

Toronto Certified Financial Analyst Society

**Notes for
Comments by
Bill Rice, Chair
Alberta Securities Commission**

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Fundamental Points:

- 1) Investment and access to capital markets are vital to Alberta industries.
- 2) The Alberta Securities Commission has an important role to play in the protection of investors and in the maintenance of the integrity and efficiency of the capital markets in Alberta.
- 3) Alberta participants in the capital markets, as investors, issuers or intermediaries, are well served by the existing regulatory regime.
- 4) There are no features of the proposed national scheme that will fix or improve the securities regulatory regime in Alberta.
- 5) To the contrary, the efficiency and effectiveness of the securities regulator regime in Alberta will be substantially diminished by a national regulator.
- 6) Lastly, the arguments put forth for the creation of a national regulator are not supported by facts.

To expand:

1) **Importance of Capital**

- a) Capital is the life blood of the oil and gas industry.
- b) Issuers must have the best possible access to capital locally, nationally and across the U.S. border.
- c) Much of the public market capitalization in Canada is represented by issuers in Ontario. However, it should be recognized that the market capitalization resident in Alberta is approximately 2/3 of that in Ontario.

2/3) **ASC and Existing Regulatory Regime**

- a) The ASC regulates securities in Alberta with the interests of Alberta participants in mind.
- b) We have a capable staff that is appropriately resourced.
- c) We have a relatively streamlined organization that can be quickly responsive to the needs of the Alberta market in respect of:
 - rule making;
 - compliance review;
 - enforcement; and
 - adjudication.
- d) We have a mutually trusting and supporting relationship with our provincial government.

4. **Improvement**

- a) There is nothing about the national proposal that holds out the potential for securities regulation in Alberta to be improved.
- b) There is no improvements to securities regulation in Alberta that cannot be made more effectively within the current structure.

5. **Diminished Effectiveness**

- a) A federal regulator structure will significantly restrict the ability of an Alberta branch securities regulator to influence policy with the best interests of Alberta in mind; it will remove decision makers and access to them from the Alberta marketplace; it will impose on us a layer of bureaucracy that will make us greatly less efficient; we will lose connection to the government to which we are accountable; and it will diminish the ability of the ASC to respond (as it now does) to every issue of relevance through enforcement activities.

6. **Facts**

- a) Under passport, participants need deal with only one regulator, the one in their home jurisdiction, and relate to essentially one set of harmonized laws.
- b) The CSA provides an effective venue for coordination, cooperation and communication across the country.
- c) The Canadian securities regulatory regime is highly respected worldwide and is ranked among the few very best in the world.

In summary:

Whatever the reasons for a national regulator might be, among them is not the improvement of securities regulation in Alberta. I see potential only for downside and in the face of that vision can find no reason to support the proposal.