



The Nova Scotia Securities Commission is an independent, quasi-judicial tribunal formed under the Securities Act to administer and enforce securities law in Nova Scotia. Our mandate is to protect investors from unfair, unethical or improper practices and activities within capital markets, and to the extent not inconsistent with investor protection, to foster capital formation.

Highlights from the 2010-2011 fiscal year for the core business areas of the Commission include:

POLICY & MARKET REGULATION

- Continued to harmonize securities laws with the securities legislation of other Canadian jurisdictions in support of the Passport System for Securities Regulation.
- Worked with the Canadian Securities Administrators (CSA) to develop national harmonized rules in a number of important areas, including the adoption of International Financial Reporting Standards on January 1, 2011, and the mandated production of the Fund Facts document for mutual funds under the point of sale project.
- As a member of the Joint Forum of Financial Market Regulators, the Commission participated in the preparation of a plain language guide for consumers on seeking compensation and is looking at more effective ways of sharing information on enforcement issues that arise in securities, insurance and pensions.
- As part of the Commission's oversight of the self-regulatory organizations, approved a number of by-law amendments made by the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).
- The Compliance section implemented a New Firm Visit Program, giving new firms registered in the province an opportunity to meet compliance staff and for staff to provide guidance regarding compliance with Nova Scotia securities laws.
- 8 compliance reviews of registrants were undertaken.
- The Capital Markets section implemented a new program to monitor the use of exemptions by market participants.
- Registered 3 new dealer and adviser firms with head office in Nova Scotia.

CORPORATE FINANCE

- Reviewed and approved 16 prospectuses of Nova Scotia based public companies to enable them to sell their securities.
- 13 Community Economic Development Investment Funds (CEDIFs) were permitted to sell their securities.
- Amended and updated Community Economic-Development Corporations Regulations were presented to Cabinet and approved on April 12, 2011.
- Staff reviewed all CEDIFs' filings and followed up to improve disclosure for investors.



- 9 full reviews of the disclosure of Nova Scotia based public companies were completed.
- Staff took part in training and made other preparations for the transition to International Financial Reporting Standards.
- Staff participated in the CSA Systemic Risk Committee which is looking at the various risks that impact the capital markets.

INVESTOR EDUCATION

- Successfully increased website visits more than 100% through an online trivia contest in October for Investor Education Month, with weekly book prizes, and a grand prize of an Amazon Kindle.
- Featured in ***Retiring in Nova Scotia***, a 4 page supplement in the *Chronicle-Herald* aimed at Nova Scotians over 50 years of age, submitting a column on avoiding financial fraud, as well as various statistics from the 2009 CSA Investor Index. It was distributed by the *Chronicle-Herald* to their entire subscriber base - 110,000 copies to 500,000 readers.
- Reached more than 500 families, and 200 teachers in Nova Scotia with the CSA's *Make it Count* program. There have also been almost 100 downloads of the newly developed *Make it Count* iPhone App.
- Continued to develop our investor website at www.beforeyouinvest.ca, and grew our Twitter following to more than 700.

ENFORCEMENT

- Staff investigated numerous complaints from investors, IIROC and the MFDA.
- Panels of the Commission held 10 settlement hearings and 3 contested hearings which included cases involving registration misconduct, illegal distributions, market manipulation and conduct not in the public interest.
- Subsequent to the hearings, panels of the Commission ordered \$198,500 in administrative penalties.
- Hired a second enforcement counsel to assist in moving investigative matters forward to the hearing stage. As a result, the Commission heard and will continue to hear a greater number of complex matters.
- Staff participated in the CSA Enforcement Committee and was involved in preparation of the CSA 2010 Enforcement Report, preparation of a multi-jurisdictional enforcement guide, implementation of a new case sharing database and training on the many aspects of insider trading and market manipulation.

For more detailed information regarding the Commission's operations, read our [Annual Accountability Report for the Fiscal Year 2010-2011](#).