



Securities Commission

Annual Accountability Report
for the Fiscal Year 2025– 2026

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Accountability Statement

The Accountability Report of the Nova Scotia Securities Commission (the Commission) for the year ended March 31, 2026, is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Commission's Business Plan for the fiscal year just ended. The reporting of the Commission's outcomes necessarily includes estimates, judgments, and opinions by Commission management.

We acknowledge that this Accountability Report is the responsibility of Commission management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Commission's 2025-2026 Business Plan.

(signed) "Valerie Seager"

Valerie Seager
Chair

(signed) "H. Jane Anderson"

H. Jane Anderson, K.C.
Executive Director

Message from the Chair

The principal mission of the Commission, as set out in the *Securities Act*, is to protect investors in Nova Scotia while fostering fair and efficient capital markets in the province. The Commission fulfils this mission through its activities in four core business areas: (i) the regulatory, administrative, and adjudicative activities of the Commission; (ii) the policy development, registration, compliance, Self-Regulatory Organization (SRO) oversight, and investor education activities of the Policy and Market Regulation Branch; (iii) the offering document review and continuous disclosure review activities of the Corporate Finance Branch; and (iv) the investigation and enforcement activities of the Enforcement Branch.

This report describes the Commission's significant activities and accomplishments in each of these business areas during the past year, with reference to the progress we have made in achieving the goals and priorities set out in the Commission's 2025-2026 Business Plan, which is available on the Commission's website.

The Commission fulfils much of its mandate through its work with the Canadian Securities Administrators (CSA), an umbrella organization comprised of securities regulators from all provinces and territories in Canada. The CSA's objective is to improve, coordinate and harmonize regulation of the Canadian capital markets, seeking to achieve consensus on policy decisions that affect capital markets and their participants, including Nova Scotians. The result is a more streamlined regulatory environment, allowing Nova Scotians access to investment opportunities across Canada on an efficient and harmonized basis. The CSA also works on national programs designed to combat investment fraud, allowing Nova Scotia to access expensive technologies it could not otherwise afford on its own (such as a website takedown service that identifies and eliminates fraudulent investment websites). The Commission is very active within the CSA, participating on over 70 committees and ensuring that the voices of smaller Canadian jurisdictions are represented when important policy decisions are discussed.

In conjunction with the CSA, the Commission has been active on policy initiatives designed to reduce regulatory burden on issuers and market participants, while maintaining appropriate levels of investor protection. The goal is a robust, efficient capital market that improves Nova Scotian companies' ability to access capital and grow within Canada. At the same time, the Commission worked with the CSA to implement or propose policies that improve disclosure and provide enhanced protections for investors. In addition to exploring and implementing novel technology solutions, we also worked with the CSA to share information across jurisdictions about particular fraudulent online investment opportunities.

We have also continued our efforts within Nova Scotia to combat investor misinformation and fraud. Unchecked fraud not only exacts a significant financial and emotional toll on its victims, but results in capital leaving the province that could otherwise be invested in Nova Scotian businesses. We engage in enforcement activities with the ultimate goal of restricting or excluding non-compliant actors from participating in Nova Scotia's capital markets. However, since so many fraudulent schemes originate offshore where meaningful enforcement action is not possible, we also engage in numerous investor education initiatives designed to raise awareness of the number and variety of fraudulent offerings and help Nova Scotians identify potentially fraudulent opportunities before investing in them. We have also reached out to the Department of Education and Early Childhood Development to explore opportunities

to expand and standardize financial literacy education for high school students across the province. We remain dedicated to investor education and financial literacy, a critical component in the fight against fraudulent activities.

During fiscal 2025-2026, the Commission planned and organized its second biennial Capital Markets Forum, an event designed to engage both investors and market participants in current issues affecting capital markets and the Commission's role in regulating them. The Forum was held in early April 2026 and the half-day event included an introduction from Minister Lohr as well as several external and Commission speakers discussing (i) key program sources of capital available to facilitate growth of Nova Scotia enterprises and how to incorporate indigenous engagement in capital raising activities; (ii) tools regulators use to try to prevent investor harm before it occurs; and (iii) private sources of capital available for Nova Scotia enterprises and what lessons can be learned from successful fundraisers.

In 2025-2026 we generated approximately \$23.3 million of revenue. This is derived from the fees charged to capital market participants - issuers (companies raising money and participating in the capital markets) and registrants (such as investment dealers, mutual fund dealers and portfolio managers) who are active in the province and whose activities benefit the Nova Scotia economy and investors. The 2025-2026 revenues reflected a decrease of 1.7% or \$.4 million from the prior year, due to a decrease in the number of filings received on SEDAR+ and offset by an increase in the amount of registration fees collected. Our overall budget for the year was \$3.4 million. Our total actual expenditures increased in 2025-2026 by 4% compared to the prior year (\$3.4 million in 2025-2026 compared to \$3.2 million in the prior year). Our increased expenditures related to the higher cost of operations, including higher salaries and benefits, higher office rent costs and higher shared CSA costs. Despite financial constraints affecting all levels of government we continue to work diligently on our mandate of protecting and acting in the interests of Nova Scotians and the Nova Scotia capital markets.

(signed) "Valerie Seager"

Valerie Seager
Chair

Priorities for 2025-2026 and Measuring Our Performance

The Commission set the following priorities in its Business Plan for 2025-2026:

- enhance protection of Nova Scotian investors,
- address changes in the capital markets and regulatory regime in a timely manner, and
- reduce regulatory burden on securities industry participants.

The Commission's performance measures are focused on achieving these priorities by setting the following four goals in the 2025-2026 Business Plan:

- Goal #1: enhancing front-end investor protection initiatives to reduce the need for taking enforcement action after irreversible losses occur;
- Goal #2: monitoring for, identifying and investigating securities market violations and taking enforcement action to terminate and deter unlawful conduct in Nova Scotia;
- Goal #3: addressing emerging issues and trends that affect Nova Scotians;
- Goal #4: continuing to work with the CSA to reduce regulatory burden for market participants and ensure requirements are appropriate, necessary, and relevant to capital market participants in Nova Scotia.

The Commission pursued these goals through activities in the Commission's four core business areas: the Commission board and its adjudicative function, the Policy and Market Regulation Branch, the Corporate Finance Branch, and the Enforcement Branch.

All data used in the following performance measurements is gathered from internal sources and is presented to the Commission via monthly operating reports.

Business Area 1 – The Commission

Outcomes: Enhanced protection of investors resident in Nova Scotia - Changes in the capital markets and regulatory regime addressed in a timely manner - Reduction of regulatory burden on securities industry participants

The Commission achieved the above-noted priority outcomes through its policy development activities, its timely response to applications from capital market participants for exemptive relief from securities law requirements, and its adjudicative activities.

Policy Development

The Commission met its target for the timely adoption of national and multilateral instruments following the review, analysis and development of instruments and amendments in collaboration with CSA members, adopting 100% of national/multilateral instruments as rules within set timelines. The

Commission's commitment is to harmonize the securities laws of Nova Scotia with the securities laws in the other Canadian jurisdictions, unless there is good reason to do otherwise.

With the goals of protecting investors through front-end initiatives (Goal #1), addressing emerging issues and trends that affect Nova Scotians and other Canadians (Goal #3) and reducing regulatory burden through collaboration with the CSA (Goal #4), the Commission participated in the development of the below-noted major policy initiatives with the other CSA members:

- approving coordinated Blanket Orders supporting capital-raising by new issuers;
- approving a coordinated Blanket Order to permit semi-annual reporting for certain venture issuers;
- approving amendments to the fees for national systems;
- approving amendments to the shelf prospectus system for large well-known seasoned reporting issuers to facilitate capital raising and reduce regulatory burden;
- approving amendments to modernize the continuous disclosure regime for investment funds; and
- requesting comments on proposed amendments prohibiting the use of chargebacks in the distribution of investment funds.

The Commission also examined current regulatory proposals in light of international developments and challenges to Canadian competitiveness, including developments in the United States regarding climate disclosure and the regulation of crypto assets and stablecoins (Goal #3).

Exemptive Relief Applications

The Commission has the authority to grant discretionary exemptions from securities regulatory requirements, which provides it with flexibility to address changes in the capital markets, including for the regulation of new and emerging investment products and business models. At the same time, the Commission ensures that front-end investor protections are maintained and the fairness and efficiency of the capital markets is fostered. The Commission met its target of considering 100% of 11 exemption applications (for which the Commission was either the Principal Regulator or was participating in a coordinated review) within five business days of the applications being filed with the Commission. The resulting exemptions responded to emerging investment products and business models that did not fit squarely within the traditional regulatory regime while maintaining and/or enhancing front-end investor protections (Goals #1 and #3).

Adjudication

The Commission's adjudication of enforcement proceedings in a timely manner is aimed at enhancing investor protection. The Commission exceeded its target this year relating to the timely issuance of orders following settlement hearings. The Commission held two hearings to consider the approval of settlement agreements and made the orders approving both of them within 10 business days of final submissions in the hearing, surpassing our target rate of 95% (Goal #2).

There were no contested hearings during the period.

Business Area 2 – Policy and Market Regulation Branch

Outcomes: Enhanced protection of investors resident in Nova Scotia - Changes in the capital markets and regulatory regime addressed in a timely manner - Reduction of regulatory burden on securities industry participants

The Policy and Market Regulation Branch achieved the above-noted outcomes through activities carried out under its four main areas of responsibility:

- registration, which relates to the registration of investment professionals and firms in Nova Scotia;
- compliance, which relates to the review and oversight of the activities of investment professionals and firms in Nova Scotia;
- SRO oversight, which relates to the supervision and oversight of self-regulatory organizations; and
- investor education, which relates to the Commission's work to improve investors' understanding of sound investment practices and their ability to recognize questionable products and practices, and to enhance awareness of the role of the Commission.

Registration

Firms and individuals must satisfy certain requirements to be registered and to maintain their registration. By requiring that registrants meet established standards of proficiency, solvency and integrity, upfront investor protection is provided through the registration gatekeeper function.

In 2025-2026, the Commission met its target for individual and firm registrations (95% of firm applicants and individual applications, where the Commission is the principal regulator, processed within the mandated timeframes after the final submission of necessary documents) (Goal #1).

The Commission, together with other CSA members, delegated registration functions for investment dealers and mutual fund dealers, and the individuals who act on their behalf, to the Canadian Investment Regulatory Organization (CIRO) (the Delegation). The Delegation creates efficiencies and reduces regulatory burden by providing certain market participants with a single and centralized registration process (Goal #4). The Delegation took effect on April 1, 2025. The Commission retains concurrent authority for the delegated functions and CIRO's performance pursuant to the Delegation is subject to enhanced, risk-based oversight by the Commission.

The Commission's Registration staff continue to register portfolio managers, restricted portfolio managers, investment fund managers, exempt markets dealers, restricted dealers, and scholarship plan dealers (firms and individuals) and to work on several committees of the CSA to provide a voice for stakeholders in Nova Scotia with respect to the formation of new rules and amendments to current rules. The investment industry is constantly evolving, including new products and client service models.

By monitoring these developments, we can escalate to the CSA Registration Steering Committee for any required regulatory changes, including policies and guidance (Goal #3).

Compliance

The efficient administration of the Commission's compliance programs assesses whether registrants are conducting their activities in accordance with Nova Scotia securities laws and deters undesirable behavior thereby providing front-end investor protection. Compliance is proactive in nature and, given the appropriate resources and support, can provide a significant return in increased confidence in the Nova Scotia capital market, reduce some of the risks of investing, and reduce the number of enforcement proceedings.

Commission staff conduct examinations of registered portfolio managers, exempt market dealers, investment fund managers and scholarship plan dealers. CIRO conducts examinations of branch offices of CIRO members in Nova Scotia, and Commission staff may also conduct such examinations under certain circumstances.

In 2025-2026, we conducted five examinations, slightly below our target of six, and completed seven ongoing cases tied to a complex, nationally coordinated review. A total of eleven examination files were closed during the year, exceeding the target of six (Goal #1).

Compliance staff were also busy with CSA initiatives, including monitoring compliance with rule amendments to conflicts of interest (KYC), know your product (KYP), suitability, and relationship disclosure requirements (the Client Focused Reforms), as well as working on projects related to advance commission and chargeback models, cybersecurity, registrant proficiency, and the use of registrant titles, all of which will enhance investor protection (Goal #1). The second phase of a CSA-wide review of specific areas of the Client Focused Reforms was completed, and a staff notice was issued outlining key observations and guidance. This guidance is intended to help registrants in implementing efficient and customized processes while further aligning their practices with the Client Focused Reforms.

Self-Regulatory Organization Oversight

The oversight of CIRO by the Commission is an integral part of the Commission's compliance work to ensure that CIRO provides appropriate supervision of its members located in Nova Scotia. The diligent oversight of CIRO has resulted in more firms being examined in Nova Scotia by CIRO and better supervision of the many branch offices located in this jurisdiction (Goal #1).

Market Regulation staff continued to work on a CSA initiative developing a binding decision-making authority framework for the Ombudsman for Banking Services and Investments, as an independent dispute resolution service provider (Goal #1). In addition, Market Regulation staff, together with CIRO, continued to work on several CSA operational and policy development committees providing jurisdictional input to protect local investor interests, providing a voice for the stakeholders of Nova Scotia, and contributing to policy development and harmonization (Goal #1).

Investor Education

The Commission's Investor Education (IE) office delivers engaging and relevant investor education presentations and content to connect with Nova Scotians to increase investor protection. With the proliferation of online fraud and illegal activities by offshore "bad actors", investor education is more important than ever. The content, programs, and campaigns discussed below outline how the IE office continues to enhance investor protection in Nova Scotia by educating Nova Scotians on sound investment practices and sharing the knowledge and skills they need to recognize and identify securities fraud and questionable investment products and practices (Goal #1).

The IE office expanded its outreach again last year, reaching more Nova Scotians directly through IE presentations on a wide-range of topics, including among others, do-it-yourself (DIY) investing, online securities and derivatives-related fraud, pump and dump schemes, unreliable solicitations and stock market promotions, and crypto assets and their regulation. Year-over-year, the number of presentations was up 17.6% in 2025-2026, reaching every demographic in Nova Scotia, with a heavy concentration on young people and seniors.

Our Student Connections program continued to reach Nova Scotia students in high schools and post-secondary schools. Presentations were delivered in seven high schools in HRM, including Woodlawn High School, C.P. Allen High School, Halifax West High School, and J.L. Illsley High School. Our outreach to high schools outside HRM was expanded for the first time, with interest from across the province, and included a two-day trip to Shelburne and Queens counties for presentations to six classes at Lockeport Regional High School, Shelburne Regional High School, and Liverpool Regional High School.

Interest in investor education presentations from post-secondary schools remained high last year. Commission staff talked to university and college students across the province both in-person and virtually. This included presentations and information sessions at Acadia, Mount Saint Vincent, Dalhousie, Saint Mary's, Cape Breton University, and the Nova Scotia Community College Kingstec.

The IE office was part of a Commission effort to bring financial literacy education to all high school students in the province. A letter from the chair to the Department of Education and Early Childhood Development outlined the low levels of investment knowledge in Nova Scotia, and the need to implement mandatory financial literacy in high schools to protect the next generation of Nova Scotians from poor investment decisions and fraud. A meeting with the Director of Curriculum Development took place in February to discuss our requests and offer support and resources.

Demand for presentations, fraud bingo, and information from seniors organizations and living facilities increased substantially in 2025-2026. This included engaging with several new groups, many through referrals from other seniors organizations. Some of these groups included the Department of Seniors and Long-term Care, Canadian Association of Retired Persons Nova Scotia, Nova Scotia Government Retired Employees Association, St. Margaret's Bay Seniors Association, Colchester Adult Learning Association, Northwood, Gordon B. Isnor Manor, and The Crossing in Windsor.

The Commission also developed a new partnership with Immigrant Services Association of Nova Scotia (ISANS) to deliver investor education presentations to their clients. More than 400 ISANS clients attended basic investing presentations tailored specifically for newcomers.

The IE office continued our successful partnership with the Halifax Central Library with 14 presentations in 2025-2026. Those presentations will continue in fiscal 2026-2027 with 11 presentations already scheduled through the end of 2026. The Central Library also hosted a Fraud Bingo program for the first time in March 2026.

Following the launch of the Commission's Instagram account in March 2025, a new series of reels were regularly produced to share on the channel as well as YouTube Shorts, Facebook Reels, and LinkedIn videos. Last year 57 reel-type videos were produced for the "Investing Explained" series and the Commission's IE "Getting to Know...series". In addition, short reels were used to promote fraud bingo, student connections and other programs.

Our overall social media followers count rose by 7.3 percent, with our follower count on Instagram increasing by nearly 300%.

Thanks in part to posting regular YouTube Shorts, the Commission's YouTube channel continued to see tremendous growth. Along with the 57 new reels developed for YouTube Shorts, five larger videos were also published to YouTube. Topics featured included dollar cost averaging, time horizon, ramp and dump scams, registered accounts, and investing basics. Year-over-year views on the YouTube page were up 58.3%. This was led by our video on the difference between saving and investing which had 29,726 views last year and has had more than 76,000 views since being published in 2022.

The NSSC website platform requires modernization and must be replaced for technological and security reasons. Following an RFP process, Stir Creative was contracted to design and build a new NSSC website. This project began in September 2025 and is expected to launch in the second quarter of 2026. The current website saw increased traffic last year with website sessions increasing 42.2% year-over-year.

Business Area 3 – Corporate Finance Branch

Outcomes: Enhanced protection of investors resident in Nova Scotia - Changes in the capital markets and regulatory regime are addressed in a timely manner - Reduction of regulatory burden on securities industry participants

The operations of the Corporate Finance Branch help to promote an efficient capital market and economy while maintaining investor protection. In pursuit of the Commission's goal set out in the 2025-2026 Business Plan to use its expertise to address market developments and changes that affect Nova Scotians, staff of the Corporate Finance Branch continued to review the regulatory framework applicable to Community Economic Development Corporations in Nova Scotia. The goal is to update and modernize the rules and harmonize them with regulatory requirements applicable to other capital raising exemptions (Goal #3). Corporate Finance staff also continued their CSA committee work on the reduction of regulatory burden initiatives, the early warning reporting regime, promoter's conduct and promotional activities, venture issuer regulation, derivatives, investment funds, prospectus exemptions, and regulation of fintech (Goals #1, #3 and #4). Staff pursued, when possible, harmonization with other CSA jurisdictions of policies and procedures to continue to streamline Corporate Finance operations, including completing the following:

- the CSA Systemic Risk Report for 2025;

- amendments to Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators*;
- amendments to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*;
- CSA Staff Notice 51-366 *Regulatory Concerns with Certain Asset or Business Acquisitions*;
- CSA Staff Notice 96-308 *Notice of Significant Error or Omission*;
- co-ordinated Blanket Order 81-390 *Exemptions from Certain Repurchase Transaction Requirements for Investment Funds*;
- amendments to NI 81-102 *Investment Funds Pertaining to Crypto Assets*;
- CSA Notice of Publication *Amendments and Changes to Certain National Instruments and Policies related to the Senior Tier of the Canadian Securities Exchange, the CBOE Canada Inc. and AQSE Growth Market name changes, and Majority Voting Form of Proxy Requirements*;
- CSA Staff Notice 96-307 *Frequently Asked Questions about Derivatives Trade Reporting*; and
- CSA Staff Notice 81-388 *Guidance on the Use of Discretion under the CSA Investment Risk Classification Methodology*.

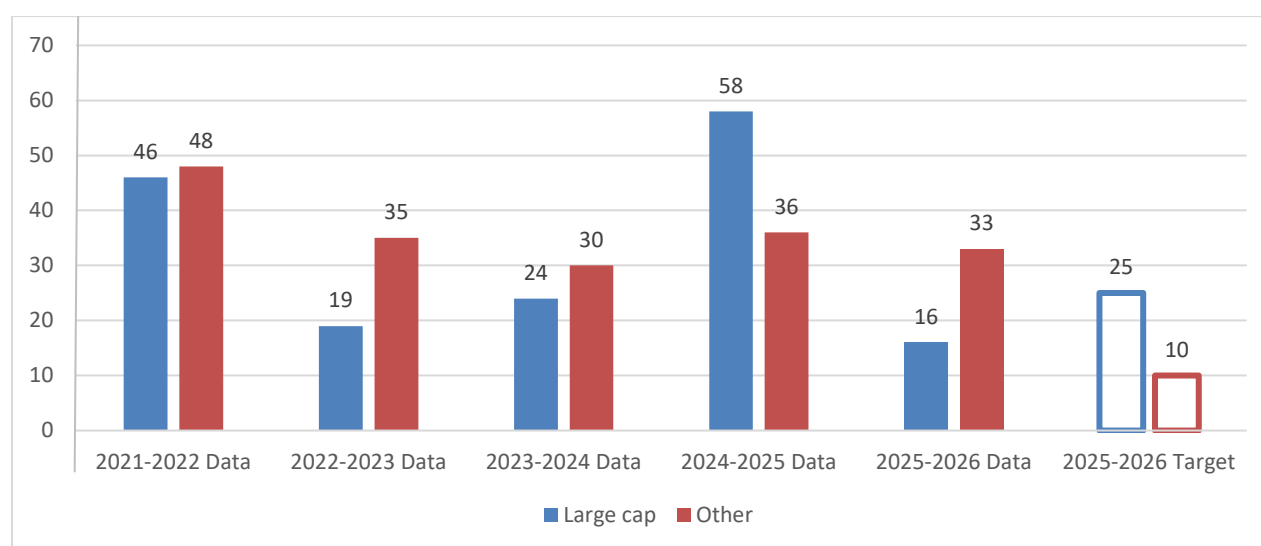
Performance measures demonstrate how efficiently the Corporate Finance Branch reviews and processes prospectuses and other offering documents filed with the Commission as the principal regulator. When the Director of Corporate Finance issues a receipt for a prospectus or non-objection letter for an offering document, an issuer can proceed to offer its securities to the public. During 2025-2026, Corporate Finance issued comment letters within three business days to seven out of seven (100%) short form prospectus filers, well within the target timeline. There was one long form prospectus filed during the year, with the comment letter issued within the targeted timeframe of ten business days. Corporate Finance staff reviewed seven short-form prospectuses and issued the comment letter and receipt within the three and one business day requirements. Staff reviewed four Community Economic Development Corporations' (CEDIF issuers) offering documents. All the comments and non-objection letters were issued to the CEDIF issuers within the ten and one business day timeline, respectively (Goal #1).

Prospectus issuers with head offices in Nova Scotia raised \$2 billion in 2025-2026, while CEDIFs raised \$53 million.

The Commission's Corporate Finance staff review public companies' filings to ensure compliance with securities laws and consistency and uniformity in the information disseminated to the public. This enables members of the public to make informed investment decisions based upon that information. In 2025-2026, staff completed reviews of Nova Scotia based public companies' continuous disclosure in two streams, separated by market capitalization: 1) large capital; and 2) other or small capital sized firms. Each of these streams review the public companies' compliance with its filing requirements (Goal #1).

As illustrated in the chart below, the Commission's targets to complete continuous disclosure reviews are 25% of Nova Scotia's 14 large cap public companies, based on a market capitalization of \$428.1 billion, and 10% of its 21 other or small capital reporting issuers. The reviews were above the target for small capital issuers and below the target for large cap issuers in 2025-2026. Commission staff completed reviews for \$4 billion out of the \$428 billion (16%) of Nova Scotia's large cap public companies (four out of 14 large cap reporting issuers) and 7 out of 21 of the other or small cap reporting issuers (33%). While the target for large cap public company reviews is based on market capitalization, the target for other issuer reviews is based on the number of public companies due to market price volatility.

Percentage of reporting issuers based in Nova Scotia that had a review of their continuous disclosure filings in the year (by market capitalization \$ value for large cap issuers and by number of issuers for other issuers)



The Director of Corporate Finance has the delegated authority to issue cease trade orders in certain limited situations where a reporting issuer or a CEDIF issuer has failed to file its financial statements as required by securities laws. In 2025-2026, the Director of Corporate Finance did not issue any cease trade orders for failure to file financial and associated disclosure within mandated timeframes nor were any cease trade orders revoked during the year.

Business Area 4 – Enforcement Branch

Outcomes: Enhanced protection of investors resident in Nova Scotia – Address emerging issues and trends that affect Nova Scotians

The Commission's Enforcement Branch helps identify, stop and deter illegal activity in the capital markets to provide effective investor protection and instill confidence in the integrity of the capital markets (Goal #2).

Collaboration and information sharing between the Commission and jurisdictional partners across North America enhance investigative efficiency and regulatory cohesion.

Front-end investor protection (Goal #1) is provided by the Enforcement Branch through:

- disruptive measures, including the issuance of investor alerts and cautions to warn the public about people and entities that may be violating securities laws or operating securities or derivatives-related scams;
- active monitoring and surveillance for questionable securities or derivatives-related activities;
- working with various financial entities, social media, website domain registrars, and other platforms to remove illegal websites and advertisements, and otherwise disrupt illegal securities or derivatives-related activities; and
- seeking Commission issuance of various temporary orders and freeze directions against entities and individuals, and over accounts and assets of the targets of investigations.

The exponential growth in the number of online and digital transactions since the pandemic brought a new reality for Canadians. The increase in scope and scale of transactions in both traditional and new financial instruments created new opportunities for fraudsters as Canadians put more of their personal and financial information online and may have become less vigilant in the process.

As a result, the Enforcement Branch has witnessed a substantial increase in the number of complaints, online fraud, and the growing complexity of investigation files. Coupled with the growing volume of available records and extensive use of Artificial Intelligence available online and social media platforms, investigations and enforcement proceedings are more complex and time consuming, and require extensive legal, investigative, technological, and supporting resources to advance.

With each complaint, the preliminary facts must be assessed to determine if the Enforcement Branch has jurisdiction to initiate an investigation. Enforcement jurisdiction only exists where there is a locational nexus to a “distribution” or “trade” in a “security” or “derivative”, which are defined terms under the *Securities Act*.

At the beginning of fiscal year 2025-2026, the Enforcement Branch had 53 open investigations. During the year, the Enforcement Branch received an additional 89 complaints¹, of which 40 were opened as investigation files (Goal #2).

The remaining complaints were determined to be unactionable inquiries, referred to other regulatory agencies as applicable, and/or remain at the assessment stage. A significant amount of Enforcement Branch time and resources are spent assessing and responding to all complaints, including those that do not result in investigative or enforcement action.

During the same time frame, 56² investigation files were closed. Of those files, 24 files (43%) were concluded within the first nine months of commencing the investigation, 12 files (21%) took between nine and 24 months to conclude, and 20 files (36%) were concluded in 24 months or more.

¹ “Complaints” in this report include public complaints; public inquiries; referrals from other regulatory authorities, self reporting, internal surveillance efforts and monitoring of online sources, media, social media, civil, and criminal court actions.

² Files closed include Investigation Files, Monitor Files, and Administration Files as the Enforcement Branch transitions to a new Report Management System

The Enforcement Branch consistently met its three-day target for providing an initial response to each complainant during fiscal 2025-2026.

Although the Enforcement Staff did not meet its target of concluding 60% of all investigations within the first nine months, the increased percentage of file closure time is partially due to the closing of several long-standing administration and monitoring files as the Enforcement Branch transitions to a new Report Management System. In addition, the Enforcement Branch was significantly short-staffed for a good part of the year. In July 2025, the Enforcement Branch began using a new more robust Report Management System, called X-Fire. It is anticipated that this new system will provide better statistical reporting and investigation tracking capabilities.

Percentage of investigations concluded by Enforcement Staff based on: 1) 60% of investigations within nine months; and 2) all investigations within 24 months



The Enforcement Branch continues to issue local/national investor alerts and press releases. These local cautions are also added to the CSA's national investor alert database. The Enforcement Branch arranged for several illegal online investment solicitations and website access to be removed to protect the investing public (Goal #1).

In June of 2025, the Commission, in collaboration with the other CSA members, retained an automated website "takedown" tool. Between June 2025 and March 2026, over 8,500 malicious and fraudulent sites were identified and deactivated, thereby protecting potential Nova Scotian investors and other Canadians from investment fraud (Goal #3).

The Enforcement Branch also protects investors through regulatory prosecutions for violations of securities laws. A successful prosecution allows the Commission to impose administrative monetary penalties and sanctions, such as prohibition orders, against entities and individuals perpetrating such violations. The issuance of orders of this nature cultivates specific and general deterrence objectives against like-minded entities and individuals.

The timely conclusion of Enforcement Branch litigation files requires the achievement of two key benchmarks once a file has been referred to enforcement counsel following investigation: 1) the completion of an initial review within 30 days; and 2) the initiation of issuance of the Statement of Allegations and Notice of Hearing within 60 days of referral or conclusion of any negotiations. The Enforcement Branch continues to meet its target with respect to these two benchmarks.

In 2025-2026, the Enforcement Branch initiated two new administrative actions and concluded two administrative enforcement proceedings. These proceedings resulted in the imposition of regulatory sanctions of \$193,500 in administrative penalties and \$9500 in costs (Goal #2).

The Enforcement Branch continues to participate in CSA committee work to develop and harmonize investigative and litigation methods and disruptive measures, to streamline and standardize procedures to better utilize resources, share intelligence as applicable and permissible by law, and to expedite complaint resolution.

Given the increasingly complex securities and derivatives landscape and the evolving nature of threats, enforcement demands a highly collaborative approach to protect investors located in Nova Scotia and elsewhere within and outside of Canada. The Enforcement Branch routinely collaborates with and/or assists other regulatory authorities with investigations and prosecutions spanning multiple jurisdictions through the CSA, North American Securities Administrators Association (NASAA) and other groups (Goal #2).

Appendix A

Annual Report under Section 18 of the Public Interest Disclosure of Wrongdoing Act

The *Public Interest Disclosure of Wrongdoing Act* (the Act) was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations,
- b) a misuse or gross mismanagement of public funds or assets,
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health, or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing.

Table A.1

The following is a summary of disclosures received by the Commission

Information Required under Section 18 of the Act	Fiscal Year 2025-2026
The number of disclosures received	Nil
The number of findings of wrongdoing	Nil
Details of each wrongdoing	N/A
Recommendations and actions taken on each wrongdoing	N/A

Financial Results

	2025-26 Estimate	2025-26 Actuals	2025-26 Variance
NOVA SCOTIA SECURITIES COMMISSION	<i>(\$ thousands)</i>		
Departmental Expenses:			
Salaries and Benefits	2,700	2,814	114
Operating Costs	729	756	27
Less Chargeables other departments	0	-200	-200
Total Departmental Expenses	3,429	3,370	-59
Additional Information:			
Ordinary Revenue	22,998	23,316	318
Fees and Other Charges	0	0	0
Ordinary Recoveries	0	0	0
Total Revenue, Fees and Recoveries	22,998	23,316	318
TCA Purchase Requirements	0	0	0
Provincial Funded Staff (FTEs)	20.0	19.2	-0.8