

**For Immediate Release
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Canadian Securities Regulators Seek Comments on the Potential Regulation of Proxy Advisory Firms

Montréal – The Canadian Securities Administrators (CSA) today published for comment CSA Consultation Paper 25-401 *Potential Regulation of Proxy Advisory Firms*. The purpose of this consultation paper is to address specific concerns about the services provided by proxy advisory firms and their potential impact on Canadian capital markets, and to determine if, and how, these concerns should be addressed by Canadian securities regulators.

The CSA is seeking feedback on the following concerns that market participants, primary issuers and their advisors raised about proxy advisory firms:

- potential conflicts of interest;
- potential perceived lack of transparency;
- potential inaccuracies and limited engagement with issuers;
- potential corporate governance implications; and
- the extent of reliance by institutional investors on the recommendations provided by proxy advisory firms.

“This consultation is aimed at providing the CSA with more information from market participants to assist us in our analysis into the need for potential regulation of proxy advisory firms,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “The feedback will help us determine the validity of the concerns raised, consider their impact on the integrity of Canadian capital markets, and assess whether there is a need for a securities regulatory response.”

The CSA also seeks comments on a range of possible securities regulatory responses and frameworks, if it is determined that a securities regulatory response is warranted.

The *CSA Consultation Paper 25-401* is available on CSA members’ websites. The comment period is open until August 20, 2012.

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

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