The Capital Markets Act -
A Revised Consultation Draft

I. Overview of the Revised Consultation Draft

The uniform *Capital Markets Act*[1] (CMA), which will be proposed for enactment by each participating province and territory (CMR jurisdiction), modernizes existing provincial and territorial securities legislation and harmonizes the regulatory approaches taken by the British Columbia, New Brunswick, Ontario, Prince Edward Island, Saskatchewan and Yukon securities acts.

Consultation drafts of the CMA and the federal *Capital Markets Stability Act* (CMSA) were initially published for comment in September 2014. Approximately 65 comment letters were received on the draft legislation. Commenters included law firms, investor advocates, and industry groups. Some commenters focused on specific issues of particular relevance to them, while others provided more detailed and extensive feedback on a number of provisions.

The comments received were discussed and considered in the context of ongoing policy work on the CMA. They were assessed against the following guiding principles: modernization, consistency with current securities legislation, the need for future flexibility to keep up with evolving markets and international regulatory developments, and ensuring the Capital Markets Regulatory Authority (CMRA or Authority) has the necessary tools to fulfill its mandate.

This document updates the commentary on the initial consultation draft of the CMA, and highlights some of the changes that have been incorporated into the revised consultation draft. Some of the changes were made in response to the comments we received on the initial consultation draft, while others reflect decisions made as a result of ongoing work by the CMR jurisdictions. In addition to the commentary, a chart that summarizes and responds to the comments will be published in the coming weeks on the Cooperative Capital Markets Regulatory System (CCMR or Cooperative System) website, as will a chart providing additional information for market participants on the transition to the CCMR. Separate commentaries on the CMA draft initial regulations have also been published on the CCMR website.

II. A modern regulatory approach

The CMA updates and modernizes current provincial and territorial securities legislation, retaining key components while introducing new elements to promote flexibility within a robust regulatory framework. One difference from current legislation, particularly the Ontario regime, is the extent to which the CMA takes a platform approach to capital

[1] While the legislation was previously referred to as the "PCMA", going forward it will be referred to as the "CMA" to reflect the participation of Yukon in the CCMR initiative. The CMA is subject to legislative approval and will not become law unless introduced in, and enacted by, the legislatures of each participating province and territory.

markets regulation. It sets out the fundamental provisions of capital markets law while leaving detailed requirements, including some requirements that are currently contained in provincial and territorial securities legislation, to be addressed in regulations. This approach promotes regulatory flexibility, allowing the Authority to respond to market developments in a timely manner and appropriately tailor its regulatory treatment of various entities and activities. While a number of commenters questioned the change from the more prescriptive approach taken by the Ontario *Securities Act*, it was determined that the CMA would be best served by a platform approach that will provide the requisite regulatory flexibility going forward and maintain continuity with current securities legislation in most CMR jurisdictions.

The CMA is divided into 16 parts. Part 1 contains definitions, most of which are taken from or closely modelled on existing provincial and territorial definitions. Parts 2 and 3 address recognized and designated entities, respectively, as well as other market places. Part 4 contains the registration provisions and Part 5 the prospectus requirements. Part 6 sets out the derivatives regime, Part 7 deals with disclosure and proxies, and Part 8 with take-over and issuer bids. Part 9 addresses market conduct, and includes a number of prohibitions. Part 10 addresses orders, reviews and appeals, and Part 11 deals with administration and enforcement. Parts 12 and 13 set out the CMA's civil liability provisions, while Part 14 contains a number of general provisions. Part 15 now includes the regulation-making powers for areas of provincial and territorial jurisdiction, and sets out the regulation-making process. Part 16 will contain transitional provisions. While the transitional provisions are not included in the revised consultation draft, the proposed approach to the transition from current securities regulatory regimes to the Cooperative System is discussed below.

The transitional provisions will be complemented by implementation legislation which will be proposed for enactment by participating provinces and territories. The implementation legislation will address the application of other provincial or territorial legislation as well as legal continuity issues particular to the jurisdiction.

Changes to terms and definitions used in the initial consultation draft

Several commenters expressed concern about the scope of the "market participant" definition in light of the additional regulatory requirements it would impose on a number of entities in some CMR jurisdictions. Paragraph (b) of the market participant definition, which referred to issuers who have filed a preliminary prospectus for which the Chief Regulator has issued a receipt, has now been deleted. While we note that the proposed definition was generally consistent with the status quo in British Columbia, we have added regulation-making authority to tailor the record-keeping requirements imposed on certain types of market participants.

New s. 54(1.1) will allow the Authority to make regulations exempting market participants such as control persons, persons providing record-keeping services to a registrant, exempt issuers and their officers, directors, control persons and promoters from the record-keeping requirements in s. 54(1)(a) relating to the recording of their business transactions and financial affairs. In addition, paragraph 54(1)(b) has been changed to reflect recent amendments to s. 19 of the Ontario *Securities Act*. The CMA compliance review

provisions will continue to apply to all market participants, as will the CMA conduct requirements.

The definition of "misrepresentation" has been changed from the initial consultation draft. While the original definition was not intended to represent a substantive departure from the definition of "misrepresentation" in current securities legislation, we received a number of comments expressing concern about a change from the status quo, particularly in Ontario. In response to the comments, we have amended the definition to align with the definition in the Ontario and Saskatchewan securities acts.

Similarly, in response to commenters' feedback and for consistency with existing securities legislation, references to "opportunity to make representations" have been replaced with references to "opportunity to be heard."

Several commenters were opposed to paragraph (f) of the definition of "security", which provides the CMRA with regulation-making authority over segregated funds. As originally drafted, the provision would not result in segregated funds being regulated at launch, but would provide the CMRA with the flexibility to address any future changes in the financial sector and its regulation. The commenters expressed concern about the possibility of duplicative regulation of products currently subject to the insurance regulation regime. After careful consideration, the decision was made to retain the provision while strengthening the degree of government oversight to reflect that determining how segregated funds are regulated is an important government policy decision that may impact the regulation of other financial services.

Accordingly, as provided in s. 202(2) more stringent governmental approvals will be required for the Authority to propose and enact regulations in this area, in accordance with the approval formula in Article 5.5 of the Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System (Memorandum of Agreement).

Other drafting changes were made to better align the CMA with the draft initial regulations and carry forward key aspects of current securities and derivatives legislation, including the Ontario *Commodity Futures Act.* For example, a definition has been added for a "large derivatives participant". Please see the Regulations Commentary for a discussion of the proposed CCMR derivatives framework.

Changes were also made for clarification (see, for example, the definition and use of "court") and to enhance internal consistency in the CMA, as well as to reflect ongoing work to strike an appropriate balance between modernized drafting and alignment with current securities legislation.

a) Recognized and designated entities

Entities that perform a core market infrastructure or subordinate regulatory function under the oversight of the Authority are "recognized" under Part 2 of the CMA, which establishes a framework for the Authority's oversight of recognized entities consistent with current provincial and territorial securities legislation. Recognized entities include exchanges, self-regulatory organizations, auditor oversight organizations and clearing

agencies. As is the case today, pursuant to s. 8, exchanges and clearing agencies must be recognized in order to carry on business, while other entities may choose whether to apply to the Authority for recognition. Similar to current securities legislation, detailed requirements applicable to recognized entities will be set out in the regulations and in the entities' recognition orders.

Decisions of recognized entities and recognized self-regulatory organizations may be enforced as court orders if the entity or organization first obtains an order from the Tribunal under s. 89(1)(a) that a person comply with the decision. The Tribunal order may then be filed in a superior court pursuant to s. 199. Decisions made by recognized entities and self-regulatory organizations are generally subject to review by the Tribunal pursuant to s. 13, on application by either the Chief Regulator or a person directly affected by the decision.

In addition to providing for recognition orders, the CMA allows certain entities that provide specific services within the capital markets to apply to the Authority for a designation order under Part 3 of the legislation. Pursuant to s. 17, an entity may be designated in one of five specific categories: a credit rating organization, an investor compensation fund, a dispute resolution service, an information processor, or a market place. As discussed below, entities may also be designated under a general category of persons that are engaged in a prescribed activity. While designation orders are not mandatory, various regulations will require them as a precondition for certain types of market activities or regulatory treatment, for example in connection with issuing a credit rating in circumstances where one is required.

To provide for forward-looking flexibility and address new developments in capital markets and global regulation, the list of entities that may be recognized or designated under s. 9 and s. 17 includes persons engaged in prescribed activities. Just as credit rating organizations and trade repositories are relatively new areas for securities regulation in Canada and internationally, there may be a need to regulate new entities and/or activities in the future. The scope of activities captured by these provisions will be limited by the purposes of the legislation, and the requirement that the activities in question must be "prescribed" means that any new recognition or designation requirements will be subject to public notice and comment and to approval by the Council of Ministers.

Part 2 of the CMA also includes provisions specific to recognized auditor oversight organizations. It is anticipated that the Ontario implementation legislation would propose repeal of the Ontario *Canadian Public Accountability Board Act (Ontario), 2006*.

Changes from the initial consultation draft

Under the initial consultation draft, trade repositories were categorized as entities that could apply to be designated under s. 17. On further consideration, it was determined that trade repositories would be more appropriately classified as recognized entities, on the basis that they may make regulatory decisions and should therefore be subject to recognition orders and to a review of their regulatory decisions by the Tribunal. Accordingly, trade repositories are now listed as entities that may apply for recognition

under s. 9 and, consistent with the Ontario *Securities Act*, are subject to reviews under s. 13.

Section 13, which addresses Tribunal reviews of decisions made by recognized entities, has been modified so that decisions made by clearing agencies are no longer subject to a stay pending the Tribunal's review. This change was made in response to a concern reflected in the comments that CMRA processes should be consistent with federal payments, clearing and settlement legislation and with the International Organization of Securities Commissions financial market infrastructure principles, which are reflected in international capital markets law. Section 13 has also been amended to exclude the Chief Regulator from a review of an auditor oversight organization decision to the extent that privileged matters and materials are addressed.

Other changes have been made to the auditor oversight organization provisions in response to the comments received. Pursuant to s. 10, auditor oversight organizations are now carved out from the requirement to provide the Chief Regulator with information and material relating to the administration and enforcement of capital markets law or the regulation of the capital markets. A confidentiality provision has been added to s. 15 to the effect that information and material prepared for or received by an auditor oversight organization may not generally be disclosed without the written consent of all persons whose interests might reasonably be affected by the disclosure, or by a court order. However, subsection (3.1) also contains a carve-out for material in a prescribed class, meaning that the Authority may make regulations requiring certain types of information to be disclosed to the Chief Regulator.

It is anticipated that a regulation in this area could address material prepared by the recognized auditor oversight organization in the exercise of its powers and duties. Any such regulation could also include related information such as a list of audit firms and audit files that have been inspected or investigated in any given period and the findings from any inspection or investigation. In addition, s. 15(4) sets out an exception to the general non-disclosure requirement for the provision of information and material to a foreign auditor oversight body in the context of an audit of a reporting issuer that carries on business in the foreign oversight body's jurisdiction.

We also note that s. 14(1) now allows the Chief Regulator to delegate to a recognized exchange as well as to a recognized self-regulatory organization. Subsection 14(3), which provided that the Chief Regulator retained the authority to exercise a power delegated under s. 14(1), has been deleted on the basis that this power exists under the common law and a legislative provision was therefore unnecessary.

b) Registration, prospectuses, continuous disclosure and take-over bids

The framework for registration, contained in Part 4 of the CMA, remains essentially unchanged from current securities legislation. Section 22 requires firms and individuals who act as dealers, advisers, large derivatives participants and investment fund managers to register in accordance with the regulations. The Chief Regulator is required to grant, reinstate or amend registration on application, unless it appears that the applicant is not suitable or the registration, reinstatement or amendment is objectionable. The Chief

Regulator may suspend or impose conditions on a registration, and may require an applicant or registrant to provide affidavit evidence or to submit to examination under oath.

The CMA's prospectus provisions are also consistent with the current regulatory approach, with core requirements set out in Part 5 and details to be included in the regulations. Section 30 stipulates that a prospectus must provide full, true and plain disclosure of all material facts relating to the securities to be issued, and s. 27 provides that a receipt for a final prospectus must be issued prior to a distribution. A copy of the prospectus must be sent to the securities' purchasers.

In a change from the current regulatory approach, and consistent with a more flexible regulatory regime, the CMA also permits the Authority to make regulations prescribing alternative offering documents to be filed, receipted and sent to purchasers in lieu of a prospectus. No regulations in this area are currently contemplated.

Part 7 of the CMA adopts a platform approach to continuous disclosure and proxy requirements similar to provisions in the British Columbia *Securities Act* and supplements it by extending these requirements beyond reporting issuers to other issuers in a prescribed class, which might include those making certain types of exempt offerings. Section 43 provides that the regulations will contain the periodic and material change disclosure obligations.

Similar to current securities legislation in CMR jurisdictions other than Ontario, the CMA also takes a platform approach to take-over bids and issuer bids. As set out in Part 8, take-over bids and issuer bids may be made only in accordance with the regulations. In the event of non-compliance, an interested person (including the Chief Regulator) may apply to the Tribunal or to a superior court for a rectifying order.

Changes from the initial consultation draft

We received a number of comments urging the inclusion of provisions that would allow registered representatives of dealers and advisers to operate through professional corporations. In the revised consultation draft, we have added regulation-making authority which would allow for this outcome to be achieved. As with segregated funds, s. 202(2) requires more stringent governmental approvals for the Authority to propose and enact regulations in this area, in accordance with the approval formula in Article 5.5 of the Memorandum of Agreement.

Commenters also noted that the CMA does not carry forward the specific registration exemption for financial institutions from s. 35.1 of the Ontario *Securities Act*. This deletion reflects a policy decision that is consistent with the approach taken in existing securities legislation in other CMR jurisdictions. However, while no specific exemption is included, financial institutions will nonetheless be able to avail themselves of a number of registration exemptions contained in the proposed CMA regulations. In addition, registrants and other market participants may apply for exemptive relief under s. 94 of the CMA.

We also received questions and comments with respect to the "prescribed disclosure document" provisions in Part 5 of the consultation draft. We note that some of the references to "prescribed disclosure document" have been changed to "prescribed offering document". Paragraph 27(1)(b) and related provisions in Part 5 are intended to provide the CMRA with future flexibility to replace aspects of the prospectus regime. The provision does not represent any immediate change to the prospectus regime, and if a decision is made in the future to prescribe alternative offering documentation, it will be subject to notice and comment as well as Council of Ministers approval.

We note that no substantive change was intended from the current two-day "cooling off" period for purchase of securities pursuant to a prospectus. Rather, the two-day period is included in proposed CMRA draft initial regulation 11-501, and any future policy reform will be subject to the regulation-making provisions in Part 15.

c) A modern approach to derivatives regulation

The term "derivative" is broadly defined in Part 1 of the CMA to allow for a flexible regulatory framework. However, not all derivatives, derivatives trading or derivatives market participants will be regulated. Consistent with the existing Ontario legislative approach, the type and scope of regulation will depend on various factors and categorizations. Paragraph (p) of the definition of "security" allows the Authority to prescribe classes of derivatives to be securities. As an example, derivatives sold as retail investment products are expected to be classified and regulated as securities. Please refer to the Regulations Commentary for a detailed overview of the proposed derivatives regulatory framework.

Part 6 of the CMA addresses trading in derivatives, adopting a platform approach while drawing on yet-to-be proclaimed provisions in the Ontario *Securities Act*. Section 38 prohibits a person from trading in a designated derivative unless a prescribed disclosure document has been filed and, where required by the regulations, a receipt has been issued by the Chief Regulator. It is anticipated that designated derivatives will include derivatives that raise investor protection concerns, but for which traditional securities regulatory requirements are not appropriate. The regulations will prescribe varying levels of disclosure depending on the specific circumstances, including the nature of the product and the identity of the parties.

As provided by s. 41, certain classes of derivatives may be made subject to any prescribed provision of the CMA or the regulations that would otherwise apply only to securities; please see, for example, s. 2 of proposed CMRA regulation 91-501. This will allow the applicable requirements to be tailored to the class of derivative and to address other relevant factors such as the type of counterparty and the method of transacting.

Certain instruments, including commodity contracts entered into for purely commercial physical delivery purposes or contracts that are otherwise regulated (e.g., electricity contracts in some provinces), are not intended to be regulated under the CMA. These contracts may be excluded from the definition of "derivative" by order or regulation.

d) Regulatory obligations and prohibitions

Part 9 of the CMA sets out the fundamental obligations and prohibitions that apply to persons who participate in the capital markets in CMR jurisdictions. A breach of these provisions may give rise to an administrative proceeding or the prosecution of a regulatory offence under Part 11.

Obligations under Part 9 of the CMA are largely consistent with those set out in current provincial and territorial securities legislation, including record-keeping duties for market participants and other duties specific to registrants and investment fund managers. Obligations to identify, disclose and manage conflicts of interest are platform in nature, with specific requirements to be dealt with in the regulations. Consistent with the British Columbia and New Brunswick securities legislation, the CMA imposes a disclosure obligation in connection with investor relations activities. Part 9 includes a platform for regulations aimed at protecting the interests of minority investors in connection with certain transactions. It also imposes specific obligations to comply with a decision of, or a written undertaking given to, the Authority, Chief Regulator or the Tribunal.

Many of the prohibitions under Part 9 are also consistent with current legislation, addressing conduct such as insider trading, front-running and fraud. With respect to insider trading, the definition of "special relationship" in s. 7 of the CMA has been expanded from the current definitions in provincial and territorial securities statutes to include circumstances prescribed by regulation. Market manipulation and attempted market manipulation are also prohibited, including market manipulation in connection with the underlying interest of a derivative. Other prohibitions address misrepresentations and unfair practices such as putting unreasonable pressure on a person to purchase, hold or sell a security or trade in a derivative. Consistent with British Columbia, New Brunswick, Saskatchewan and Yukon securities legislation, s. 76 of the CMA prohibits the actual or attempted destruction or concealment of evidence in connection with a compliance review, an investigation or a proceeding.

Part 9 also includes several new provisions (as compared with current securities legislation in CMR jurisdictions) relating to market conduct. In keeping with regulatory reform in other jurisdictions, ss. 64 and 65 introduce prohibitions against benchmark manipulation which forbid the submission of false or misleading information as well as conduct that may improperly influence a benchmark's determination or produce or contribute to a false or misleading determination. In addition to fraud, s. 63 prohibits unjust deprivation, while other provisions address conspiracy, aiding and abetting, and counseling a contravention of capital markets law. The prohibitions in ss. 63 to 65 also include attempts to engage in the prohibited conduct. Part 9 also introduces a whistleblower provision, prohibiting employers from retaliating against their employees for providing information to the Authority or a law enforcement agency or testifying in a related proceeding, or for expressing an intention to do so.

Changes from the initial consultation draft

Section 55 of the CMA, which previously required registrants to deal fairly, honestly and in good faith with their clients, has been expanded to also require that registrants "meet

such other standards as may be prescribed." This change empowers the Authority to make regulations such as imposing a best interest standard, a concept currently being studied. Any such regulations would be subject to notice and comment requirements and Council of Ministers approval. Section 58 has been revised to clarify that it does not impose new obligations on directors, officers and others with respect to managing conflicts of interest. Instead, this section refers to obligations such as those in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

In response to the comments and as a result of further consideration by CMR jurisdictions, several changes have been made to the insider trading provisions. While some commenters expressed concern about their scope, the provisions as drafted reflect a policy decision to take an expansive approach to insider trading prohibitions in order to minimize gaps and reflect the seriousness of the conduct at issue. We note that s. 66 is based on current securities legislation, particularly s. 57.2 of the British Columbia *Securities Act* and s. 147 of the New Brunswick *Securities Act*. We also note that we changed references to "a material fact with respect to securities" to "a material fact relating to securities", for consistency with the definition of "material fact." The forthcoming comments chart will provide a more detailed discussion of the insider trading provisions.

The tipping and recommending provisions (s. 66(3) and s. 66(4)) have been amended to address persons who are considering or evaluating whether to take a specified action in connection with the issuer. This change, which was recommended by a commenter, makes the tipping provisions more consistent with the other insider trading provisions. Part of the defence included in s. 66(3) has also been reworded in response to a comment that it was overly narrow; instead of stipulating that a contravention will be made out "unless informing that other person is necessary to effect the proposed action", the subsection now reads "unless informing that other person is necessary in the course of business relating to the action." Section 67, which prohibits front-running, has also been modified to include conduct relating to derivatives. In addition, s. 68(8) now signals that additional defences to s. 66 and s. 67 may be prescribed through the enactment of future regulations, should the need arise.

The CMA prohibition on unfair practices has been amended to address two concerns raised in the comments with respect to its breadth. First, s. 70(b) now specifies that the prohibition applies to taking advantage of another person's inability or incapacity, as opposed to simply entering into a transaction with such a person. Second, new wording has been added to the platform language in s. 70(c), such that the prohibited conduct includes engaging in any other prescribed practice "that is fraudulent, manipulative, deceptive or unfairly detrimental to investors". This additional language is based on the rule-making authority set out in s. 143(1)13 of current Ontario securities legislation.

Section 77, the anti-reprisal or "whistleblower" provision, has been modified to reflect feedback from commenters that it should also address reporting to employers. While we have not changed the provision to require that the employee must first report misconduct internally, the protection in s. 77 now extends to whistleblowers who report (or express an intention to report) the misconduct to their employer as well as to the Authority or to law enforcement. A report can now also be made to a self-regulatory organization, and may be

made with respect to a potential violation of the self-regulatory organization's by-laws, regulatory instruments or policies. Additionally, in response to a suggestion made by a commenter, s. 77 now provides that the employee's belief that the conduct at issue is contrary to capital markets law must be reasonable.

Questions were raised regarding the inclusion of s. 83 and s. 114, which impose vicarious liability for the actions of an agent or employee in the context of an administrative or quasi-criminal proceeding. While new to securities legislation, similar provisions exist in a number of other Canadian statutes, including the *Business Practices and Consumer Protection Act* (B.C.), the *Mining Act* (Ontario), and federal proceeds of crime legislation. We also note that both s. 83 and s. 114 include a due diligence defence where the misconduct was committed without the employer's knowledge or consent.

e) Regulatory proceedings, orders and sanctions

Part 10 of the CMA contains orders that can be made by the CMRA and the courts in the context of enforcement proceedings, and also addresses appeals. Enforcement proceedings under the CMA must be commenced within six years after the date on which the last event that gave rise to the proceeding occurred. Following a regulatory proceeding, the Tribunal may impose a range of market conduct and monetary sanctions in the public interest, similar to the public interest orders currently available under provincial and territorial securities acts. Where the Tribunal determines that a person has contravened capital markets law, under s. 90 it may impose an administrative penalty of up to $1 million per contravention and/or make a disgorgement order. The purpose of the provision is to promote compliance with the CMA rather than punish wrongdoing. Subsection 90(1) is similar to current securities legislation in British Columbia and Ontario, but represents a change from the New Brunswick and Saskatchewan legislative regimes. In New Brunswick the Tribunal may impose administrative penalties of up to $750,000, while in Saskatchewan the maximum penalty is $100,000 per person or company and there is no mechanism for ordering disgorgement.

Pursuant to s. 90(2), the Tribunal may also order a person who has contravened capital markets law to pay compensation or restitution. To facilitate settlements, the Chief Regulator may impose sanctions and make monetary orders on consent. Section 200, located in Part 14, permits the Chief Regulator to collect unpaid regulatory sanctions from a third party who owes money to a person on whom a monetary sanction has been imposed. The CMA does not provide for costs orders.

Section 99 provides that a person who is directly affected by a decision of the Chief Regulator may apply to the Tribunal for a review of that decision, and that the Chief Regulator is a party to the review. Any final decision of the Tribunal, including a freeze order made under s. 91, may be appealed to a court by the Chief Regulator or a person directly affected by the decision. The appeal route from a Tribunal decision will be determined by provincial or territorial legislation and procedural rules and will not necessarily be the same in each jurisdiction. Judicial review is available with respect to decisions made by the Authority (i.e. the board). Board decisions may not be appealed to the Tribunal or to court.

Part 10 of the CMA also contains tools to protect investors during an investigation. To prevent the dissipation of assets during an investigation or proceeding, regulatory staff may apply to the Tribunal for a freeze order. Similar to the current procedure in Ontario, an order may initially be made without notice for a period of up to 15 days, but notice must be given where an extension is sought. In addition, temporary cease trade and other orders may be sought to protect investors prior to a regulatory proceeding. The Chief Regulator is authorized to make a temporary order of up to 15 days' duration, and may apply to the Tribunal for an extension of the order.

To facilitate inter-jurisdictional enforcement in connection with securities-related misconduct, the Chief Regulator may seek an order from the Tribunal under s. 89(3) based on a conviction or finding made by a foreign or domestic court. The Chief Regulator may also seek a Tribunal order based on an order by or agreement with another capital markets regulator imposing sanctions or conditions.

Changes from the initial consultation draft
While the Tribunal's public interest order powers in s. 89 are generally unchanged, s. 90(1)(m) has been clarified to state that market participants may be required to submit to audits as well as other types of reviews of their practices and procedures. Subsection 90(4), which addresses settlement payments, has also been clarified on the recommendation of a commenter. It now provides that the Chief Regulator may order a person to make a payment "in connection with the settlement of a proceeding or a potential proceeding under capital markets law", with the person's consent. Unlike s. 90(1), the settlement provision does not limit the quantum of the order. A new paragraph has been added to the freeze order provision, s. 91, to allow the Tribunal to order that a person liquidate or otherwise dispose of derivatives. This authority is consistent with s. 59(1)(d) of the Ontario *Commodity Futures Act*.

In response to several comments on s. 95, all persons who would be directly affected by an order according or removing status now have an opportunity to be heard before the order is made. In addition, two new provisions have been added following s. 95 that allow the Authority to recognize or designate an exchange or a market place for the purposes of a regulation or any provision of a regulation. These new provisions generally reflect current operational practice. For example, certain exempt exchanges are "recognized for the purposes of" National Instrument 21-101 *Marketplace Operation* and National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* to ensure that certain provisions of those national instruments apply with respect to those exchanges.

We also received comments on s. 96, the class orders provision, but determined that the provision should remain unchanged as it represents a compromise between the different approaches in CMR jurisdictions. The ability to make time-limited class orders will allow the CMRA to respond quickly to provide the general exemptive relief that it considers to be appropriate until an exemptive regulation can be made, precluding market participants from having to apply for exemptions individually.

Two additional changes have been made with respect to exemptive relief. Under s. 94, the Authority now has the power to exempt a person from a provision of any of the regulations,

not just those relating to Parts 2 through 9. New s. 98.1 allows the Chief Regulator to grant exemptive relief from filing requirements relating to the language and manner of filing.

We note that some commenters raised questions and concerns about the ability to vary or revoke decisions. Rather than including decision-specific language in each provision, the CMA includes general provisions allowing each of the Authority (in s. 172), the Chief Regulator (in s. 173), and the Tribunal (in s.174) to vary or revoke their decisions where they consider that doing so would not be prejudicial to the public interest. The same provisions allow each of them to impose conditions, restrictions or requirements in their decisions. Given that the Authority and the Chief Regulator have the ability to revoke or vary decisions on their own motion, s. 172 and s. 173 have been clarified to provide that persons directly affected by both the initial decision and its proposed variation or revocation are entitled to an opportunity to be heard by the Authority or the Chief Regulator, as applicable, before the Authority or the Chief Regulator decides to vary or revoke the initial decision. As Tribunal decisions can only be revoked or varied on application, it was determined that no changes were needed to s. 174. The approach taken is consistent with current securities legislation. Procedural matters relating to the conduct of Tribunal proceedings will be addressed in the Tribunal rules.

f) Compliance and enforcement

Effective enforcement is essential to protecting investors and preserving the integrity and efficiency of our capital markets. Part 11 of the CMA provides the Authority with the necessary tools to assess compliance with capital markets law and investigate possible contraventions. Section 102, which is based on s. 141 of the British Columbia *Securities Act* and is similar to s. 170 of the New Brunswick *Securities Act* and s. 14.1 of the current Saskatchewan legislation, allows the Chief Regulator to order that a market participant provide the Authority with specified records or information in its possession or under its control. Section 103 authorizes the Chief Regulator to designate persons or classes of persons to exercise the compliance review powers set out in that section. Those powers include the ability to enter the business premises of any market participant during business hours and make inquiries, examine data, and require records to be prepared.

Section 104 allows the Chief Regulator to make investigation orders, and outlines the tools that are available to authorized persons once an order is obtained. Consistent with current provincial and territorial securities legislation, investigators may compel evidence and records, and (as is the case under the New Brunswick and Ontario securities acts) may inspect the business premises of persons named in the order. In addition, investigators may conduct searches where they satisfy the Chief Regulator by affidavit evidence that there are reasonable grounds to believe that a place contains anything related to the investigation. Where the place in question is a home, however, a judicial search warrant is required. As is the case under the Saskatchewan, British Columbia and New Brunswick securities acts, the CMA permits the Chief Regulator to prohibit the communication of information related to the investigation for a specified period, other than to the person's counsel. This approach represents a departure from the current Saskatchewan and Ontario legislation, which imposes a broad confidentiality requirement with respect to compelled evidence.

Production orders

Part 11 of the CMA also introduces new evidence gathering tools to facilitate the investigation of quasi-criminal offences; similar tools for investigating criminal offences are included in the federal CMSA. Peace officers and certain Authority staff may apply to court for a variety of production orders tailored to capital markets. These orders can be used to compel a market place, clearing agency, self-regulatory organization, trade repository or dealer to provide the names or identifying information of all persons that traded a specific security or derivative during a specified period. This will allow the CMRA to gather the information required to investigate trading misconduct, such as market manipulation and insider trading. Production orders may also be sought to compel a dealer, a party to a derivative or an issuer to provide certified records or written statements in response to the information sought in the order. Production orders may not be sought against individuals.

Regulatory offence provisions

Consistent with current capital markets legislation, the CMA allows the Authority to pursue cases of more serious misconduct in court, and to seek significant fines and incarceration where warranted. Section 112 provides that persons who are found by a court to have contravened capital markets law are guilty of an offence and may be imprisoned for up to five years less a day, and may also be required to pay a fine of up to $5 million, and/or to pay disgorgement or restitution. Section 115 provides for increased fines for insider trading, tipping, front-running, market manipulation, benchmark manipulation and fraud.

Changes from initial consultation draft

For ease of reference, two defined terms have been added to Part 11: "authorized investigator" and "designated reviewer". These terms, which are used in the context of s. 104 administrative investigations and s. 103 compliance reviews, are not intended to introduce a substantive change to the legislation. Subsection 104(4) has been amended to allow authorized investigators to require a person to preserve information, records or things in the person's possession or under their control for the purpose of an investigation.

Although several commenters suggested that carve-outs for privileged information be added to Part 11, we determined that it was not necessary to make this change. Consistent with current securities legislation, the review and investigation powers in the CMA do not override common law privilege. Adding specific language to that effect could lead to adverse inferences elsewhere in the CMA where the language was not included, and also to inferences in other provincial and territorial legislation. We note, however, that changes have been made to s. 195, which addresses privilege generally; please see the discussion of "Immunity and privilege" below.

The duty to assist with an on-site review, an inspection or a search has been narrowed to apply only to the owner or person in charge of the place and every person in the place. Previously, s. 105 also applied to the person subject to the review or investigation, and to that person's employees, agents, directors, officers and control persons. The narrower version of the provision is consistent with the federal regulatory legislation on which it is based.

Drawing on recent amendments to the *Criminal Code*, a new preservation order power has been added to Part 11 to assist in the investigation of quasi-criminal offences. The new provision, s. 109.1, is intended to complement the preservation power that was added to s. 104. Similar to the s. 110 production order power, s. 109.1 allows a peace officer or a person investigating an offence under capital markets law to seek an order from a judge or justice where there are reasonable grounds to suspect that an offence has been or will be committed, and that the information to be preserved will assist in the investigation. Section 109.1 also requires that the investigator intend to apply for a warrant to obtain the information, and provides that the preservation order will expire within 90 days. Preservation orders cannot be made against the target of the investigation.

Paragraph 112(3)(b), which addresses disgorgement orders for regulatory offence provisions, has been clarified by removing the words "directly or indirectly" in response to a suggestion in the comments. One commenter recommended that the maximum fine payable under s. 115, which provides for increased fines for certain types of offences such as insider trading, be confined to triple the profit made or loss avoided by the person who committed the offence, instead of by all persons as a result of the contravention. However, we decided to leave the provision as is in order to preserve its deterrent value and take a strong stand against insider trading and fraud. The reference to all persons is consistent with the British Columbia *Securities Act*.

g) Promoting financial stability

While promoting financial stability and addressing systemic risk is a key aspect of the federal CMSA, the CMA also includes provisions to facilitate identifying and mitigating systemic risk in areas of provincial and territorial jurisdiction. One of the purposes of the CMA is to contribute to the integrity and stability of the Canadian financial system, as set out in s. 1. In keeping with this mandate, s. 186 and s. 187 allow the Authority to collect information for systemic risk-related purposes within CMR jurisdictions.

Like the CMSA, the CMA empowers the Authority to make urgent orders in certain circumstances. Similar to s. 2.2 of the Ontario *Securities Act*, s. 86 of the CMA enables the Authority to make a temporary cease trading order when it is of the view that there are extraordinary circumstances such as a major market disturbance or a major disruption in the functioning of capital markets.

Change from initial consultation draft and response to comments received
In the revised consultation draft, s. 86 has been expanded to better capture systemic risk relating to derivatives, and also to clarify that it is intended to provide an opportunity to be heard in respect of any order made under the provision, including an extension of the initial order.

Two commenters expressed concern about the scope and potential abuse of the s. 187 information-gathering power, on the basis that it could be used to circumvent the enforcement provisions in Part 11. While we considered the comments, it was determined that no change was needed. The type of information sought under s. 187 would not normally give rise to enforcement concerns. Moreover, the approach taken in s. 187 is consistent with that taken in the rest of the CMA and in current securities regulation, which

relies on the common law and constitutional jurisprudence to address any misuse of regulatory powers. (For a discussion of information-sharing relating to s. 187, please refer to "Confidentiality and disclosure" below.)

h) Civil liability

The regime's civil liability provisions are contained in Parts 12 and 13 of the CMA, and are based on the substantially harmonized primary and secondary market statutory civil liability regimes of current provincial securities legislation. While necessarily less platform-based than other parts of the draft legislation, Parts 12 and 13 introduce a degree of flexibility to the civil liability regimes. For example, the CMA provides a right of action for misrepresentation of a "prescribed disclosure document", which represents a change from the current Ontario regime. Both Part 12 and Part 13 impose procedural requirements to provide notice of important dates and copies of certain court filings to the Chief Regulator, who is empowered to intervene in both primary market and secondary market proceedings.

Part 12 modifies some aspects of the defences available under current securities legislation. For example, the burden of proof for certain defences has been reversed, placing the onus on the defendant to prove that a reasonable investigation has been conducted or that the defendant believed that there had been no misrepresentation. This change aligns the primary market provisions in Part 12 with the equivalent secondary market provisions in Part 13.

Part 12 also provides a broad right of civil action for insider trading and related offences, complementing the CMA's regulatory prohibitions. Where the defendant has contravened the prohibition against insider trading, tipping and recommending in Part 9, s. 129 of the CMA provides a private right of action to all persons who purchased or traded a security during the period described, regardless of whether they purchased the securities from, or sold them to, the defendant. This provision is similar to s. 136 of the British Columbia *Securities Act*. Unlike current New Brunswick and Saskatchewan securities legislation, the CMA does not include specific rights of action for misrepresentation in sales literature or for verbal misrepresentations.

An additional distinction between the CMA and current New Brunswick and Saskatchewan securities legislation is the limitation period for primary market claims other than actions for rescission. Consistent with current British Columbia and Ontario legislation, the CMA requires that an action under Part 12 be commenced no later than the earlier of six months from the plaintiff's first knowledge of the facts giving rise to the action and three years after the transaction or contravention, rather than the six year limitation period in the New Brunswick and Saskatchewan statutes.

A notable addition to Part 13 of the CMA is s. 171(2), which suspends the limitation period for commencing a statutory secondary market civil liability claim when the plaintiff files a notice of application seeking leave to commence the action. This provision is similar to the recently amended s. 161.9 of the New Brunswick *Securities Act* and s. 138.14 of the Ontario *Securities Act.* Sections 163 and 165, which address the calculation of damages

and liability limits, are substantively similar to the equivalent provisions in current securities legislation, but are organized differently to simplify the applicable calculations.

Changes from initial consultation draft

Several changes were made in connection with the right of action provided in s. 118 of Part 12, which was previously titled "Actions relating to special warrants". The provision now refers to "prescribed converting securities" rather than "special warrants, as defined in the regulations". Section 116, which sets out the defined terms used in Part 12, now includes definitions for "conversion" and "underlying security". In addition, s. 118(2) now provides that the rescission right includes the right to rescind the initial purchase of the prescribed converting security. This section replaces a requirement in National Instrument 41-101 that issuers filing a prospectus to qualify the distribution of securities issued on the exercise of special warrants must provide holders of the special warrants with a contractual right of rescission.

In response to a comment, the s. 119(2)(b) defence provision has been revised to permit persons to withdraw their consent to the filing of a prospectus or prescribed offering document upon becoming aware of "any" misrepresentation rather than requiring the discovery of a particular misrepresentation. However, it was determined that no change should be made to the reverse onus for the defences to prospectus liability set out in s. 119(3) and s. 119 (4), on the basis that the defendant is much better placed to establish that they had no reasonable grounds to believe that there was a misrepresentation and they did not believe one existed.

Section 129 has also been amended in response to comments received. We have clarified the calculation of damages to provide that a plaintiff's damages are equal to the loss incurred. The overall liability limit applicable to a defendant (equal to triple the profit made or losses avoided by all persons as a result of the contravention) is set out in a separate subsection, similar to CMA s. 165(1) in connection with secondary market liability, and similar to s. 117(3) with respect to an underwriter's liability in an action for prospectus misrepresentation.

In Part 13, the definition of "responsible issuer" in s. 147 has been amended in response to a comment that the original definition was overly broad. A geographical limit has been added, so that it now applies to a reporting issuer or "any other issuer who has a real and substantial connection to a participating province or territory and whose securities are publicly traded." Also in response to a comment, the liability limit in s. 165(1) has been amended such that "R" now refers to the aggregate of all damages in actions brought under s. 149 to 152 "and under comparable legislation in other provinces and territories in Canada".

We also note that the term "written notice" was replaced with "notice" throughout the CMA, including in the civil liability provisions. This is not intended to be a substantive change. In each case, notice must be "sent" to the recipient, in accordance with s. 198 of the CMA.

i) Confidentiality and disclosure

Part 14 of the CMA contains provisions related to interjurisdictional cooperation, confidentiality and information-sharing. Pursuant to s. 196 of the CMA, the Chief Regulator is authorized to share compelled testimony only after providing the person who gave the evidence with an opportunity to be heard. The Tribunal may make an order authorizing disclosure without notice on application by the Chief Regulator. Disclosure in the context of a proceeding or the examination of a witness is carved out from these requirements.

Changes from the initial consultation draft
In response to a comment, the words "and the regulations" have been deleted from s. 193(1), so that carve-outs from the provision's confidentiality requirements are fully encapsulated by the statute.

Some commenters pointed to an absence of restrictions on the Authority's ability to share systemic-risk and policy-related information obtained under s. 187. Consistent with current securities legislation and practice, as well as with international memoranda of understanding and principles of regulatory cooperation, it is anticipated that the CMRA will share information with entities such as those listed in s. 193, including information connected with systemic risk in the capital markets. Before disclosing information outside of Canada, however, pursuant to s. 194 the Authority must enter into an agreement, arrangement, commitment or understanding regarding the conditions of the disclosure. It is anticipated that the Authority will be a party to the same or similar information-sharing agreements as its predecessor regulators; see, for example the International Organization of Securities Commissions *Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.*

As indicated above, s. 196 restricts the disclosure of compelled testimony. As in the rest of the CMA, the opportunity to make representations under s. 196 has been replaced with an opportunity to be heard. Although two commenters recommended that all disclosure decisions under that provision be made by the Tribunal or a court, no change has been made to the provision. We note that the British Columbia *Securities Act* does not include an obligation to give notice when disclosing compelled testimony. We also note that where the decision to disclose is made by the Chief Regulator, there is a right of appeal to the Tribunal pursuant to s. 99.

The disclosure of other information to law enforcement is permitted except where prohibited by law. While one commenter recommended more specific language be added to s. 193(2)(a), we determined that it was appropriate to rely on constitutional and common law jurisprudence. Another commenter suggested that the protection of personal information should also be addressed in s. 193. As noted below, the approach to personal information and access to information remains under development, but it is anticipated that one or more of the current freedom of information and protection of privacy regimes will apply.

j) Immunity and privilege

We received a number of comments in connection with s. 195, which addresses privilege, and in relation to the ways in which privilege is and is not addressed elsewhere in the CMA. Section 195 was added for clarity and was not intended to limit the privilege afforded by the common law. The provision has been amended in response to the comments, to specify that the CMA should not be interpreted as affecting solicitor-client privilege in relation to information or records. New subsection (2) provides that where a privilege-holder consents to disclosure to the Authority, the privilege is not otherwise waived.

Several comments were also received on s. 201, which provides immunity to the Authority and to recognized auditor oversight and self-regulatory organizations for actions done in good faith. Subsection 201(3), which is consistent with s. 170 of the current British Columbia *Securities Act*, limits the scope of self-regulatory organization immunity to the scope of authority delegated to the self-regulatory organization under the CMA. A request was made to remove this limit and provide self-regulatory organizations with the same immunity afforded to the Authority and a recognized auditor oversight organization. This request is under consideration.

A new subsection has been added to s. 201, consistent with the immunity provisions in the Saskatchewan and Ontario securities acts, to also provide a general immunity for actions taken or not taken as a result of compliance with the CMA or with any decision of the Authority, the Chief Regulator or the Tribunal.

k) Regulation-making process and authority

Consistent with the Memorandum of Agreement, Part 15 of the CMA sets out a detailed public consultation and approval process that the Authority must undertake before making a regulation. To promote transparency and accountability, the regulation-making provisions include a mandatory notice and comment period, a requirement to republish when a material change has been made to a proposed regulation, and oversight by the Council of Ministers. Part 15 also includes provisions for urgent regulation-making, and contemplates that the Council of Ministers may request that the Authority consider making a regulation on a particular subject.

Changes from initial consultation draft

Part 15 now provides detail on the CMRA's regulation-making authority. Section 202 contains a general regulation-making power that would allow the Authority to make regulations for carrying out the purposes of the CMA, and is followed by a list of specific regulation-making powers that would not usually be encompassed by the general regulation-making authority. This includes the ability to make regulations relating to the payment of fees and charges, consistent with the self-funding model in British Columbia, New Brunswick, and Ontario today.[2]

For greater certainty, s. 202 also provides that the Authority may make regulations governing recognized and designated entities, as well as issuers and registrants. It may also make regulations governing registration, governing periods during which

[2] A proposed CMA fee regulation is under development.

distributions may take place and prescribing standards and criteria for determining whether and when a material change or material fact has been disclosed. CMA regulations may define words and regulations for the purposes of the legislation and may prohibit or restrict any matter or conduct involving a benchmark.

Several changes have been made to the regulation-making process set out in Part 15 of the CMA. A few provisions were moved or restructured, and some changes were made to improve the drafting. More substantively, and consistent with current Ontario legislation, s. 205 of the CMA now requires that the notice of a proposed regulation must include a discussion of all alternatives that were considered by the Authority and the reasons for not proposing their adoption. In addition, s. 205(4), which sets out the exceptions to the publication requirement, now clarifies that urgency is a requirement for a regulation made under paragraph (d). Paragraph 205(4)(d) allows the CMRA to make regulations where "the Authority considers that there is an urgent need for the proposed regulation in order to address a substantial risk of material harm to investors or to the integrity and stability of capital markets."

Changes have also been made to s. 212, which addresses policies and other guidance. Policy statements will now be issued by the Authority rather than the Chief Regulator and, consistent with s. 143.8(5) of the Ontario *Securities Act*, CMRA policies will now be published for a minimum 60 day comment period, as compared to 30 days in the initial consultation draft. Where the Authority determines that material changes should be made to a proposed policy statement, those changes must also be published for comment.

l) Other matters

Investor advisory panel

The governments of CMR jurisdictions will continue to discuss the possibility of establishing an investor advisory panel by legislation and will seek advice from the CMRA Board on this matter once the Board is established. This will allow the Board to provide input on the design of a model for the panel to ensure that it functions effectively and is responsive to the concerns and interests of investors. If a decision is made to move forward with a panel on a legislative basis, a provision may be included in the legislation establishing the CMRA.

Freedom of information and protection of privacy

The governments of CMR jurisdictions continue to discuss the best way to ensure that the CMRA is appropriately accountable with respect to access to information requests and the protection of personal information. It is anticipated that legislative provisions providing carve-outs from freedom of information disclosure under the applicable regime(s) will be proposed in implementation legislation.

Interface

As set out in the Memorandum of Agreement, the CMRA will use its best efforts to negotiate and implement an interface mechanism with non-participating jurisdictions such that the CCMR is effectively of national application.

French legislation

Work is continuing to ensure that terminology is aligned among the English and French versions of the CMA, the draft initial regulations and the CMSA. We invite comments on the extent to which that has been accomplished to date, and on any areas of concern.

III. Transition to CCMR from current regulatory regimes

Part 16 of the CMA will provide the CMRA with the legal authority to transition matters under current securities legislation to the CMA. It is anticipated that matters that are specific to a participating province or territory will be addressed in the implementation legislation of that province or territory. As the approach to transitioning to the CMA is highly dependent on the overall approach to implementing the Cooperative System, the transition provisions remain under development and have not been included in the revised consultation draft. Nevertheless, a significant amount of work has already been undertaken by the CMR jurisdictions to provide for a smooth transition by market participants to regulation by the new entity, with a view to addressing any transition issues, to the extent possible, prior to the CMRA becoming operational.

The approach to transition reflects the broad vision of a unified, single capital markets regulator operating across the CMR jurisdictions. The goal of the transition provisions is to minimize the impact on market participants and their businesses, including, for example, by ensuring that ongoing transactions or applications made to current (i.e. predecessor) securities regulators are not adversely affected. It is anticipated that a key aspect of achieving this goal will be through the operation of two CMA provisions. The first, which will be included in Part 16, will deem decisions of a predecessor regulator to be decisions of the CMRA. The second, s. 178 (which can be found in Part 14), will give effect to those decisions in all CMR jurisdictions. This approach envisions that, subject to limited exceptions, registrations, recognition orders, designation orders and discretionary exemptive relief orders which have been granted by a predecessor regulator will be deemed to be decisions of the CMRA and will apply in all the CMR jurisdictions.

The Chief Regulator and the Authority will also have the ability to vary or revoke decisions made under prior securities legislation. This power may be used to resolve any discrepancies between decisions made in different CMR jurisdictions, including with respect to a person's registration status or the terms and conditions of their registration, or with respect to inconsistent exemption orders.

To minimize the impact of transitioning to the CMRA, it is expected that any applications made to a predecessor regulator prior to launch will be taken up and continued under the CMA by the Authority or Chief Regulator, as appropriate, without any further action on the part of the applicant. Similarly, where there is an ongoing distribution of securities and a final prospectus receipt was issued prior to the launch of the CMRA, the receipt issued will be deemed to be a decision of the Chief Regulator, preserving the timelines set out in the receipt and effectively authorizing the continued distribution of securities on the same terms as in the original receipt.

Obligations incurred to a predecessor regulator prior to launch will also continue under the CMA, as obligations to the CMRA. For example, any disclosure or reporting obligations triggered prior to launch but not yet fulfilled when the new regulator becomes operational will be preserved by operation of law. This will also be the case for any requests for information made by a predecessor regulator.

With respect to regulatory proceedings, matters that have not been commenced prior to launch will be heard by the Tribunal. The available sanctions for pre-launch conduct will be limited to those available under the predecessor regulator's securities legislation. Where a hearing has been commenced prior to launch – meaning that a decision-maker is seized of a matter because argument has been made or evidence has been entered – that matter will continue to be heard by the same adjudicator(s). As is the case with regulatory decisions today, prior decisions made by the predecessor regulators will not be binding on the Tribunal. It is anticipated, however, that prior decisions will have significant persuasive value, as is also the case today.

The CMR jurisdictions continue to work to put a plan in place to ensure a smooth transition to the new entity. In the lead up to launch of the CMRA, staff from the predecessor regulators of the CMR jurisdictions will communicate with market participants about the transition plan and what steps, if any, are required to achieve it.

IV. Conclusion

The release of the revised consultation draft of the CMA, together with draft initial regulations, marks an important milestone in the transition towards the Cooperative System. Work to implement the Cooperative System, including finalizing the processes for appointments to the Authority's board of directors and Tribunal, will continue.

V. Comments

The governments of British Columbia, New Brunswick, Prince Edward Island, Ontario, Saskatchewan, and Yukon invite comments on the CMA until December 23, 2015. Comments can be submitted on the website for the Cooperative System at www.ccmr-ocrmc.ca.

Please note that we cannot keep submissions confidential. It is important that you state on whose behalf you are making submissions. All comments will be posted on the Cooperative System website.

The governments of British Columbia, New Brunswick, Prince Edward Island, Ontario, Saskatchewan, Yukon and Canada continue to invite other provinces and territories to participate in the Cooperative System.