



**FOR IMMEDIATE RELEASE**

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## **SCHEDULE ANNOUNCED FOR COMPLETION OF U.S.-CANADIAN MUTUAL RECOGNITION PROCESS AGREEMENT**

**Paris, France, May 29, 2008** — The Chairmen of four Canadian securities regulators and the Chairman of the U.S. Securities and Exchange Commission (SEC), following a series of meetings coinciding with the annual conference of the International Organization of Securities Commissions (IOSCO), announced today a schedule for the completion of a process agreement that would open the way for discussions of a potential U.S.-Canada mutual recognition arrangement.

Canada has a system of securities regulation in which 13 separate provincial and territorial securities regulators administer and enforce highly harmonized laws and regulations. In order to facilitate discussions between Canada and the United States and more closely coordinate their systems of securities regulation, the SEC and the Canadian Securities Administrators (CSA) are working on an agreement setting forth the process to be followed in discussing mutual recognition arrangements.

Under the schedule announced today, the process agreement would be concluded in mid-June 2008.

The process agreement, once concluded, would open the way for substantive discussions between the CSA and the SEC on the subject of mutual recognition. Mutual recognition could provide Canadian securities exchanges and certain other Canadian financial service providers with greater freedom to operate in the United States under Canadian regulatory oversight, while U.S. securities markets and certain other U.S. financial service firms could gain greater freedom to operate in Canada under SEC oversight. In this manner, dual regulation, redundancy, and regulatory overlap could be eliminated.

“The work that we have accomplished with our Canadian regulatory counterparts over many months has brought us to a significant milestone in our ongoing discussions on the

subject of mutual recognition,” said Chairman Cox. “The process agreement we hope to execute next month will provide an efficient means to focus the U.S.-Canada discussions. That, in turn, could pave the way for an eventual arrangement with our Canadian counterparts that would deepen cooperation among securities regulators in North America and strengthen the regulation of ongoing cross-border securities activity, while reducing the barriers investors face in connection with cross-border investment opportunities,” said Chairman Cox. “The bonds we have strengthened during these months of discussions have already led to closer enforcement and regulatory coordination among U.S. and Canadian securities regulators, and investors are the clear winners.”

Mr. Jean St-Gelais, Chairman of the CSA, stated that he was pleased with the progress of the discussions and the workplan. Mr. St-Gelais noted that the CSA continues to be committed to establishing a well-designed process with the SEC.

In March 2008, the SEC announced that it would explore the possibility of a limited mutual recognition arrangement with one or more foreign regulatory counterparts, and that those arrangements could provide the basis for the development of a more general approach to mutual recognition through rulemaking. Since then, in addition to the work underway with Canada, the SEC has announced that it is in discussions concerning a possible mutual recognition arrangement with Australia, and that it is pursuing a process agreement, similar to the proposed agreement announced today with Canada, with the European Commission and the Committee of European Securities Regulators. Any eventual mutual recognition arrangement with any individual country would be based upon a comparability assessment by the SEC and by the foreign authority of each other’s securities regulatory regime.

The SEC has a long-standing and close relationship with its Canadian counterparts in the areas of regulatory and enforcement cooperation. Since 1988, Canadian securities regulators and the SEC have had formal mechanisms in place to assist each other in enforcement investigations. Since 1990, the SEC and Canada’s securities regulators have participated in the Multi-Jurisdictional Disclosure System that permits issuers in the United States and Canada to use the same disclosure forms when selling securities in each other’s markets.

The Canadian Securities Administrators is the council of the securities regulators of Canada’s provinces and territories, which coordinates and harmonizes regulation for the Canadian capital markets.

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