

Statement on the Release of a Revised Consultation Draft of the *Capital Markets Stability Act*

The Department of Finance Canada today released for public comment a revised consultation draft of the *Capital Markets Stability Act*. This proposed capital markets legislation addresses national data collection, systemic risk related to capital markets and criminal enforcement.

The Governments of British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island, Yukon and Canada invite comments on the revised consultation draft. Comments can be submitted on the website of the Cooperative Capital Markets Regulatory System at www.ccmr-ocrmc.ca by July 6, 2016.

Sound capital markets in Canada are essential to creating conditions that will grow the economy, create jobs and strengthen the middle class. The proposed legislation would provide new tools to manage systemic risk so that well-functioning capital markets can continue to achieve these goals.

In December 2011, the Supreme Court of Canada found that Parliament has a role in the management of systemic risks in Canada's capital markets and Canada-wide data collection. The Government intends to fulfil these responsibilities in a manner that is collaborative and respectful of provincial and territorial jurisdiction.

The proposed *Capital Markets Stability Act* is the federal component of the Cooperative Capital Markets Regulatory System legislation.

The revised consultation draft of the *Capital Markets Stability Act* responds constructively to public comments received during the initial consultation in 2014. For example, it proposes:

- targeted powers to manage systemic risks related to capital markets—all entity-level designation powers, except for trade repositories, have been removed;
- stronger protections for confidential information collected by the Capital Markets Regulatory Authority (the Authority) for systemic risk surveillance purposes;
- enhanced procedural provisions; and
- measures to strengthen regulatory coordination between the Authority and other regulators.

If a province or territory chooses to operate outside the Cooperative Capital Markets Regulatory System, it will have a constructive partner in the new Authority, with the ultimate goal of providing efficient access to capital markets.