



News Release

Second phase of securities passport will produce marked improvements for Canada's markets

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Market participants can look forward to a true single window of access to Canada's capital markets with the second phase of the securities passport system.

National Instrument 11-102 *Passport System*, a securities rule to implement phase two of the passport system, was released on March 28 for public comment. The Council of Ministers of Securities Regulation said phase two will produce significant benefits for Canada's securities industry and represents unprecedented intergovernmental cooperation to harmonize securities legislation.

"This is a tremendous step forward in making Canada's markets more efficient," said Dr. Lyle Oberg, Alberta's Minister of Finance and co-chair of the Council of Ministers. "The provinces and territories worked hard to develop legislation that harmonizes the regulation of securities and implements the passport because we know Canada must remain competitive in a global marketplace."

The first phase of the passport system was implemented in September 2005 and gave participants certain exemptions when dealing with different securities jurisdictions, except Ontario. Beginning in early 2008, phase two will enhance the single-window concept of securities regulation by allowing participants to access capital markets across Canada by dealing only with the regulator in one jurisdiction.

Participants will be able to clear a prospectus, register as a dealer or adviser, or obtain a discretionary exemption from the regulator in their home province or territory and have it apply in all other jurisdictions. The second phase also ensures public companies are subject to only one set of harmonized continuous disclosure requirements.

With the enhanced passport system, the Council of Ministers aims to keep Canada at the forefront of effective securities regulation. The Organization for Economic Cooperation and Development recognized the quality of the regulation of Canada's securities markets as second in the world, ahead of the United States, the United Kingdom and Japan, in its report, *Economic Policy Reforms: Going for Growth 2006*.

“We are working to keep Canada on top,” said Greg Selinger, Manitoba’s Minister of Finance and Council of Ministers co-chair. “The passport system goes a long way to make Canada’s markets more efficient and provides significant benefits for the securities industry.”

The passport system is one of the objectives of the 2004 *Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation* signed by all the provinces and territories except Ontario.

The Council of Ministers noted Purdy Crawford, the chair of Ontario’s blue-ribbon panel on securities regulation, recognized the benefits of the passport system and encouraged Ontario to adopt it when they met with him in June 2006. The Council has a standing invitation for Ontario to sign the MOU and participate fully in the passport.

The proposed National Instrument 11-102 and related documents are available on various Canadian Securities Administrators’ web sites for public comment until May 28, 2007.

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

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

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