



# **Moving Toward the Canadian Securities Regulatory Authority**

**IIROC's Financial Administrators Section Conference  
June 10, 2011 - Victoria**



CANADIAN SECURITIES TRANSITION OFFICE

LE BUREAU DE TRANSITION CANADIEN  
EN VALEURS MOBILIÈRES

# Transition Office

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- **Mandate:**

- Lead and manage the transition from the current system of securities regulation to the Canadian Securities Regulatory Authority (CSRA)

- **Activities to date:**

- Consulting with advisory committees and stakeholders - Ongoing
- Drafting Proposed Act - Released May 2010
- Developing Transition Plan - Released July 2010
- Commencing implementation work

# Constitutional References

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- **May 2010:** Proposed Act referred to the Supreme Court of Canada (SCC)
- **April 13 and 14, 2011:** SCC hearing
- **Question before the SCC:** Is the Proposed Act within the constitutional jurisdiction of the Parliament of Canada?
- **Provincial court challenges**
  - Hearings in Alberta and Quebec Courts of Appeal - January 2011
  - Alberta Court of Appeal decision - March 8, 2011
  - Quebec Court of Appeal decision - March 31, 2011

# Vision for the CSRA

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- National standards combined with integrated, local decision making
- Outward focus, with deep understanding of markets
- Responsiveness, innovation and flexibility
- Simplified processes and lower costs for the market
- Transparency and accountability

**A competitive advantage for Canada**

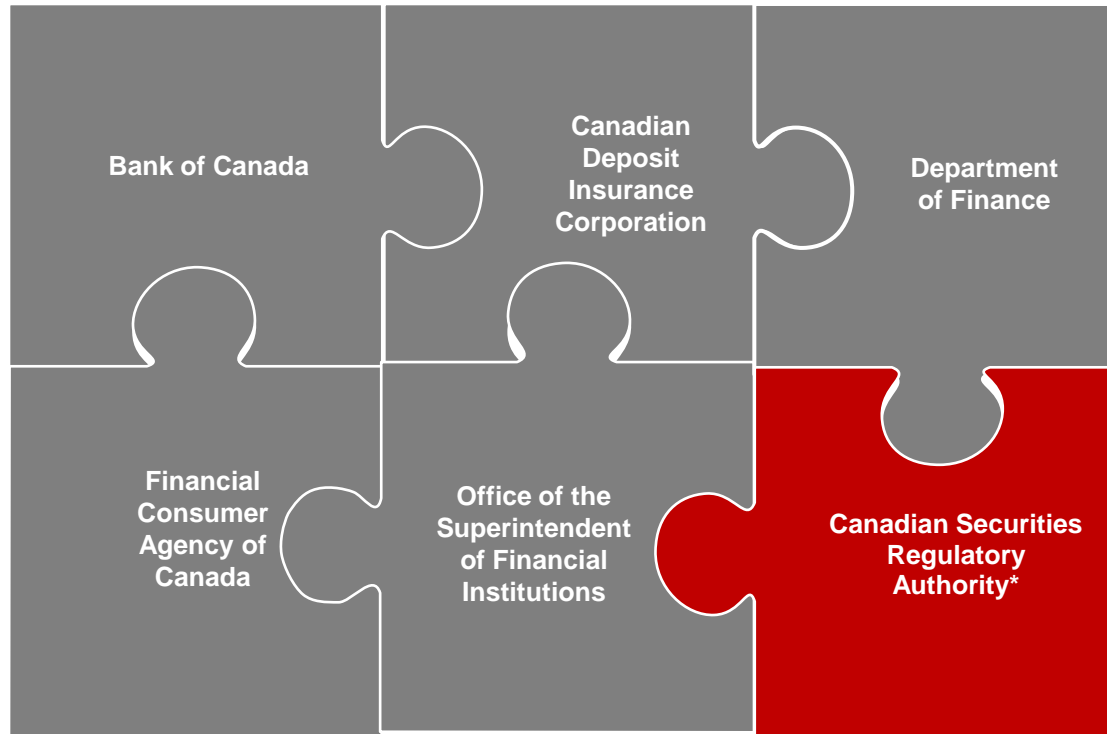
# Proposed Act

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- Comprehensive platform legislation, details in regulations
- **Purpose:**
  - Provide protection to investors from unfair, improper or fraudulent practices
  - Foster fair, efficient and competitive capital markets in which the public has confidence
  - Contribute, as part of the Canadian financial regulatory framework, to the stability of the financial system

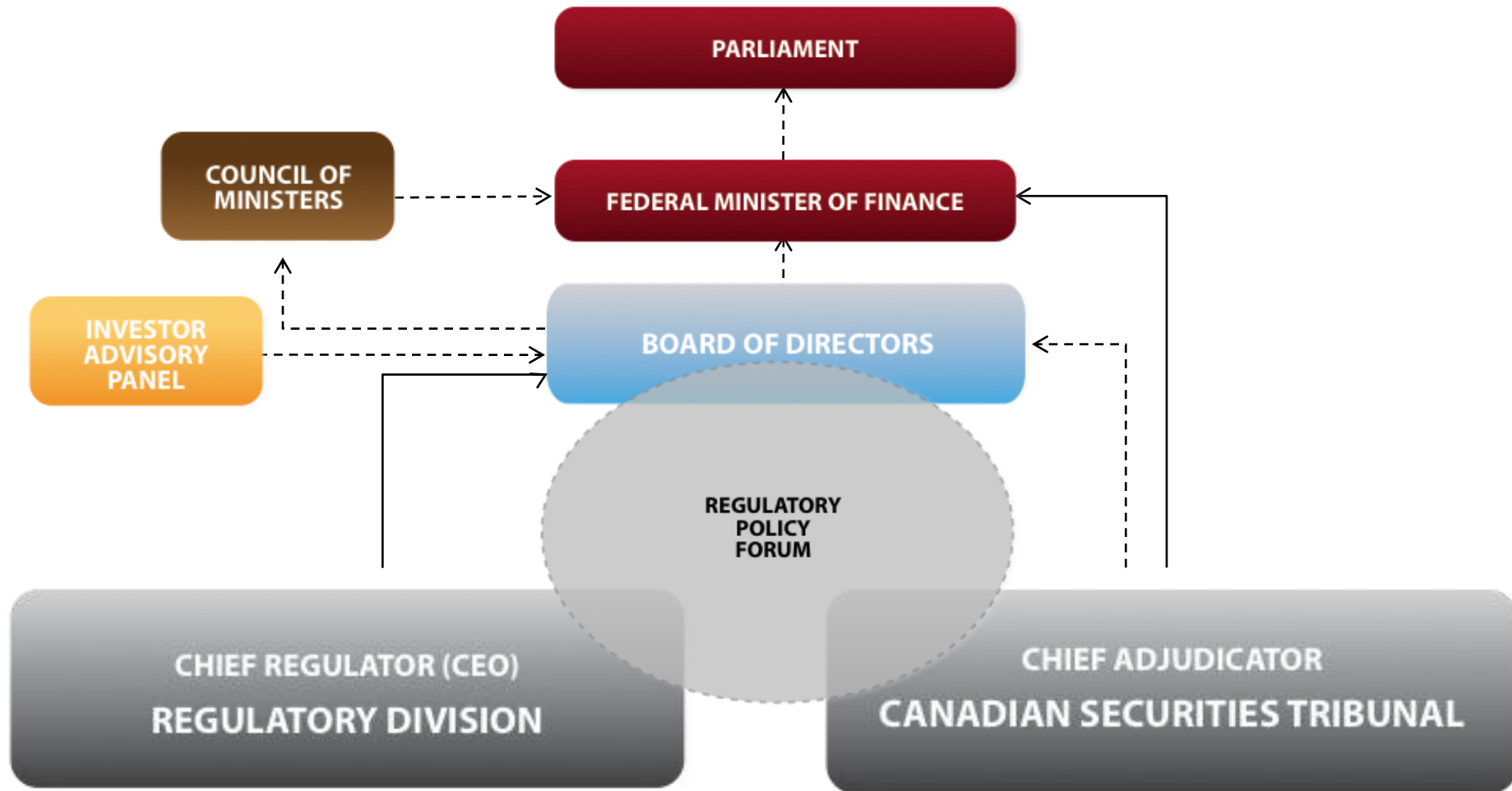
# Financial Stability

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\* Proposed Member

# CSRA - Governance & Structure



# Self-Regulatory Organizations

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- Act continues to recognize SROs
- Alignment of the SROs' work with CSRA's vision and regulatory approach
- CSRA provides opportunity to simplify SRO oversight and raise it to a more strategic level

# How will the CSRA be different?


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- National accountability
- National public interest perspective
- Concentrated securities enforcement expertise and capabilities
- Financial stability mandate
- Coherent derivatives strategy with consistent treatment of like products

# Next Steps

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- Drafting initial regulations
  - Most based on existing instruments
  - New rules for derivatives
- Prepare for integrating participating regulators
- Develop harmonized fee schedule
- Plan for legal continuity
- Continue consultation
- Target to establish CSRA mid-2012



**For more information  
and updates please visit  
[www.csto-btcvm.ca](http://www.csto-btcvm.ca)**



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