

**For Immediate Release
October 6, 2008**

**Canadian Securities Regulators Release Proposals in Response to the
2007-08 Credit Market Turmoil and its Effect on the ABCP Market in Canada**

Toronto – The Canadian Securities Administrators (CSA) today issued a Consultation Paper outlining several securities regulatory proposals related to the Canadian non-bank sponsored asset-backed commercial paper (ABCP) market.

Shortly after events in international credit markets led to a seizure of the non-bank sponsored portion of the ABCP market in Canada, the CSA took a number of immediate steps, which included the formation of an ABCP working group to address securities regulatory issues stemming from the credit market turmoil. Those issues are examined in the [CSA Consultation Paper](#).

“In the process of developing these proposals, we considered numerous complex issues, worked with international securities organizations, and closely monitored international developments,” said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec). “We believe that the proposals reflect a measured regulatory response that address our investor protection mandate and are appropriate for the Canadian marketplace.”

The CSA Consultation Paper contains proposals and solicits comments on a number of questions related to the proposals for:

1. Implementing a regulatory framework applicable to credit rating agencies that would require compliance with the recently amended code of conduct established by the International Organization of Securities Commissions (IOSCO). In addition, the CSA is considering requiring public disclosure of all information provided by an issuer that is used by a credit rating agency in rating an asset backed security.;
2. Amending the short-term debt exemption to make it unavailable for sales of asset-backed short-term debt including ABCP. This would require issuers who sell these products to do so by way of prospectus, or under another exemption;
3. Reducing reliance on the use of credit ratings in securities legislation;
4. Addressing the roles played by dealers and advisers with respect to ABCP; and
5. Reviewing specific issues regarding mutual fund investments in ABCP.

The CSA continues to work closely with the international community, and is an active participant in two IOSCO task forces dealing with matters relating to the credit market turmoil. The CSA also continues to monitor international developments, including initiatives led by the U.S. Securities and Exchange Commission, the Committee of European Securities Regulators, the Financial Stability Forum and the U.S. President's Working Group on Financial Markets.

The [Consultation Paper](#), which is available on the CSA website at www.csa-acvm.ca, as well as the websites of various CSA members, is open for public comment for 75 days. The comment period closes on December 20, 2008.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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