

Chapter 6

Request for Comments

6.1.1 CSA Notice and Request for Comment 11-402 - Concept Proposal for Uniform Securities Legislation

CANADIAN SECURITIES ADMINISTRATORS NOTICE AND REQUEST FOR COMMENT 11-402

CONCEPT PROPOSAL FOR UNIFORM SECURITIES LEGISLATION

The Canadian Securities Administrators (the “CSA” or “we”) are publishing for comment a concept proposal (the “Concept Proposal”) for uniform securities legislation that accompanies this Notice and Request for Comment (the “Notice”). This Notice provides background information on the Uniform Securities Legislation Project (the “USL Project”) and the Concept Proposal. It also outlines next steps for the project.

BACKGROUND

In March of 2002, the CSA announced an initiative to develop uniform securities legislation for adoption across Canada. This project, referred to as the USL Project, is the top priority of the CSA. Although the primary focus of the project is to achieve harmonization of legislation, we will also take the opportunity to simplify and streamline the regulatory system in areas where this complementary goal could be achieved within the project timeframe.

There are three distinct phases in this project: a study period, a drafting phase and a phase devoted to revising and finalizing.

During the study phase, staff examined all existing securities legislation (local, multilateral and national rules, national and local policies and blanket orders) in force in each of British Columbia (BC), Alberta, Manitoba, Ontario and Québec and made specific recommendations as to how the laws in each of these jurisdictions should be harmonized. The legislation of these jurisdictions was selected because it is representative of the legislation of the other jurisdictions of Canada. The study period has culminated in the completion of the accompanying Concept Proposal.

CONCEPT PROPOSAL

The Concept Proposal outlines proposals for the harmonization of securities legislation developed during the study period. In some areas, the Concept Proposal proposes substantive changes to current laws. For the most part, these proposed changes are either well-advanced CSA initiatives for which the USL Project presents an ideal opportunity to make necessary legislative amendments or the proposed changes would further the project’s complementary goal of streamlining and harmonizing the system of securities regulation in Canada. The following are the most significant proposed policy changes:

- The ability for a securities regulator to delegate decision-making across all regulatory functions to another securities regulator.
- A streamlined system for inter-jurisdictional registration of firms and individuals.
- A civil liability regime for secondary market participants.
- A streamlined securities act with details largely contained in rules to allow future changes to securities laws to be made in a timely and harmonized manner through the rule making process.

NEXT STEPS

With the completion of the study phase and the release of the Concept Proposal, next steps will include:

- Review and analysis of comments on the Concept Proposal.
- Discussions with governments, SROs and industry participants.
- Review of all national instruments, multilateral instruments and national policies. Each jurisdiction will also conduct a review of its own local rules, local policies and blanket orders.

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- Drafting of a uniform act (the “Uniform Act”) and uniform rules (the “Uniform Rules”)

The Uniform Act would contain “platform” legislation setting out fundamental rights and obligations, and Uniform Rules would contain detailed requirements. The drafting will reflect the comments on the Concept Proposal and discussions with governments, SROs, and industry participants. The draft Uniform Act and Uniform Rules will be published for another round of public comment.

The final stage of the project will be devoted to responding to comments on the draft Uniform Act and Uniform Rules, making necessary revisions and seeking policy and legislative approvals from each province and territory. The CSA objective is to have uniform legislation ready for consideration by each province and territory in Spring 2004.

REQUEST FOR COMMENTS

General Comments on the USL Project

Comments are welcome at any stage of the project. If you have any comments on the USL Project in general, please direct them to:

Stephen P. Sibold, Q.C.
Chair
Alberta Securities Commission
4th Floor, 300 – 5th Avenue S.W.
Calgary AB T2P 3C4
stephen.sibold@seccom.ab.ca

Specific Comments on the Concept Proposal

Interested parties are invited to make written submissions with respect to the Concept Proposal. Submissions received by April 30, 2003, will be considered. Submissions should be addressed to:

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4th Floor, 300 - 5th Avenue S.W.
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January 30, 2003

The text of the document follows or can be found on the CSA website (www.csa-acvm.ca).