For Immediate Release November 25, 2011

The CSA seeks comments on the regulation of over-the-counter derivatives surveillance and enforcement.

The Canadian Securities Administrators (CSA) today published for comment Consultation Paper 91-403 – Derivatives: Surveillance and Enforcement. The Consultation Paper has been prepared by the CSA Derivatives Committee and sets out a series of proposals by that Committee that are designed to improve regulatory oversight of over-the-counter (OTC) derivatives transactions, while maintaining consistency with international developments. This is the second of a series of eight consultation papers to be published over the next few months that build on the regulatory proposals contained in Consultation Paper 91-401 OTC Derivatives Regulation in Canada published on November 2, 2010.

Under the regulatory framework proposed by the Committee, Canadian securities regulators would conduct comprehensive surveillance and monitoring of OTC derivatives, obtain the authority to enact robust market conduct rules related to OTC derivatives and take enforcement action against misconduct in the OTC derivatives markets.

"To improve the regulation of OTC derivatives markets, the G20 has emphasized the importance of transparency in these markets and their protection against abuse," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "To implement this phase of the G20 commitments, the CSA Derivatives Committee has developed proposals that would assist securities regulators in monitoring market participants and enforcing new standards of conduct that have been developed to deter abuses in these markets. We hope that these proposals will generate necessary commentary and feedback from market participants that will assist us in assessing them."

The public is encouraged to comment on the proposals in the Consultation Paper, which outline various initiatives including enhanced market surveillance, greater international collaboration and the extension of enforcement powers to cover trading in OTC derivatives.

Investors and marketplace participants are invited to submit their comments until January 25 2012. All responses received will be published on the Autorité des marchés financiers (www.lautorite.qc.ca) and the Ontario Securities Commission (www.osc.gov.on.ca) websites.

Copies of the Consultation Paper are available on the following websites: Alberta Securities Commission, Autorité des marchés financiers, British Columbia Securities Commission, Manitoba Securities Commission, New Brunswick Securities Commission, Ontario Securities Commission and Saskatchewan Financial Services Commission.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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