

May 21, 2010

Letter to the Financial Post

Re: National Regulation: A Federal Travesty by Pierre Lortie

To the Editor,

Pierre Lortie is already on record as opposing a single securities regulator so I was not surprised at his conclusion in the column, "National Regulation: A Federal Travesty" (May 21, 2010). I was, however, surprised at his broad brush assertions that defy logic.

There have been many research reports, task forces, commissions, academic papers and expert panels over the past decade that have studied this issue thoroughly and have concluded that Canada needs a national securities regulator. Yet Mr. Lortie dismisses this extensive body of work with a wave of his hand.

He also criticizes a CBA research paper demonstrating that our fragmented system increases costs for Canadian firms that raise capital in multiple provinces and territories, with the added burden falling disproportionately on small and medium-sized businesses. His assertion that the additional expense of filing in multiple jurisdictions results from the cost of translating documents ignores the many other costs that issuers face, including multiple regulatory fees, legal and advisory costs, to name a few. Also, it is our understanding that his speculation about additional translation requirements under the Canadian Securities Regulator is simply unfounded.

There have always been good reasons for the creation of a national regulator, such as improved investor protection, greater efficiencies in the capital markets and a reduction in the cost of raising capital. But the recent global financial crisis has made it more crucial than ever. The one weak spot in our financial regulatory structure is our fragmented securities regulation.

We've studied this long enough. Now is the time for a national securities regulator.

Sincerely,

Nancy Hughes Anthony
President and CEO
Canadian Bankers Association

199 Bay Street
30th Floor
Toronto, ON
M5L 1G2
Tel: 416-362-6092