



www.Groupon.com

Ads by Google

THE GLOBE AND MAIL

November 29, 2010

B.C. sets terms for supporting national securities regulator

By PATRICK BRETHOUR
From Monday's Globe and Mail

Regional office in the province must have national responsibility for venture capital, Finance Minister says

With support for a national securities regulator crumbling, British Columbia is laying out its bottom line for its continued backing - including a regional office with the responsibility for overseeing venture capital across the country.

In an interview with The Globe and Mail, B.C. Finance Minister Colin Hansen said his government is still in favour of a national regulator, in principle. But B.C., the only province west of Ontario to formally support a national regulator, wants to ensure that the proposed federal body would not simply be a takeover by the Ontario Securities Commission.

"If anybody is assuming that a national securities regulator is taking the OSC model and extending it coast to coast, we will not be signing on to it," he said.

Mr. Hansen's comments come as support for a national securities regulator falters. Last week, Ontario Finance Minister Dwight Duncan warned that the plan was "falling apart" and that Ottawa was losing control of the issue.

Meanwhile, the premiers of Alberta and Saskatchewan have had a preliminary discussion about the creation of a western regional regulator if Ottawa succeeds in launching a national securities body. Alberta's Ed Stelmach is pitching the idea - although the province still prefers the status quo to any other option, government spokespeople said Sunday. In an interview from the sidelines of the Grey Cup, Saskatchewan's Brad Wall said he sees some merit in a regional regulator. "That might make some sense; we're prepared to listen on that one," he said.

Unlike Alberta, Saskatchewan has not formally opposed Ottawa in a reference case over the constitutionality of a national securities regulator to be heard by the Supreme Court of Canada. But Mr. Wall said he does support Alberta's assertion of provincial jurisdiction over securities regulation.

Mr. Wall said that any move toward a regional regulator in the West would need to include British Columbia. "It's hard to imagine - if it was ever going to happen - it working without them." For the moment, however, B.C.'s focus is elsewhere, with Mr. Hansen saying the "more desirable outcome" is a national regulator that the provinces can willingly embrace.

A key B.C. stipulation is a decentralized headquarters. Toronto could be the formal HQ, but regional offices would be given national responsibility for certain slices of capital markets - including basing the regulation of venture capital in British Columbia. "Anybody that feels that all of the executive functions of a corporation or organization needs to be located under one roof is not living in the 21st century," said Mr. Hansen.

In B.C.'s view, the national regulator would also need to be flexible, avoiding a one-rule-for-everyone approach that would put too much of a burden on smaller firms. "It's not like you can apply the rules that apply to the big corporations and expect them to work for small, dynamic, nimble companies," Mr. Hansen said.

The impending departure of B.C. Premier Gordon Campbell is an additional complication, said pollster Greg Lyle. Mr. Campbell, who has said he will remain in office until a new party leader is chosen in late February, has been a particularly pan-Canadian B.C. Premier, said Mr. Lyle. Any successor is likely to revert to the more typical stand of pandering to B.C. opinion, he said. "It seems very unlikely that anyone will go as far as Campbell."

CTVglobemedia Publishing, Inc



CTVglobemedia Publishing Inc. All Rights Reserved.. Permission granted for up to 5 copies. All rights reserved.

You may forward this article or get additional permissions by typing http://license.icopyright.net/3.8425?icx_id=/icopyright/?artid=1816646 into any web browser. CTVglobemedia Publishing, Inc and Globe and Mail logos are registered trademarks of CTVglobemedia Publishing, Inc . The iCopyright logo is a registered trademark of iCopyright, Inc.