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The Canadian Bankers Association's (CBA) pre-budget submission identifies opportunities and recommendations for consideration by the Department of Finance and Treasury Board (Department) in the development of Nova Scotia's next budget.

The CBA's key recommendations, as summarized, are for the Government of Nova Scotia to:

- Remove the capital tax on financial institutions to promote economic growth in Nova Scotia.
- Encourage the federal government to undertake a comprehensive review of the national tax system to ensure it aligns with the needs and goals of Nova Scotians, improves productivity, and attracts international capital investments. One step is the removal of sector specific taxes such as the Financial Institutions (FI) Tax and the Canada Recovery Dividend (CRD).
- Support the establishment of a permanent multi-stakeholder housing roundtable to coordinate housing policy across all levels of government. The objective of the body would be to remove barriers to supply and increase construction of social housing to protect the province's most vulnerable households.
- Introduce a mandatory, standalone financial literacy course within the province's public secondary school curriculum and expand its financial literacy initiatives to priority groups.
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Financial literacy is an essential life skill. Developing an understanding of money at a young age will help people better manage their money in the future, but people of all ages need to have the necessary tools to make informed financial decisions and the knowledge to avoid financial fraud and scams. The banking sector has long recognized that it has a role to play in supporting and strengthening financial literacy, and banks support many such programs to help Canadians.

The CBA applauds the leadership demonstrated by the Government of Nova Scotia by integrating financial literacy into various subjects including mathematics, social studies and health education from primary up to Grade 9, and in high school, where this subject is expanded upon in select courses. This is a laudable policy; however, we encourage the Government to further strengthen its financial literacy commitment through the introduction of a mandatory course on financial literacy at the secondary level. A mandatory course would build upon the strengths of Nova Scotia's existing curriculum and would provide an in-depth exploration of key topics such as budgeting, saving, investing, and fraud avoidance, thereby providing students with a well-rounded understanding of managing their financial well-being and resiliency.

Additionally, we encourage the Government of Nova Scotia to broaden its financial literacy initiatives to encompass targeted programming for priority groups, including lower-income Canadians, older adults, Indigenous communities, and newcomers to Canada. By doing so, we can ensure that financial literacy in Nova Scotia is both inclusive and accessible.





The rise in digital financial services has made financial data a prime target for cyber threats. The Canadian Anti-Fraud Centre has noted a 40 per cent year-over-year surge in cybercrime losses, with many incidents going unreported.<sup>21</sup> Globally, about three billion phishing emails are sent daily. Cyber security is a shared responsibility, with banks collaborating with each other, the government, and law enforcement to safeguard Canada's critical infrastructure. It's crucial for individuals and businesses to adopt basic cyber security practices and to be aware of common frauds and scams. Collaboration with the CBA and organizations such as the Canadian Centre for Cyber Security would support efforts to educate Canadians on avoiding scams, protect individuals and small businesses, and mitigate cyber security threats.

- fail to focus on the appropriate risks and miss a key opportunity to properly augment the Regime (e.g., provincial changes may be required in the future to support a federal solution on private-to-private institution information sharing for AML and ATF purposes);
- impact the ongoing, important national policy work of the federal government;
- create coordination concerns amongst a growing number of authorities; and
- potentially increase reporting issues.

As opposed to introducing new requirements to a comprehensively regulated space, the CBA urges the Government of Nova Scotia to continue to invest in and harmonize its existing tools with the

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The financial sector is central to securing an orderly transition to a low-carbon economy. By financing the climate transition, banks are helping Canada meet its net-zero ambitions while ensuring we reliably meet energy demands in a volatile global context. Banks are helping to finance greener forms of energy, but the full transition to net-zero will not happen overnight. Thus, we acknowledge the government's commitment to reduce greenhouse gas emissions in the province by at least 53 per cent from 2005 levels by 2030 and be net-zero by 2050.<sup>22</sup>

We believe that a national or harmonized process is needed for Canada to meet its climate goals and enhance productivity and economic growth. Businesses, governments, and individuals working together on the fundamental reshaping of our economies and societies is critical. Banks look forward to opportunities to support the generation of more clean energy, grow our economy, and cut emissions across the province.

Additionally, the transition to a net-zero economy provides further reason to review Canada's tax system, consistent with our second recommendation. Some estimates suggest that Canada will need approximately \$2 trillion in over the next three decades to transition to a net zero economy.<sup>23</sup>

Upcoming challenges to Nova Scotia, whether influenced by global or domestic factors, highlight the need for a strong and stable banking sector that will benefit the province's economy. Directly and indirectly, the banking sector plays a vital role in the province's economy. A strong banking sector supports Nova Scotia's business ecosystem, particularly as it related to lending to SMEs.

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Thank you again for the opportunity to contribute to the Government of Nova Scotia's 2024-25 budget. Our recommendations aim to ensure the banking system continue to support Nova Scotian families and businesses through the uncertainty of today, while continuing to build a strong foundation for tomorrow.

Please do not hesitate to contact the CBA to discuss our pre-budget submission further.