

**For Immediate Release
September 3, 2020**

**Canadian securities regulators provide comments on the Ontario Capital Markets
Modernization Taskforce Consultation Report**

Montreal – The securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon (CSA members, or we), today published an [assessment](#) of the Ontario Capital Markets Modernization Taskforce Consultation Report (“Taskforce Report”) issued July 9, 2020.

CSA members welcome the opportunity to provide feedback on the Taskforce Report as part of the CSA’s ongoing mission to deliver a harmonized securities regulatory system, while retaining the regional flexibility and innovation that characterize Canada’s system of provincial and territorial regulation.

“Given the integrated nature of securities markets and the role of the CSA, it is imperative that the CSA members contribute their expertise and analysis to this consultation,” says Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “We are pleased to see that there is a meaningful degree of congruence between the Taskforce proposals and the CSA’s current business plan. However, a key opportunity not identified in the Taskforce Report is Ontario’s adoption of the passport rule, implemented by all other CSA members more than a decade ago to provide market participants with streamlined access to Canada’s capital markets.”

Within the Taskforce Report, [13](#) of 47 proposals reflect key CSA priorities or mirror pending CSA policy projects outlined in the 2019-2022 CSA Business Plan and in the June 2020 [CSA Interim Progress Report](#). Another [19](#) proposals raise policy topics that have either been addressed in previous policy work or in recently adopted policy changes, or may be considered as part of the CSA’s future policy work.

We support the proposal that Ontario adopt automatic reciprocity provisions which have already been adopted by most other CSA members. However, we strongly believe that a key opportunity for increased efficiency of our securities regulatory system would be Ontario’s adoption of the passport rule. The adoption of this rule would significantly reduce regulatory burden for Ontario market participants whose principal regulator is located elsewhere in Canada. The passport rule creates a single window of access to capital markets across the country, and it covers prospectuses, exemptive relief applications, registration, credit rating organizations and applications to cease to be a reporting issuer.

In the CSA’s view, the Taskforce should set aside [three](#) particular proposals from its final recommendations as CSA members have either previously considered and rejected the proposal following detailed policy analysis or the proposal appears to lack broad investor and/or market benefit. Finally, the CSA urges caution if the Taskforce decides to pursue [six](#) proposals that aim

to change enforcement mechanisms, as those proposals risk reducing the efficacy of the Canadian securities' regulatory regime and undermining investor protection.

The Ontario Securities Commission (OSC) is not participating in the CSA members' response to the Taskforce Report as the OSC is in a position to provide input to the Taskforce through other channels.

You may read the CSA members' collective analysis of the Ontario Capital Markets Modernization Taskforce Report [here](#).

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For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca.

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