

Reasons for one regulator

Calgary Herald
Sun Dec 11 2011
Page: A12 Section: News
Byline: Terry Campbell
Source: Calgary Herald

In a recent opinion piece, Pierre Lortie claimed that Canada does not need a national securities regulator.

Let me provide some very sound reasons as to why Canada needs to move from the current fragmented system to a national one.

First, the recent global financial crisis underscored the fact that substantial risks could quickly move from financial institutions to capital markets and back again, both within a country and across borders. We need a regulatory structure that can quickly deal with these risks. A single Canadian securities regulator would permit close co-ordination with other national regulators, if there's a financial crisis, and will allow Canada to speak with one voice and with a consistent policy perspective internationally.

Second, it will improve investor protection. A national securities regulator will provide for a comprehensive enforcement regime. This will enhance the ability of law enforcement and prosecutors in all jurisdictions to achieve better criminal enforcement outcomes across Canada. Currently, fraudsters banned in one province simply move to another province, and continue operating. Canada is currently a securities enforcement mosaic, where each provincial commission has its own priorities. Resources are spread thin and the benefits of co-ordination are diluted.

Third, the current securities regulatory structure is fragmented. While improved with the development of the passport system, it is not as efficient as it could be. The Canadian Securities Transition Office has found at least 120 examples where provinces have their own rules. A national regulator will eliminate this fragmentation and duplication. Canada needs a national securities regulator. It will be good for businesses from coast to coast, and for those who want to come to Canada and invest here.

Terry Campbell, Toronto Terry Campbell is president of the **Canadian Bankers Association**.