

NEWS RELEASE

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For Immediate Release

IIAC: Cooperative Capital Markets Regulatory System Now a Reality

Federal government has critical mass needed to proceed

Toronto, Wednesday, July 9, 2014 – Ian Russell, President and CEO, the Investment Industry Association of Canada (IIAC), is calling today's announcement regarding the Cooperative Capital Markets Regulatory System a hard-fought victory that signals an end to the archaic and fragmented patchwork of 13 provincial and territorial securities watchdogs overseeing Canada's markets.

A long-time proponent of the cooperative securities regulator model, Russell agrees with the federal government and four participating provinces that a cooperative regulatory system will better protect investors and regional interests, while supporting efficient capital markets and managing systemic risk.

"With the announcement that Saskatchewan and New Brunswick have agreed to participate, Ottawa now has the critical mass – approximately half of domestic capital market activity – needed to begin operations as a cooperative capital markets system," Russell says.

"Provinces that are on the fringe will have to make a decision. It will only be a matter of time before most of the outliers will join because there are too many efficiencies to gain by coming into the fold and too many benefits lost by staying out."

Russell agrees with the governments' position that the cooperative system will provide balance and preserve regional interests while bringing much-needed reform nationally. Regional autonomy will be protected because there will be a regulatory office in every participating province – each with the local expertise to serve that jurisdiction while also being able to draw on the resources of a national organization.

"I would like to congratulate the federal government and the participating provinces for their vision and perseverance. It has not been an easy road by any means, but their efforts will pay off for our capital markets and Canadians as a whole."

The IIAC – Representing Canada's Investment Professionals

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 160 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a

commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets. For more information, visit www.iiac.ca.

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