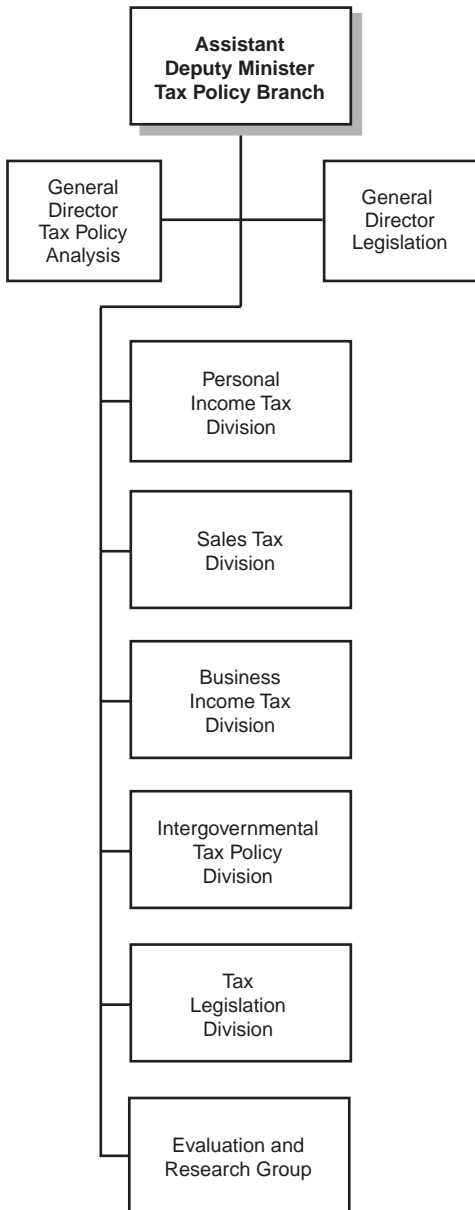
The Division manages Canada's relations with the IMF, the World Bank Group and the EBRD and comments on both general policy matters and the financial assistance programs that these agencies provide to individual countries. It co-ordinates the Department's work on other multilateral development banks and advises on Canada's own development assistance program.

The Division handles the Department's participation in the G-7 Finance Ministers' Meetings, the G-7/8 Summits and the meetings of the G-20 group of industrialized and emerging market countries. It leads the Department's participation in the Asia-Pacific Economic Co-operation Forum, the Western Hemisphere Finance Ministers process, and the North American Financial Group. It also co-ordinates the Department's participation in the Organisation for Economic Co-operation and Development and looks after Canada's participation in such international bodies as the Group of Ten, the International Monetary and Financial Committee of the IMF (formerly the IMF Interim Committee) and the IMF/World Bank Development Committee.

In addition, it co-ordinates the Department's interests in export finance, including oversight of the federal Export Development Corporation, and the export financing activities of the Canadian Wheat Board and the Canadian Commercial Corporation.

The Division plays a key role in international debt strategy issues. It leads Canadian participation at the Paris Club, which focuses on multilateral debt rescheduling exercises, and maintains liaison with commercial banks on developing country debt issues.

Finally, the Division assesses economic and policy developments in the major overseas industrial and emerging market countries. It also analyzes general systemic issues affecting the global economy and international financial system.

TAX POLICY BRANCH

The Branch is responsible for the development and evaluation of federal taxation policies and legislation. However, the actual collection of taxes and interpretation of tax law are the responsibility of the Canada Customs and Revenue Agency (formerly Revenue Canada).

The Branch consists of five divisions and the Evaluation and Research Group, each focusing on specific aspects of taxation. However, many of the responsibility areas are shared and projects may involve officers from more than one division or group.

Personal Income Tax Division

This division has the primary responsibility for personal income tax and tax-based transfers to individuals and families. It undertakes economic and quantitative analyses of broad personal income tax issues and evaluations of specific tax measures that support the Government's overall social, cultural, economic, regional and federal-provincial objectives. Key areas include marginal tax rates, the link between the tax system and the economy, capital gains taxation, child tax benefits, retirement saving and the underground economy.

Sales Tax Division

This division addresses federal consumption taxes, developing the policies, legislation and regulations associated with sales tax – the goods and services tax (GST) and the harmonized sales tax (HST) in three provinces – and federal

excise taxes on tobacco and alcohol. This work involves researching and analyzing changes to these taxes and developing detailed policy proposals, including measures to redress deficiencies raised by individuals and the private sector.

Business Income Tax Division

This division is responsible for providing advice and recommendations on all aspects of corporate and business taxation, including both corporate income and capital taxes. The Division analyzes tax policies affecting economic development, the natural resource industries, financial institutions and international taxation. Particular areas of study include domestic and international tax competitiveness, the burden of taxation among sectors, the relationship between federal and provincial business tax systems, and the taxation of privately held corporations. The Division also analyzes the cost-effectiveness of tax incentives in promoting government objectives in areas such as economic development, research and development and environmental policy.

Intergovernmental Tax Policy Division

This division provides advice and recommendations on federal-provincial and federal-First Nations taxation arrangements. It is responsible for the policy and administrative aspects of the federal-provincial tax collection agreements and reciprocal tax agreements. The Division also develops policies and negotiates agreements on the

evolving tax relationship with First Nations under the Government's Inherent Right of Self-Government initiatives.

Tax Legislation Division

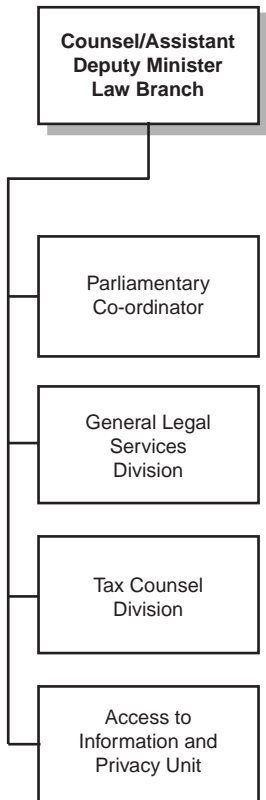
In consultation with the Department of Justice and Revenue Canada, the Division drafts tax legislation and monitors its passage through Parliament. It also advises on the implications – commercial, legal, policy and administrative – of proposed measures regarding all aspects of federal income tax.

As well, the Division recommends international tax policy initiatives. It analyzes tax developments in other countries and is responsible for policy changes to Canadian international taxation rules and the negotiation of tax treaties with other countries.

Evaluation and Research Group

The Group evaluates existing tax measures to ensure that they continue to be relevant, efficient and effective, and undertakes research relating to all aspects of the tax system, including its relationship to the broader economy. Evaluations are frequently undertaken in co-operation with the policy divisions. The Group also produces the annual publication, *Government of Canada Tax Expenditures*. Research activities focus on issues that, while not necessarily directly relevant to current policy issues, may serve as the basis for future policy development.

LAW BRANCH



The Branch manages and administers all legal services for the Department of Finance and Office of the Superintendent of Financial Institutions. It also manages and administers the Access to Information and Privacy Unit and the Department's legislative program. All lawyers in the Branch are officers of the Department of Justice. The Branch is composed of three divisions and one unit.

Parliamentary Co-ordinator

In managing the Department's legislative program, the Parliamentary Co-ordinator liaises between Parliament and the Department; provides services to the Minister, the Secretary of State and the Parliamentary Secretary with respect to parliamentary matters; and co-ordinates departmental work concerning parliamentary matters.

General Legal Services Division

Except for tax advice, this division provides legal services to the Department in a range of areas, including financial institutions, federal-provincial relations, budget implementation and trade issues. It also instructs on and monitors major litigation of concern to the Department.

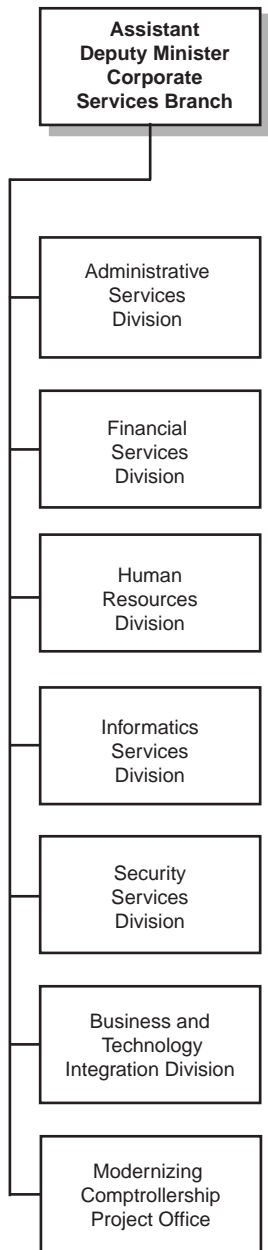
Tax Counsel Division

This division prepares tax legislation and regulations, and provides internal legal advice and support on all tax policy matters. It also monitors and reports on provincial taxation developments and assists in federal-provincial negotiations on tax issues. Another responsibility is to monitor, and sometimes participate in, court cases with implications for tax policy.

Access to Information and Privacy Unit

This unit administers the *Access to Information Act* and the *Privacy Act* for the Department of Finance. It also co-ordinates and prepares the Department's input to the annual *Federal Regulatory Plan*. The Unit can be reached at (613) 943-8850.

CORPORATE SERVICES BRANCH



The Branch provides service and support to the Department and the Treasury Board Secretariat (TBS) in the areas of staff orientation, informatics, human resources, financial facilities, information and materiel management, security, and the integration and streamlining of the Department's own business processes using innovative systems and work processes. Other activities include task force organization, and co-ordination of the Canada Savings Bond and United Way campaigns. The Branch is composed of seven divisions.

Administrative Services Division

This division is responsible for the management of administrative, professional and technical services in support of the daily operations of the Department of Finance and TBS. It is divided into four groups: Facilities Management, Materiel Management, Client Services and the Library.

Financial Services Division

This division is responsible for all financial administration for the Department of Finance and TBS. It is composed of five groups: Financial Planning and Analysis – Department of Finance, Financial Planning and Analysis – Treasury Board Secretariat, Accounting Services and Public Debt, Financial Systems Support and the Employee Orientation Centre.

Human Resources Division

This division is responsible for all human resources activities for the Department of Finance and TBS. Its four groups include Staff Relations/Compensation, Human Resources Services, Organization Development/Career Management/ Training Services, and Official Languages/Employment Equity/Awards and Recognition.

Informatics Services Division

This division is responsible for planning, implementing, managing, operating and supporting all departmental information technology services and infrastructure for the Department of Finance and TBS. It is divided into three groups: Information Technology Services, Systems Development and Network Management.

Security Services Division

This division is responsible for physical, personnel, information and information technology security, fire protection and emergency response.

Business and Technology Integration Division

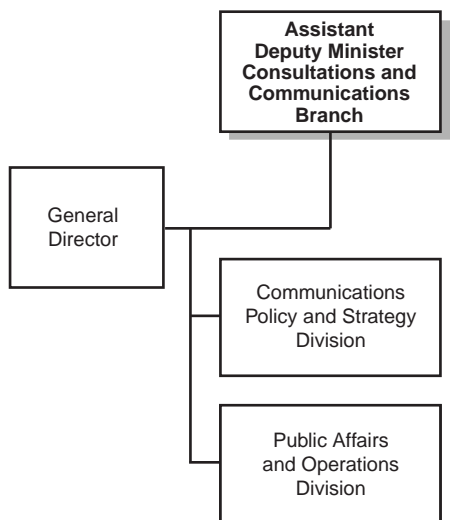
This division provides leadership in the development and implementation of policies, processes and systems to enhance the Department's capacity to achieve strategic and business goals through the analysis and reconfiguring of business processes and technology integration.

The Modernizing Comptrollership Project Office

This Project Office has been set up to facilitate the implementation of modern comptrollership in TBS. The Office will be responsible for co-ordinating all activities related to the approved action plan for this initiative within TBS and for maintaining linkages with the other pilot departments.

Once the TBS pilot is firmly underway the lessons learned will be applied to the Department of Finance.

CONSULTATIONS AND COMMUNICATIONS BRANCH



The Branch develops communications and consultations strategies and initiatives that assist the Minister, the Secretary of State and other branches in developing policy initiatives, including the annual federal budget. It organizes ministerial and departmental consultations, manages a range of information and public affairs activities, and provides related services. Two divisions make up this branch.

Communications Policy and Strategy Division

This division develops communications plans and strategies and provides communications advice to the policy branches. It also drafts speeches, press releases, briefing papers, publications, multimedia presentations and material in support of the federal budget.

As well, the Division undertakes communications research and analysis and monitors the media on a daily basis for issues of interest to the Minister, the Secretary of State and the Department.

Public Affairs and Operations Division

This division focuses on external communications and public relations activities. It carries out an extensive media relations program that encompasses preparing departmental and ministerial announcements and statements and arranging for briefings and press conferences, including those for the release of the federal budget. The Division provides editing support for departmental publications and communications products. It also provides logistical support for all departmental publications. It develops and maintains contacts with the business community, labour organizations and social, voluntary and other interest groups, and assists the Minister, the Secretary of State and the Department in consulting with the public and stakeholders on a range of economic and fiscal issues. As well, the Division manages the Departmental Correspondence Centre.

Also part of the Division is the Visits, Conferences and Protocol Unit, which provides the Department with expertise and services in the areas of conference and meeting organization, management and logistics, visits by foreign dignitaries and officials, and other protocol services.

OTHER MINISTERIAL RESPONSIBILITIES

In addition to his responsibility for the Department of Finance, the Minister reports to Parliament on the activities of the following government agencies.

Bank of Canada

The Bank of Canada is the country's central bank.

- It is responsible for regulating credit and currency, primarily by managing the cash reserves of the chartered banks.
- It manages the public debt and has the sole right to issue paper currency for circulation in Canada.
- It is also responsible for overseeing major clearing and settlement systems that could pose a systemic risk.
- A board of 12 directors appointed by the Government manages the Bank. The Deputy Minister of Finance is an ex-officio member of the board. Senior officials of the Bank include the Governor, the Senior Deputy Governor and four deputy governors.

Canada Deposit Insurance Corporation (CDIC)

CDIC provides insurance against loss of eligible deposits of up to \$60,000 per depositor in each member institution. Members include banks, trust companies and loan companies.

Canada Investment and Savings (CI&S)

In the 1995 budget, the Government announced a new retail debt program to provide individual Canadians with better access to Government of Canada securities. CI&S (formerly the Canada Retail Debt Agency) was established the following August as a special operating agency in the Department of Finance. Its mandate is to revitalize the federal government's retail debt program through the sales of government securities such as savings bonds, Treasury bills and marketable bonds. It is also responsible for reversing the declining trend in retail (general public) holdings of federal securities.

CI&S is headed by a financial industry executive and staffed by marketing and sales professionals responsible for the marketing strategy, product requirements and distribution associated with Canada's largest debt program.

Office of the Superintendent of Financial Institutions (OSFI)

OSFI has two main functions.

- It regulates financial institutions and employer-employee pension plans under federal jurisdiction, contributes to public confidence in the Canadian financial system and protects depositors, policyholders, pension plan beneficiaries and creditors. To meet this goal, OSFI maintains a comprehensive supervisory framework aimed at determining whether financial institutions and pension plans are in sound financial condition and in compliance with statutory requirements.
- OSFI also provides actuarial services for other government departments in support of social security, insurance, annuity and other financial programs.

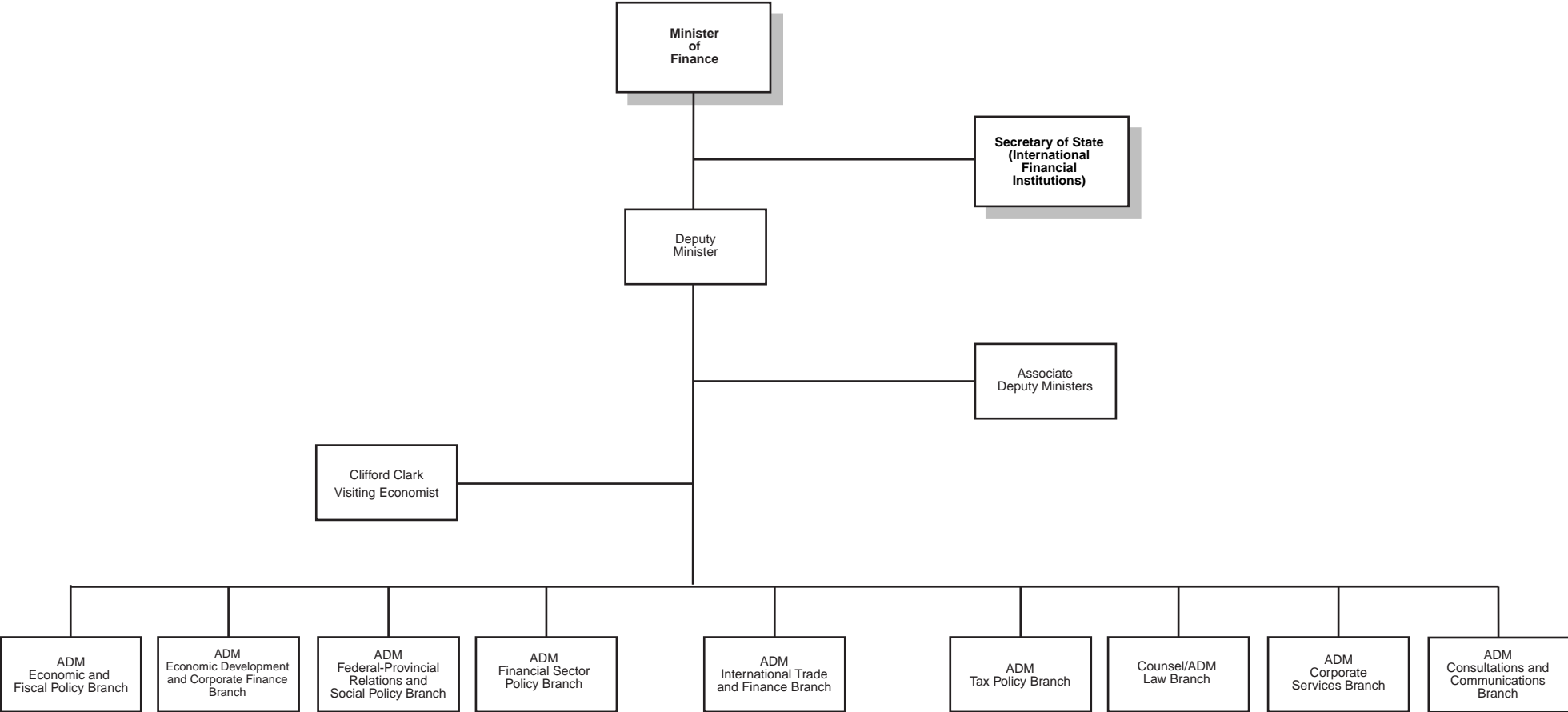
Canadian International Trade Tribunal (CITT)

The CITT is a quasi-judicial, independent agency that reports to Parliament through the Minister of Finance. It conducts inquiries into economic, tariff, trade and commercial matters, and carries out anti-dumping, countervailing and safeguard injury inquiries. It considers appeals of decisions by Revenue Canada relating to customs and excise matters. The CITT also reviews complaints by potential suppliers regarding procurement conducted by the federal government as well as procurement-related complaints under the Agreement on Internal Trade.

The Minister of Finance also has charge of the management and direction of the **Consolidated Revenue Fund**, and the supervision, control and direction of all matters relating to the financial affairs of Canada not assigned by law to any other minister. The Auditor General reviews the accounts of the Government and certain federal government agencies and reports the results of his examination annually to the House of Commons.

Organization Chart

December 1999



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