



Table of Contents

Table of Contents	1
Message from the Chair	2
Report by the President	3
Highlights of the Year	4-5
Core Members	6
Associate Members	7
Academic Members	7
Board Members	8
Executive Committee	8
Governance Committee	8
Audit Committee	8
Advisory Committee on Mobile Payments	8
Contact Information	9
About AdvantageBC	9
General Information	9

Message from the Chair

I am pleased to report continued and steady progress in AdvantageBC's quest to be one of the world's pre-eminent business centres. 2012 was a year in which AdvantageBC continue to raise its profile and continued to launch its new brand!

The year started with AdvantageBC hosting a forum with the Vancouver Board of Trade. The event, titled "Improving BC's Competitive Position", attracted 200 people and featured Jeffrey Simpson, National Political Affairs columnist from the Globe and Mail, Jock Finlayson, Senior Policy Officer from Business Council of BC and Elio Luongo, National Tax Leader from KPMG. The event was a timely backdrop to BC's retrograde move back to a provincial sales tax (PST) from the harmonized sales tax (HST).

Coincidentally in January, the then BC Minister of Finance, Kevin Falcon announced the appointment of an Expert Tax Panel to make recommendations to the Province on how British Columbia's business tax environment could be made more competitive. In addition to recommending administrative improvements, the Panel was asked to assess British Columbia's taxes and tax expenditures and their effect on business competitiveness. A few months later, AdvantageBC was invited to share our perspective on these issues in both an appearance before the Panel as well as a formal submission. Our International Business Activity program fared well in the final report.

AdvantageBC held its biannual Retreat in Whistler in November. During the retreat, we updated our Strategic Plan to include several new initiatives for 2013. The key new initiatives include the implementation of our new Communications Plan; development of a stakeholder relations strategy for our key partners; and further development of our vision of a pre-eminent international business centre. The review of our Strategic Plan reaffirmed four of our focus areas, being:- Canadian Banks; Asian Financial Institutions; Fund Administration and Management; and the Digital Economy.

We have updated our Communications Plan and identified key messages targeted at increasing AdvantageBC's visibility and promoting BC as a location for investment using both traditional channels and new approaches such as social media. We are well on our way to creating a one-stop service for businesses interested in locating to British Columbia. We will continue to improve the understanding of the International Business Activity program and its potential for existing and new members.



Throughout the year, AdvantageBC seeks out opportunities for members to network. 2012 was again a busy one for us. We participated in two additional Vancouver Board of Trade events, as well as events with the Business Council of BC, Canadian Manufacturers & Exporters and LifeSciencesBC. We also held a joint event for Industrial and Commercial Bank of China (ICBC) executives from UBC's Sauder Business School Executive program in May which featured a presentation by the Office of the Superintendent of Financial Institutions Canada (OSFI) on the Canadian banking regulatory environment. We presented our annual Technical Seminar in May which featured a presentation by officials from the B.C. Ministry of Finance - Audit Group. Our President featured as a keynote speaker at an Economic Development Association of British Columbia forum. We assisted the Agricultural Bank of China in setting up a new office in Vancouver and also sponsored their office opening event.

During 2012, Vancouver moved up in the latest Global Financial Centre Index (GFCI) ranking published September 2012 from #17 to #16. Vancouver has steadily risen from a 33rd ranking in 2008 to the 16th ranking currently. The Global Financial Centres Index (GFCI) is published semi-annually by Z/Yen. This continued improvement is a positive sign and our vision is that Vancouver will continue to be highly ranked and continue its ascendancy in the rankings as a recognized international financial centre.

Membership in the Society continued to grow with eleven new members; five core and six associates. AdvantageBC now has 132 members, 71 core members and 61 associate members.

In 2012, we held several events with strong member attendance. Most notable was our seasonal reception and golf tournament. Our annual technical seminar in May drew strong attendance. We continue to host events of interest to our members, and have held three very well-attended events already in 2013. If you haven't had a chance to attend, we encourage you to join us at some of our upcoming events.

As Chair, I express my thanks to the AdvantageBC's Board of Directors for their tireless support and guidance throughout the year, in particular all of the directors who participate in the various committees of the Board. I express my thanks to the members for their support and encouragement. And finally, I would like to thank the staff at AdvantageBC for their hard work and dedication.

-Ron Bozzer, Chair

In the fall of 2012, our Board of Directors held a retreat to develop a Strategic Plan for 2013. The Honourable Stockwell Day was our keynote speaker and presented on BC as a Gateway for Global Business, one of the key tenets in our vision. We were also honoured to have representatives from our key partner organizations:- BC Ministry of Jobs, Tourism and Skills Training; the Federal Department of Foreign Affairs; and, Vancouver Economic Commission. During the retreat, we updated our Strategic Plan, where we identified several new initiatives for 2013. Our key focus areas were identified as Canadian banks, fund administration and management, large exporters and resource companies, digital economy and Asian financial institutions.

We also identified some new initiatives such as the need to develop a key stakeholder strategy, implement a Communications Plan as well as developing a Vision of Vancouver as an International Business Centre. In addition, we changed the “Corporate Treasury” focus area to “Large Exporters and Resource Companies” as it is a clearer description of potential activities.

We continue to push for the enactment of the previously passed expansion to the IBAA to include digital media, clean technology and carbon credit trading in 2010 followed by the 2011 expansion to include foreign bank branches.

AdvantageBC played host to two internship programs in 2012, both from the University of British Columbia’s Sauder School of Business, and provided assistance in our efforts to better understand international business trends impacting Canada and British Columbia. One intern from the MBA program reviewed the organization’s website links to partner groups and external agencies in an effort to widen online accessibility to information about the International Business Activity (IBA) program. She also wrote a report on Chinese investment patterns in Canada/BC and the potential implications for the IBA program. Our second intern was an executive from the Industrial and Commercial Bank of China (ICBC) and he wrote a report that looked at the recent internationalisation of Chinese banks and its implications for Canada. Both interns presented their findings at a Board of Directors meeting.

2012 saw increased travel as well, as we raised efforts to message the competitive advantages of doing business in British Columbia both internationally and within Canada. We took two trips to Asia, one in April and again in November. Relying on significant support from the growing network of BC Trade and Investment Offices overseas, AdvantageBC conducted over 95 meetings during 21 business days in 7 cities including Beijing, Shanghai, Hong Kong, Mumbai, Singapore, Tokyo and Seoul. The meetings allowed AdvantageBC to make presentations to Canadian government



representatives overseas, intermediaries and partner organizations, and potential investors. With inbound investment from Asia --- as well as outbound exports --- taking an increasingly important role in BC’s economy, the Province’s Trade and Investment Representatives provided an ideal platform for AdvantageBC to make the case for Asian companies to locate or expand their business in British Columbia. The trip was focussed primarily on Asia-based financial institutions, large multinationals and resource-based firms, as well as asset management and fund management companies looking to take advantage of British Columbia’s favourable business and taxation environment. We also participated in the Canadian delegation from the Hong Kong-Canada

Business Association at the annual Hong Kong Forum on December 4 – 5, 2012.

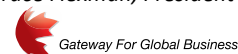
We made several trips to Toronto and Calgary throughout the year to meet with some of our members as well as potential members. In total, we had 35 meetings over five trips. During the London Olympics, we travelled with the Vancouver Economic Commission team to London as part of the 2012 Economic Trade Program to showcase Vancouver as a suitable environment for the green and creative sectors.

We have settled in nicely at our new location at Bentall Three. At the end of 2012, Alice Harder, Director of Marketing and Research resigned to move to New York. Alice was with AdvantageBC for eight years and in her tenure, she performed a wide range of activities from managing our website, generating our promotional materials, preparing our financials, overseeing the billing of fees, creating our quarterly newsletter, and coordinating our IT issues. She was also very involved with our rebranding, the development of our Strategic Plan and submissions to government and panels on our recommendations and research.

We welcome Grace Cheung as our new Director of Marketing & Member Services. Grace has 12 years of marketing experience across a variety of industries, including wealth management, retail and venture capital. She is eager to apply her knowledge of marketing, communications and social media at AdvantageBC and increase the organization’s profile. Grace’s mandate includes a renewed emphasis and focus on member relationships and services.

On a personal note, I would like to thank our members for their support throughout 2012. I appreciate the guidance and support from the Board of Directors in 2012. The Executive Committee, the Governance Committee, the Advisory Committee and the Audit Committee have all contributed advice and support that is so vital to help run AdvantageBC. Finally, I thank the members for their trust and support and the opportunity to serve as President of AdvantageBC.

Bruce Flexman, President



Highlights of the Year

Vancouver Board of Trade Event



AdvantageBC hosted a forum with the Vancouver Board of Trade in January 31, 2011, titled “Improving BC’s Competitive Position”. Speakers featured Jeffrey Simpson, National Political Affairs columnist from the Globe and Mail, Jock Finlayson, Senior Policy Officer from Business Council of BC and Elio Luongo, National Tax Leader from KPMG. The discussion focused on changes facing BC’s business community in a post-HST environment.

Annual General Meeting

Our Annual General Meeting on March 29, 2011 at the Vancouver Club.



R. Bozzer, Chair, opens the Annual General Meeting



The 17th Annual Golf Tournament

A great day of golf on the award-winning University Golf Club marked AdvantageBC’s 17th Annual Golf Tournament on May 10, 2012. Registrations starting soon, join us for this year’s tournament on May 9, 2013.



The winning foursome: Darryl Tracey, Mike Palmer and Trevor Isfeld and Simon Mitchell



Fall Retreat

AdvantageBC held its biannual retreat in the fall of 2012 to develop our Strategic Plan for 2013. We identified our key focus areas to be Canadian banks, fund administration and management, large exporters and resource companies, digital economy and Asian financial institutions. In addition, we identified new initiatives such as the need to develop a key stakeholder strategy, implement a Communications Plan as well as developing a Vision of AdvantageBC as an International Business Centre.



Bruce Flexman and board member, John Henderson.

Bruce Flexman, Robert Fairweather, Alice Harder and Ron Bozzer.

December Trip to Asia



Bruce Flexman meets with Mr. T.P. Aggarval, President of Mumbai Motion Picture Producers Association in Mumbai, India, December 7, 2012.



Jimmy Mitchell and Bruce Flexman at a meeting with the Bank of Communications in Shanghai, November 2012.

Core Members

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

- Adventus Capital Partners
- Alectos Therapeutics Inc.
- Angiotech Pharmaceuticals, Inc.
- Bank of China (Canada)
- Bank of Montreal
- Bank of Nova Scotia
- Canaccord Genuity Corp.
- Cay Solutions Limited
- Chexx (Americas) Inc.
- Chrysalix Energy
- CIBC
- Citizens Bank of Canada
- Coast Capital Savings Credit Union
- Colliding Pictures Inc.
- Counting House Services
- Doomsday Productions Inc.
- Ecowaste Industries Ltd.
- Exchange Corporation Canada
- First Resolution Management Corp.
- Genus Capital Management
- Global Securities Corp.
- Graymont 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.
- International Tracing Search Inc.
- Interamerican Investments Inc.
- JP Morgan Asset Management (Canada) Inc.
- Kuehne & Nagel Services Ltd.
- Mackenzie Financial Corporation
- Macquarie Capital Markets Canada Ltd.
- Macquarie Metals & Energy Capital (Canada) Ltd.
- Mondiale Asset Management Inc.
- Nerd Corps International Distribution Inc.
- Northstar Trade Finance Inc.
- Oakridge Accounting Services Ltd.
- Orbis Client Services (Canada) Limited
- Pacific Network Services Ltd.
- PI Financial Corp.
- PI Financial (US) Corp.
- Protiva Biotherapeutics Inc.
- QLT Inc.
- Raymond James Ltd.
- Raymond James Ltd. (US)
- RBC Dominion Securities Inc.
- RBC Global Asset Management Inc.
- Red Twister Productions Inc.
- Ritchie Bros. Financial Services Ltd.
- Royal Bank of Canada
- Salman Partners Inc.
- Salman Partners (USA) Inc.
- Scotia Capital
- Shoreline West Asset Management
- Snow Globe Productions Inc.
- Sunstone Advisors (U.S.) Inc.
- Tolko Finance Ltd.
- Toronto-Dominion Bank
- UBS Bank (Canada)
- Vancouver City Savings Credit Union
- Vancouver Bullion & Currency Exchange
- Water Street Releasing
- Western Union Business Solutions ULC
- Western Union Business Solutions (Online) Ltd.
- Western Union Business Solutions (Retail) Ltd.
- West Fraser International Ltd.
- Welichem Biotech Inc.
- Wolverton Securities Ltd.

Associate Members

Associate members represent the infrastructure of the business community.

- Agricultural Bank of China
- Aon Insurance Managers (Vancouver)
- Asia Pacific Foundation of Canada
- BC Film Commission
- BC Innovation Council
- BC Investment Management Corp.
- BDO Canada LLP
- Blake, Cassels & Graydon LLP
- Borden Ladner Gervais LLP
- Boughton Law Corporation
- British Columbia Film + Media
- Business Council of British Columbia
- Canada China Business Council
- Canada Pacific Russia Trade Centre
- Canadian Captive Insurance Association
- Canadian German Chamber of Industry & Commerce
- Canadian Manufacturers & Exporters
- Central 1 Credit Union
- Chamber of Shipping of BC
- Clear View Systems Ltd.
- Contessa Capital Ltd.
- Deloitte & Touche LLP
- DigiBC
- Economic Development Association of British Columbia
- Ernst & Young LLP
- Farris, Vaughn, Wills & Murphy LLP
- Fasken Martineau DuMoulin LLP
- Fraser Milner Castrain LLP
- Global Business Intelligence
- Gowling Lafleur Henderson LLP
- Grant Thornton LLP
- Hong Kong-Canada Business Association
- Hungerford Tومن Lawrenson and Nichols
- Industrial And Commercial Bank of China (Canada)
- ICICI Bank Canada
- Integro Canada Limited
- International Forest Products Limited
- Investment Industry Association of Canada
- Jardine Lloyd Thompson Canada Inc.
- KPMG LLP
- Life Sciences BC
- LJ Resources Co., Ltd.
- Liquid Capital Pacific Corp.
- Merck Frosst Canada Ltd.
- McCarthy Tetrault LLP
- Mitsubishi Canada Ltd.
- MMK Consulting Inc.
- MNP LLP
- Odlum Brown
- Pacific Corridor Enterprise Council
- Pacific Northwest Economic Region
- Pinnacle Canada Fund Administration Ltd.
- PricewaterhouseCoopers LLP
- SmytheRatcliffe LLP
- State Bank of India
- Surrey Board of Trade
- Teck Resources Ltd.
- Thorsteinssons LLP, Tax Lawyers
- Wolrige Mahon LLP
- Vanderluit & Associates, Inc.
- Vancouver Board of Trade
- Vancouver Economic Commission

Academic Members

Academic members are affiliated with universities and institutions of higher learning in British Columbia.

- University of British Columbia
Sauder School of Business
- Simon Fraser University
Business Department
- British Columbia Institute of Technology
School of Business

Board Members

Steve Bow <i>NorthStar Trade Finance Inc.</i>	Rodger Hutchinson <i>West Fraser International Ltd.</i>
Ron Bozzer <i>Hungerford Tomyr Lawrenson and Nichols</i>	Elaine Kam <i>HSBC Canada</i>
Richard Brownsey <i>British Columbia Film</i>	Tony Martin <i>KPMG LLP</i>
Etienne Bruson <i>Deloitte & Touche LLP</i>	James Maynard <i>Wavefront Wireless Innovation Society of BC</i>
Melanie Clarence <i>Contessa Capital Ltd.</i>	Anne Meyer <i>Raymond James Ltd.</i>
Neal Clarence <i>Ernst & Young LLP</i>	Simon Mitchell
Cris Da Silva <i>Mitsubishi Canada Ltd.</i>	Tracey Orr <i>TD Securities</i>
Chris Duggan <i>Royal Bank of Canada</i>	Andrew Parkinson
Bruce Flexman <i>AdvantageBC</i>	Don Rose <i>Shaw Sabey & Associates</i>
David Hall <i>RepliCel Life Science</i>	Ian Russell <i>Investment Industry Association of Canada</i>
John Henderson <i>District of Sechelt/Pacific Rim Group</i>	Bradley Sakich <i>PriceWaterhouseCoopers LLP</i>
Colin Hulford <i>Retired HSBC Bank (Canada)</i>	John Wiebe <i>Globe Foundation of Canada</i>

Executive Committee

Ron Bozzer, <i>Chair</i>	Bruce Flexman
Steve Bow	Anne Meyer
Chris Duggan	Andrew Parkinson, <i>Vice Chair</i>

Governance Committee

Ron Bozzer (<i>ex-officio</i>)	Rodger Hutchinson
Chris Duggan	Andrew Parkinson, <i>Chair</i>
Bruce Flexman (<i>ex-officio</i>)	

Audit Committee

Ron Bozzer	Bruce Flexman
Steve Bow	Anne Meyer, <i>Chair</i>
Chris Duggan	Andrew Parkinson

Advisory Committee on Mobile Payments

Ron Bozzer	Bruce Flexman
Tiffany Chester	David Gustin
Chris Duggan	Tracey Orr, <i>Chair</i>
Joan Elangovan	

Contact Information

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About AdvantageBC

AdvantageBC International Business Centre • Vancouver (formerly the International Financial Centre British Columbia (IFC BC)) is a non-profit society, established in 1986, with a mandate to help generate new levels of global business in British Columbia by promoting the many advantages the province offers through competitive tax rates, business climate, work force, modern infrastructure and geography. AdvantageBC encourages companies to take advantage of the favourable tax treatment available under the *International Business Activity Act* (IBAA), formerly the *International Financial Activity Act*.

The IBAA provides the legislative framework for the International Business Activity (IBA) program, which offers a registered corporation a full refund on provincial corporate taxes paid on the income of a qualifying international financial business (75% for patent activity).

Membership in AdvantageBC consists of Core, Associate, and Academic members. Core membership is a requirement for registration in the IBA Program. Associate members represent the infrastructure of the business community. Academic members are affiliated with universities and institutions of higher learning in British Columbia.

In addition to bringing new companies into the province, AdvantageBC serves its members through:

- Promoting the province by raising the profile of British Columbia as a location for investment.
- Disseminating information to members on changes to the legislation.
- Hosting meetings, seminars, and conferences to communicate relevant information and provide members with opportunities to network.
- Providing interested companies with information about the IBAA.
- Building links with higher-level educational institutions to communicate the competitive advantages of doing business in British Columbia.
- Advocating on behalf of members to address issues of interest regarding the IBA Program.
- Undertaking pertinent public policy initiatives and working with policy makers to strengthen the IBAA and its *Regulations*.

General Information

Auditors:
SmytheRatcliffe LLP, Chartered Accountants
700-355 Burrard Street, Vancouver, British Columbia

Annual General Meeting:
March 28, 2013
The Vancouver Club, 915 West Hastings, Vancouver, B.C.

