



Institute for
Research on
Public Policy

Institut de
recherche
en politiques
publiques

For immediate distribution – October 13, 2011

NEWS RELEASE

Study says no need for national securities regulator

Montreal – The needs and interests of Canadians would not be better served by a national securities regulator, according to a new study published by the Institute for Research on Public Policy (IRPP).

Later this year, the Supreme Court is expected to rule on the constitutionality of establishing a single national securities regulator to replace the existing, provincial regulatory system. Pierre Lortie, author of *Securities Regulation in Canada: The Case for Effectiveness*, says that independent of whether the move would be constitutional, an equally important question is whether such a change would be sound public policy.

He assesses the performance of Canada's decentralized securities regulation structure along a number of dimensions, and concludes that it compares favourably with those of other countries. Lortie attributes this to the high degree of coordination among provincial regulatory authorities by means of, for example, reporting systems that are national in scope, and nationally harmonized standards that cover areas like mutual fund regulation and takeover bids.

Another advantage of the current system is that it can cater to regional economic differences – something a national regulator would have neither the ability nor the incentive to do as effectively as the provincial regulators. This is particularly important in Canada, where small firms depend on regional exchanges to raise capital much more than do other countries.

“Moving to a national securities regulator would undermine many of the benefits of the status quo without bringing any tangible economic benefits to the table,” concludes Lortie.

Thomas A. Hockin, who was the chair of the 2009 expert panel that recommended a national securities regulator, presents a decidedly different perspective in his accompanying commentary, *Arguments for a National Securities Regulator*.

Securities Regulation in Canada: The Case for Effectiveness, by Pierre Lortie, and the commentary by Thomas A. Hockin, can be downloaded free of charge from the Institute's Web site (www.irpp.org).

-30-

For more details or to schedule an interview, please contact the IRPP.

To receive our monthly bulletin [Thinking Ahead](#) by e-mail, please subscribe to the IRPP e-distribution service by visiting our Web site.

Media contact: Nicola Johnston

Tel: 514-787-0737

Cell: 514-235-8308