

Backgrounder: Key Changes as agreed to in the Amended Agreement in Principle to Move Towards a Cooperative Capital Markets Regulatory System

The provincial Ministers responsible for securities regulation in Saskatchewan and New Brunswick have agreed to join the Ministers of Finance in British Columbia, Ontario and Canada to establish a Cooperative Capital Markets Regulatory System. Together, they invite Ministers responsible for securities regulation in all other provinces and territories to participate in the Cooperative System.

This announcement builds on the September 19, 2013 agreement in principle between the Governments of British Columbia, Ontario and Canada. Today's signing of the amended agreement in principle by the Ministers of Saskatchewan, New Brunswick, British Columbia, Ontario and Canada includes the following key changes:

- There will be two additional regional Deputy Chief Regulators representing capital markets jurisdictions in each of western and eastern Canada. These would be addition to the Deputy Chief Regulators based in each of British Columbia and Ontario, as well as Alberta and Quebec should they choose to participate.
- The Deputy Chief Regulators representing capital markets jurisdictions in western and eastern Canada will be initially located in Saskatchewan and New Brunswick and will serve a term of five years.
- The nominating committees for the expert board of directors and independent adjudicative tribunal will include representation from both major and other participating jurisdictions.
- Each regulatory office will be managed by a director who will coordinate the delivery of regulatory functions that are responsive to the needs of local market participants and investors, and will identify local issues for their respective Deputy Chief Regulator's consideration in the development and application of national policies.
- Fundamental changes to the Cooperative System will require unanimous approval of the Council of Ministers during the three year period after the date on which the Capital Markets Regulatory Authority commences operations, and approval of at least two-thirds of the Council of Ministers and all major capital markets jurisdictions thereafter.
- A transition plan will be developed based on consistent principles to integrate existing securities regulatory entities into the Capital Markets Regulatory Authority.
- The regulator will consider requests to accommodate provincial economic development initiatives, where they do not adversely affect the fundamental principles of the Cooperative System or affect markets participants in other jurisdictions.