

# The Commission

*Last updated April 2014*

## **Purpose:**

The Commission's mandate is to provide investors with protection from practices and activities that tend to undermine investor confidence in the fairness and efficiency of capital markets and, where it would not be inconsistent with an adequate level of investor protection, to foster the process of capital formation.

## **Structure of the Commission:**

The Commission is comprised of up to eight commissioners who are appointed by Order-in-Council and the legal, accounting, and administrative support staff who carry out the day-to-day business and operations of the Commission under the direction of the Executive Director of Securities who is the chief administrative officer. The overall responsibility for the Commission, including its administrative, enforcement, policy and law making and adjudicative functions, rests with the Chair of the Commission who is its chief executive officer.

## **Functions of the Commission**

### **Policy development and rulemaking:**

- Commissioners, in consultation with staff, promulgate rules, policies and other instruments relating to the regulation of the securities industry in Nova Scotia.
- Rules made in accordance with the procedures set out in the Securities Act have the force of law just as regulations made by Cabinet.
- The development and harmonization of securities law and policy is carried out in conjunction with the Canadian Securities Administrators (CSA), the umbrella organization of all provincial and territorial securities regulators..

### **Enforcement of Nova Scotia's securities laws:**

- Enforcement staff are responsible for dealing with complaints, carrying out investigations and conducting enforcement proceedings for breaches of Nova Scotia securities laws before the Commission.
- Commissioners sit as a quasi-judicial tribunal in connection with these enforcement proceedings.
- The powers granted to the Commission under the Securities Act include:
  - Ability to freeze property
  - Withdraw trading privileges
  - Order administrative penalties up to one million dollars for each contravention of the Securities Act.
  - With the consent of the Attorney General, initiate proceedings that could result in fines up to five million dollars or imprisonment up to five years less a day or both.

### **Sitting as a review panel:**

- Commissioners sit as a hearing and review tribunal from decisions made by recognized self-regulatory organizations relating to their members i.e. IIROC and MFDA as well as appeals from decisions made by the Executive Director

# The Commission

*Last updated April 2014*

## **Capital Markets:**

- Considers the applications for licensing of industry professionals such as mutual fund dealers, investment dealers, and portfolio managers to ensure that they meet the specified criteria specific to their registration category, maintaining minimum amounts of capital and insurance, and experience and education.
- Conduct field audits and examinations of securities firms and individual registrants to ensure that they are in compliance with applicable securities laws.
- There are currently approximately 452 firms registered in Nova Scotia and 13,500 individuals registered with the Commission, of whom approximately 2,800 are Nova Scotia residents.

## **Corporate Finance:**

- Reviews prospectuses in connection with public offerings of securities and continuous disclosure materials filed by reporting issuers for compliance with securities laws. Nova Scotia based reporting issuers include companies such as Empire Company Ltd., Bell Aliant Inc. and Emera Inc.
- Responsible for the Community Economic Development Investment Funds (CEDIF) application process through reviewing offering documents prepared by companies making a CEDIF offering and where appropriate, not objecting to the issuance of shares under the offering. There are approximately 60 CEDIFs operating in Nova Scotia.
- In total there are approximately 5,600 reporting issuers required to comply with Nova Scotia securities laws. Nova Scotia acts as the principal regulator for 65 of these reporting issuers.

## **Investor Education:**

- Provide unbiased resources to help Nova Scotians make informed investment decisions.
- In-person presentations at various schools, expos and to community groups on topics including responsible investing, fraud alerts and the functioning of our capital markets.
- In-person presentations to businesses and business advisers on capital raising in Nova Scotia as well as distribute our informative brochure *Raising Capital for Small and Mid-size Businesses in Nova Scotia*.
- Administer national campaigns in partnership with the CSA during key months of the year i.e. October-Investor Education month, November-Financial Literacy month and March-Fraud Prevention month.