

**For Immediate Release
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Canadian Securities Regulators Seek Feedback on Tailoring Venture Issuer Regulation

Calgary – Securities regulators in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia today published a consultation paper designed to assess market interest in developing a more tailored approach to regulating venture issuers.

Multilateral Consultation Paper 51-403 *Tailoring Venture Issuer Regulation* seeks input on whether there is an opportunity to build on the current venture market regulatory regime and further enhance investor protection while reducing regulatory costs for venture issuers.

“Canada has one of the most unique and successful public venture capital markets in the world” says Bill Rice, Chair of the Alberta Securities Commission. “These proposals aim to foster the continued success of this market by streamlining and tailoring regulatory requirements to the needs of both venture issuers and their investors.”

Venture issuers are a significant component of the equity capital markets in Canada. TSX Venture Exchange (TSXV) issuers account for approximately 62 per cent of the 3,848 issuers listed on the Toronto Stock Exchange (TSX) and TSXV combined. There are additional venture issuers listed on the Canadian National Stock Exchange as well as venture issuers that are unlisted.

“Venture issuers can play an important economic role in our markets,” adds Brenda Leong, Chair of the British Columbia Securities Commission. “They directly and indirectly provide jobs, explore for new resources, serve as incubators for new technologies and are a key component of the Canadian economy.”

Many venture issuers grow and move on to more senior markets. Approximately 330 (22 per cent) of the 1474 issuers currently listed on the TSX are graduates of the TSXV and of the 222 issuers in the S&P/TSX Composite Index, 42 (19 per cent) are graduates of the TSXV¹.

Some of the key features of the consultation paper include:

- eliminating the requirement for three- and nine-month interim financial statements and associated MD&A;

¹ Information derived from TSX information at April 2010.

- introducing an annual report that provides streamlined and simplified disclosure of the venture issuer's business, management, governance and executive compensation, replacing the current requirements for separate annual financial statements, management's discussion and analysis (MD&A) and CEO/CFO certifications;
- enhancing investor protections through additional substantive corporate governance requirements, such as addressing related party transactions and insider trading; and
- eliminating business acquisition reports and enhancing material change reporting.

Written comments on these proposals will be accepted until September 17, 2010. CSA participating jurisdictions are particularly interested in hearing from those participating in the venture market.

In addition to soliciting written comments, participating Canadian securities regulators will be holding consultation sessions across Canada beginning in June to solicit feedback from venture market participants, gauge interest in the proposals and identify any regional differences.

Those CSA jurisdictions who have not participated in developing the consultation proposals have expressed interest in the market response to the proposals. The Ontario Securities Commission and the Autorité des marchés financiers are very supportive of the effort to widely consult with all affected market participants on these proposals, will continue to have an interest in the development of regulation tailored to venture issuers and intend to cooperate with CSA participating jurisdictions in the consultation process.

If you are interested in participating in a consultation session, please click [HERE](#).

Multilateral Consultation Paper 51-403 *Tailoring Venture Issuer Regulation* is available on the websites of each of the participating securities commissions and is available in French on the websites of the Alberta and New Brunswick securities commissions.

We will be sharing the results of the consultations with our CSA colleagues. 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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