

## Ontario securities regulator looking at 'say on pay' rule

The **Ontario Securities Commission** is pushing ahead with a review of potential changes that would protect shareholders' rights and could see it become the first Canadian regulator to implement changes such as a mandatory "say-on-pay" policy.

"Shareholder democracy has attracted considerable public attention in Canada and other countries, and OSC staff are reviewing our regime to identify the need for reform in this area," said Leslie Byberg, the commission's director of corporate finance in a release. ...

Ontario's regulatory body for publicly-traded companies is asking for feedback by March 31 on whether it should make regulatory changes surrounding three major issues. It is considering whether to amend its regulations to enforce shareholder votes on individual nominees to boards of directors, mandatory advisory votes on executive compensation, and the effectiveness of the proxy voting system.

If the OSC goes ahead with changes, Ontario would be the first province to adopt many of the proposed regulatory policies, including the mandatory "say-on-pay" requirement. The Canadian Securities Administrator, the umbrella organization for a patchwork group of provincial regulators, has recently been asking for feedback on a number of similar proposals including on company disclosure requirements and executive compensation.

Ontario's proposal comes as the federal government attempts to integrate the 13 provincial and territorial regulators, which critics say creates regulatory red tape and raises the cost for companies who want to list their shares on Canadian stock markets. ...

Ontario, home to Canada's largest stock exchange, has been a vocal supporter of a national regulator and is advocating to have Toronto as its headquarters. It has the backing of the federal government, which argues that a single regulator is needed to make Canada more competitive following the global recession.

But Alberta and Quebec have court challenges on the constitutionality of the plan, saying the federal government would be overstepping its bounds if it were to form a centralized watchdog to oversee all of Canada's capital markets. Manitoba has indicated it too is opposed to the idea, while British Columbia and New Brunswick have also expressed concerns.

Canada is the only country in the G20 without a national securities regulator like the Securities and Exchange Commission in the United States.

*(The Canadian Press, 11 January 2011)*