

CANADIAN SECURITIES ADMINISTRATORS**NOTICE 11-303****THE UNIFORM SECURITIES LEGISLATION PROJECT**

The Canadian Securities Administrators (the “CSA” or “we”) have established a senior level committee to develop uniform securities legislation for adoption across Canada. This project is part of a broader proposed strategy of regulatory reform that aims to reduce the burden of regulation on market participants and make regulation more effective in protecting investors and market integrity. The CSA recognize that much of the burden on market participants is due to each of Canada’s provinces and territories having different securities legislation. The CSA have made significant progress toward harmonization, but many inconsistencies still exist and will continue to exist in the absence of a strong CSA-wide commitment.

We recently made this commitment by agreeing, as a top priority, to embark on a project to develop uniform securities legislation within two years. We are calling this the USL Project.

We are publishing this Notice to provide more information about the project.

USL STEERING COMMITTEE

The USL Project is overseen by a Steering Committee whose members are:

Stephen Sibold, ASC Chair and Chair of the Steering Committee
Doug Hyndman, BCSC Chair
Don Murray, MSC Chair
Paul Moore, OSC Vice-Chair
Claire Richer, CVMQ Commissioner
Les O’Brien, NSSC Vice-Chair

OBJECTIVE AND SCOPE OF USL PROJECT

The objective of the USL project is to develop a uniform act and uniform rules within two years that would be adopted across Canada. Although the primary focus is to achieve harmonization of legislation, we will take advantage of opportunities to simplify the system when that can be accommodated within the timeframe.

THE USL PROJECT AND OTHER CSA INITIATIVES

Although it is important to make our legislation uniform, we must also move forward on more fundamental regulatory reforms to ensure the continued fairness and efficiency of our capital markets. Potential reform initiatives will come from a variety of sources, including:

- The ideas described in the BCSC Deregulation Project's concept paper *New Concepts for Securities Regulation*
- The pending report from the Ontario Five Year Review Committee
- Stand-alone projects that are either underway and worthy of completion or new initiatives arising out of market events.

Reform initiatives from these sources may be incorporated into the USL Project if they can be developed within the two year timeline.

We will organize CSA projects by placing them on one of three tracks:

Track 1: The USL Project.

Track 2: Review of broader reforms that require further study and development over a longer timeline. The Track 2 Committee will consider the ideas emanating from the BC Deregulation Project and the Ontario Five Year Review Committee that are not initially included in the USL Project . Some of these ideas could be moved into the USL Project if they can be developed within the two year timeline. This review will be done as a parallel process to the USL project.

Track 3: Emerging issues that require a timely response. Again, this is a parallel process to the legislative reform tracks.

PROJECT METHODOLOGY

The USL Steering Committee sees three distinct phases in this project: a study period, a drafting phase and a phase devoted to revising and finalizing.

During the study period, staff will examine all existing securities legislation (local, multilateral and national rules, national and local policies and blanket orders) in force in each of BC, Alberta, Manitoba, Ontario and Quebec.

Stakeholder consultation is very important during this stage. The Committee plans to consult with industry as our harmonization proposals materialize.

The second phase of the project will be devoted to drafting. The final stage will be devoted to addressing the comments received, making any necessary revisions and seeking and obtaining legislative approval.

NEXT STEPS

We will be formally seeking comment on specific harmonization proposals in the coming months. However, comments are welcome at any stage of the project. If you have any comments on the USL Project in general, please direct them to the Chair of the Steering Committee at

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