



News Release

Council of Ministers reaffirm commitment to passport system of securities regulation

June 14, 2006

Toronto, Ont. . . . Canada's provinces and territories are making significant progress in improving the country's securities regulatory system and remain committed to the passport system.

The Council of Ministers of Securities Regulation met in Toronto on June 12 and 13 to review progress on the passport system and the initiative to harmonize and streamline securities laws across Canada. Ministers from provinces and territories across Canada reiterated their support for the passport system as the means to reduce barriers between jurisdictions and enhance the efficiency of the country's capital markets.

"We are extremely pleased with the work that's been done to date," said Shirley McClellan, Deputy Premier and Minister of Finance for Alberta, and chair of the Council. "A number of provinces have already adopted the legislation required to enhance the passport and further harmonize and streamline our laws, and the remainder intend to do the same this fall."

Ministers met with the Crawford Panel on a single Canadian securities regulator on its final paper, *Blueprint for a Canadian Securities Commission*.

"We need a chance to review the final report in detail," said McClellan. "However, the Council is still determined to pursue the passport system as the best and fastest way to make Canada's markets more efficient while still respecting the unique needs of each market."

At the same time, the Council of Ministers repeated its invitation to Ontario to participate in the passport system.

"Early indications are that the passport is being taken advantage of and that use will increase with time," said McClellan. "Obviously it would be even more successful with the participation of Ontario, Canada's largest capital market, and we would welcome them with open arms."

Ministers also encouraged the federal government to recognize the benefits of the passport system and respect the jurisdiction of provinces and territories. Western Canada's Premiers, representing seven jurisdictions, reiterated their support for the passport system during their conference in Manitoba, May 29 to 31.

"Just two weeks ago, seven premiers endorsed the passport and stated clearly they are not interested in federal involvement," said McClellan. "The provinces and territories are making remarkable progress working together and Canada is seeing real improvements to its securities regulatory system."

Ministers committed to an aggressive timetable for further harmonizing and streamlining of securities laws across Canada.

The passport system will enable issuers and registrants to deal only with the regulator in their principal jurisdiction, providing a single window of access to capital markets in 12 Canadian provinces and territories. The passport is a commitment in the *Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation* signed in 2004 with historic cooperation among the provinces and territories.

The Council, along with Ontario, also agreed Tuesday to work on solutions to give the Canadian Public Accountability Board the means to contribute to maintaining an effective and well-functioning oversight system for audit firms, which supports public confidence in the integrity of financial reporting systems by public companies. This responds to the work undertaken by a committee established earlier this year and led by Ontario, and reflects Quebec's new legislation.

The Council of Ministers of Securities Regulation includes Ministers from Quebec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut.

The Council oversees implementation of the commitments in the MOU to improve the regulation of capital markets in Canada. Ministers are committed to working together on an ongoing basis to ensure that the highest standards of investor protection are effectively and consistently applied.

Additional information is available at www.securitiescanada.org or www.valeursmobilières.org

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