

COUNCIL OF MINISTERS OF SECURITIES REGULATION

COMMUNIQUÉ

Provincial-Territorial Council of Ministers of Securities Regulation Pursue Ongoing Reform to Keep Pace With International Initiatives

December 19, 2010

The Provincial-Territorial Council of Ministers of Securities Regulation (Council) met on December 19, 2010 in Calgary.

The Council remains committed to on-going regulatory reform of the current securities regulatory system to meet Canada's international commitments, keep pace with changing market conditions and regulate in the best interests of investors.

The Council recognizes the importance of maintaining an innovative, competitive and flexible regulatory system that protects investors and fosters fair and efficient capital markets.

Our regulatory system works well and is highly regarded internationally. Independent international assessments continue to rank Canada's securities regulatory system as one of the best in the world. For the last six years, the World Bank's *Doing Business* reports have consistently ranked Canada as one of the top five countries for protecting investors, tied with United States and ahead of the United Kingdom. For the second year in a row, the Milken Institute has recognized Canada as the leader in providing access to business capital. The Council believes the overall strength of our securities regulatory system contributed to Canada weathering the recent global financial crisis better than most other countries.

Over the past six years, the Council oversaw the full implementation of a national passport system and the passage of highly harmonized legislation to create a single window of access for all Canadian market participants. All of this occurred under a provincial – territorial securities regulatory system.

At the meeting, the chair of the Canadian Securities Administrators (CSA) updated the Council on progress to date on implementing key aspects of the CSA work plan. The Council reaffirmed its support of the CSA work plan and remains committed to its timely implementation. These include the regulation of over-the-counter derivatives, credit rating organizations and hedge funds, and the harmonization of derivatives regulation across Canada. Provinces and territories have committed to bring forward legislative amendments on several of these initiatives in 2011.

The Council was established by the 2004 *Memorandum of Understanding Regarding Securities Regulation*. The MOU was signed by all provincial and territorial governments except Ontario. Additional information about the Council and its work is available on the Council website at www.securitiescanada.org.

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