

British Columbia, New Brunswick, Ontario, Prince Edward Island, Saskatchewan and Yukon Publish for Comment the Draft Prospectus and Related Registration Exemptions Regulations for the Cooperative Capital Markets Regulatory System

May 8, 2018 – The provinces and territory participating in the development of the Cooperative Capital Markets Regulatory System (Cooperative System) published for comment draft prospectus and related registration exemption regulations under the proposed provincial-territorial *Capital Markets Act* (CMA).

The CMA and the initial regulations when in force would constitute the single set of substantive provincial/territorial capital market laws under the Cooperative System. The draft regulations currently being published for consultation are contemplated as a possible single set of prospectus and related registration exemptions that would apply in participating provinces and territories on launch of the Cooperative System. These exemption regulations were not part of the draft initial regulations that were published for comment in August 2015.

Participating jurisdictions plan to publish for comment a draft prospectus exemption for certain distributions made through investment dealers (as discussed on page 5 of the Commentary on Draft Prospectus and Related Registration Exemptions). They are also considering additional regulations on a registration exemption for certain financial institutions, as well as transitional matters and fees under the CMA and the federal *Capital Markets Stability Act* (CMSA). Consultations on these items are expected in advance of the launch of the Capital Markets Regulatory Authority.

The comment period for this consultation will be open through August 7, 2018.

Update on Launch Timelines

Participating governments are presently reviewing the timelines for the launch of the Cooperative System. The objective is to proceed in a manner that provides certainty to all involved and to take the time necessary to provide a smooth transition for market participants.

The Supreme Court of Canada is considering the constitutionality of elements of the Cooperative System. The appeal was heard by the Supreme Court on March 22, 2018. When a decision is made, the participating governments will respect this decision and proceed accordingly.

The participating jurisdictions will provide an update on the timing of the launch of the Cooperative System following the decision of the Supreme Court of Canada and the completion of the implementation timeline review. At this stage, the Cooperative System will not be ready for launch by the end of 2018.

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