

**October 15, 2010**

**Canadian Securities Regulators Observe Moderate Improvement in  
Issuers' Compliance with Certification Requirements**

**Montréal** – The Canadian Securities Administrators (CSA) today published Staff Notice 52-327, *Certification Compliance Update* which summarizes issuer compliance with the requirements of National Instrument (NI) 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The results show moderate improvement in the level of compliance by issuers since a similar review was conducted last year.

This year's review focused on general compliance with the NI 52-109 provisions and the associated Management's Discussion & Analysis (MD&A) disclosure of issuers that restated and refiled interim or annual financial statements to correct accounting errors. In addition, the review focused on MD&A disclosure of material changes in internal control over financial reporting (ICFR) due to the transition to International Financial Reporting Standards (IFRS).

"We recognize the efforts made by issuers and their certifying officers to increase compliance with the Certification Instrument. However, there is still room for improvement and we expect issuers to pursue further efforts in order to improve the quality and reliability of disclosure to investors," 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 Notice will provide issuers with further guidance in an effort to improve compliance with the Certification Instrument."

CSA staff conducted the review of 2009 annual MD&A and annual certificates of a sample of 195 reporting issuers, composed of 145 non-venture issuers and 50 venture issuers. The sample included 45 issuers that were identified as non-compliant in last year's CSA review of 2008 annual MD&A and annual certificates.

Out of the total reporting issuers reviewed:

- 45 per cent appeared to comply or substantively comply with the provisions and no action was required, compared to 38 per cent in last year's review;
- 33 per cent were required to make prospective changes in future filings, compared to 32 per cent in last year's review; and
- 22 per cent were required to refile their annual MD&A and/or certificates, compared to 30 per cent in last year's review.

Copies of CSA Staff Notice 52-327 are available on the websites of CSA members.

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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