

February 5, 2010

Alberta takes next step to challenge federal move to create a national securities regulator

Securities regulation an area of provincial jurisdiction

Edmonton... The Alberta government has taken the next step in its announced challenge of the federal government's move to create a single Canadian securities regulator. The specific reference questions Alberta will be using to test the constitutional soundness of the federal plan were filed February 5 with the Alberta Court of Appeal.

"We very strongly believe that this is an intrusion by the federal government into an area that has historically been under provincial jurisdiction," said Ted Morton, Minister of Finance and Enterprise.

"This comes down to defending Alberta's jurisdiction and the rights of Albertans to regulate their own provincial affairs, as well as defending a provincial regulatory system that works well now and better serves the interests of Alberta companies and investors."

The Alberta Court of Appeal will meet with representatives from Alberta and the federal government to establish timelines and procedures for managing the challenge.

The Alberta government is going to the Alberta Court of Appeal to test the constitutional soundness of the federal government's move to create a single Canadian securities regulator. It is also intervening in a similar challenge by the Québec government to the Québec Court of Appeal.

Alberta has been a leader in the development of harmonized securities laws and the implementation of the fully operational passport system to streamline and improve securities regulation across Canada.

The Government of Alberta has a clear plan for a strong economic recovery. The Way Forward will bring Alberta back into a surplus position in three years by trimming government spending;

using cash reserves to protect key programs; continuing to invest in public infrastructure; and ensuring that our province's industries are competitive and continue to attract investment to provide jobs and prosperity.

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Background: Passport system for securities regulation

Media Availability: Minister Morton will be available to speak to media at 2 p.m. today at Government House on this topic. Government House is located at 12845 - 102 Avenue.

Media inquiries may be directed to:

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To call toll free within Alberta dial 310-0000.

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Passport system for securities regulation

- Since 2005, Alberta has been a leader in the development of the passport system for securities regulation based on highly harmonized securities laws. Under the passport system, market participants who meet regulatory requirements in one jurisdiction would automatically meet the requirements in all other passport jurisdictions.
- For example, market participants can clear a prospectus, obtain a discretionary exemption from the regulator in their home province or territory or register as a dealer or adviser with their home regulator, and have that clearance, exemption or registration apply automatically in all other passport provinces and territories.
- Regulators have developed a mechanism, known as the “one-way passport,” that enables Ontario issuers and market participants to enjoy the full benefits of the passport system.
- The passport system for securities regulation was fully implemented on September 28, 2009.
- The passport system can be expanded to accommodate international free trade in securities, which is currently being discussed with the United States and other G7 countries.

- The passport system demonstrates an unprecedented level of co-ordination and consensus among governments and regulators in Canada to streamline and improve securities regulation. This has been accomplished by the Council of Ministers of Securities Regulation, and Alberta has been a leader in that process.

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