

FINANCE--Amendments to Securities Act Introduced

Finance Minister Michael Baker introduced amendments to the Securities Act today, Nov. 2, that will help to protect Nova Scotia investors and harmonize Nova Scotia securities regulation with others across Canada.

Amendments to the Securities Act, will make it possible for investors in the secondary market to sue public companies when those companies fail to make timely disclosure or misrepresent public information. A secondary market is the term used when an investor purchases an existing investment product through, for example, a broker or investment dealer.

These amendments are consistent with recent changes made to similar legislation in Ontario, Alberta, Manitoba and British Columbia.

Changes to the act will also give the Nova Scotia Securities Commission the power to order repayment, up to \$100,000, of money lost through illegal or improper trading practices. As a result, some investors will no longer have to undertake costly legal action to recover their losses.

"It is important to give Nova Scotians greater protection against the wrongdoing of others," said Mr. Baker. "It is also important to have a way to seek compensation that does not add to the financial burden of those already affected by the misconduct of others. The changes we are introducing today in this legislation will do both."

Tougher penalties for those found guilty of illegal or improper conduct are also being introduced. Amendments are being made to provide for fines of up to \$5 million and imprisonment of up to five years less a day. The current legislation provides for fines up to \$1 million and imprisonment of not more than two years.

Other amendments will make it possible for Nova Scotia to meet its commitment to other provinces and territories to move toward harmonized securities laws and regulation, and create a single window access to capital markets, referred to as a Passport System. Changes will allow for the harmonization and streamlining of, among other things, definitions and various reporting and registration requirements.

Amendments to the act also include some housekeeping measures that will:

- increase the Nova Scotia Securities Commission's board members from six to eight
- allow the minister to request various reports from the commission, as deemed necessary,
- give the minister power to object to rules made by the Nova Scotia Securities Commission, and
- replace references to trial division of Supreme Court and appeal division of Supreme Court, to the Supreme Court of Nova Scotia and the Nova Scotia Court of Appeal.

A fact sheet on the amendments to the Securities Act is available on

the website at www.gov.ns.ca/nssc .

FOR BROADCAST USE:

Government introduced amendments to the Nova Scotia Securities Act today (November 2nd).

Tougher penalties and other remedies will help protect Nova Scotians from investment losses due to illegal activity by a public company.

The amendments will also move Nova Scotia closer to harmonizing its securities regulations with those in other provinces.

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