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If It Ain't Broke... Davies Comments on Draft Capital Markets Act

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Davies has submitted a comprehensive comment letter on a new *Capital Markets Act* (CMA) proposed by the Ontario Ministry of Finance, on the recommendation of the Capital Markets Modernization Taskforce, to replace the Ontario *Securities Act*.

Although some modifications to Ontario securities law are overdue, the wholesale replacement of the *Securities Act* with a completely new piece of legislation is unnecessary and unjustifiable, and runs counter to the stated objectives of the Taskforce. The draft CMA contemplates several sweeping and fundamental changes that we believe would adversely affect issuers, investors and other stakeholders. The adoption of the draft CMA would, among other things, unduly increase regulatory burden for various market participants and provide the Ontario Securities Commission with virtually unlimited discretion in a number of areas, which will lead to uncertainty in the marketplace. Rather than proceed with the draft CMA, we have recommended that the Ministry instead amend existing securities legislation – as it has done for decades to respond to the ever-shifting realities of Ontario's capital markets – to incorporate the specific and targeted changes to our securities regulatory framework that are warranted.

[Download the comment letter.](#)

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