

Annex F

Local Matters – Saskatchewan

Authority for Proposed Amendments:

The following provisions of *The Securities Act, 1988* (**Act**) provide the Financial and Consumer Affairs Authority of Saskatchewan (**Authority**) with the authority to implement the proposed amendments:

Paragraph 154(1)(h) of the Act authorizes the Authority to make regulations prescribing requirements respecting books, records and other documents that market participants shall keep, including the form in which and the period for which the books, records and other documents shall be kept.

Paragraph 154(1)(i) of the Act authorizes the Authority to make regulations regulating the listing and trading of securities or derivatives, including prescribing requirements for keeping records and reporting trades and quotations.

Paragraph 154(1)(j) of the Act authorizes the Authority to make regulations regulating the trading of securities or derivatives other than on an exchange recognized by the Commission.

Paragraph 154(1)(j.1) of the Act authorizes the Authority to make regulations regulating the trading of derivatives on a derivatives trading facility, including prescribing requirements for keeping records.

Paragraph 154(1)(k.2) of the Act authorizes the Authority to make regulations regulating exchanges, self-regulatory organizations, quotation and trade reporting systems, clearing agencies, derivatives trading facilities and trade repositories.

Paragraph 154(1)(l.1) of the Act authorizes the Authority to make regulations regulating the trade of derivatives, including prescribing:

- (i) requirements with respect to the clearing and settlement of trades;
- (ii) requirements with respect to the reporting of trades and quotations, including requirements with respect to the confidentiality and disclosure of those reports;
- (iii) derivatives or classes of derivatives for which trades must be cleared or settled through a clearing agency recognized by the Commission pursuant to section 21.3;
- (iv) for the purposes of section 14.1 and subsection 40(1), disclosure requirements;
- (iv) requirements with respect to record keeping, reporting and transparency in relation to derivatives;

- (vi) requirements with respect to persons or companies trading derivatives, including requirements with respect to trade reporting, clearing and settlement, margin, capital and collateral;
- (vii) requirements that a derivative or class of derivatives be traded on a derivatives trading facility;
- (viii) requirements with respect to position limits for derivatives; and
- (ix) requirements with respect to a derivative or class of derivatives not to be traded in Saskatchewan.

Paragraph 154(1)(1.2) of the Act authorizes the Authority to make regulations prescribing the circumstances in which a contract or instrument or contract or instrument within a class of contracts or instruments is a security or class of securities.

Paragraph 154(1)(1.3) of the Act authorizes the Authority to make regulations prescribing the circumstances in which a contract or instrument or contract or instrument within a class of contracts of instruments is a derivative or class of derivatives;

Paragraph 154(1)(s) of the Act authorizes the Authority to make regulations prescribing requirements respecting financial accounting, reporting and auditing for purposes of this Act and the regulations, including:

- (i) defining accounting principles and auditing standards acceptable to the Commission;
- (ii) financial reporting requirements for the preparation of future-oriented financial information and pro forma financial statements; and
- (iii) standards of independence and other qualifications for auditors.

Paragraph 154(1)(v) of the Act authorizes the Authority to make regulations governing investment funds and the advertising, distribution and trading of the securities of investment funds.

Paragraph 154(1)(ee) of the Act authorizes the Authority to make regulations respecting the designation or recognition of any person, company or jurisdiction considered advisable for the purposes of the Act, including recognizing exchanges, derivatives trading facilities, self-regulatory organizations, trade repositories and clearing agencies.

Paragraph 154(1)(ee.11) of the Act authorizes the Authority to make regulations with respect to any matter necessary to regulate self-regulatory organizations, exchanges, derivatives trading facilities, quotation and trade reporting systems, clearing agencies and trade repositories.

Paragraph 154(1)(ee.2) of the Act authorizes the Authority to make regulations requiring reporting issuers to devise and maintain a system of internal controls related to the effectiveness and efficiency of their operations, including financial reporting and asset control sufficient to reasonably ensure that:

- (i) transactions are executed in accordance with management's general or specific authorization;
- (ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles or any other criteria applicable to those statements;
- (iii) transactions are recorded as necessary to maintain accountability for assets;
- (iv) access to assets is permitted only in accordance with management's general or specific authorization; and
- (v) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Paragraph 154(1)(oo) of the Act authorizes the Authority to make regulations exempting any person, company, trade, security or derivative from all or any provision of this Act or the regulations, including prescribing any terms or limitations on an exemption and requiring compliance with those terms or limitations.

Paragraph 154(1)(yy) of the Act authorizes the Authority to make regulations respecting any matter or thing that the Lieutenant Governor in Council considers necessary or desirable to carry out the purposes of this Act.

Subsection 154(3) of the Act states that the Authority may make regulations falling within, among others, the above categories that are of general or specific application and which may be limited as to time or place.