

HOUSE USE ONLY

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3rd SESSION, 67th GENERAL ASSEMBLY
Province of Prince Edward Island
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(Bill No. 42)

An Act to Amend the Securities Act

Hon. Bloyce Thompson
Minister of Justice and Public Safety and Attorney General

GOVERNMENT BILL

Andrea MacRae
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Legislative Assembly

AMENDMENTS

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BILL NUMBER: **42**

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TITLE: **An Act to Amend the Securities Act**

#	SECTION	AMENDMENT	DATE

NOTED:

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COMMITTEE CLERK

CERTIFIED CORRECT:

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CHAIR, IN COMMITTEE

AN ACT TO AMEND THE SECURITIES ACT

BILL NO. 42 **2026**

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. Subsection 1(1) of the *Securities Act* R.S.P.E.I. 1988, Cap. S-3.1, is amended

(a) by the addition of the following after clause (a):

(a.1) "**auditor oversight body**" means a body that regulates the auditing or review of financial statements that are required to be filed under Prince Edward Island securities laws;

(a.2) "**benchmark**" means a price, estimate, rate, index or value that is

(i) determined from time to time by reference to an assessment of one or more underlying interests,

(ii) made available to the public, whether free of charge or on payment of a fee, and

(iii) used for reference for any purpose, including

(A) determining the interest payable, or other sums that are due, under a contract, derivative, instrument or security,

(B) determining the value of a contract, derivative, instrument or security or the price at which it may be traded,

(C) measuring the performance of a contract, derivative, investment fund, instrument or security, and

(D) any other use by an investment fund;

(a.3) "**benchmark administrator**" means a person who administers a benchmark;

(a.4) "**benchmark contributor**" means a person

(i) who provides or contracts to provide information in relation to a benchmark for use by the benchmark administrator, or

(ii) to whom a requirement under clause 83.3(1)(d) applies;

(a.5) "**benchmark user**" means a person who, in relation to a contract, derivative, investment or security, uses a benchmark;

(b) by the addition of the following after clause (e):

(e.1) "**credit rating**" means an assessment, disclosed publicly or distributed by subscription, of the creditworthiness of an issuer as an entity or with respect to specific securities or a specific portfolio of securities or assets;

(e.2) "**credit rating organization**" means a person who issues credit ratings;

(c) by the addition of the following after clause (i):

(i.1) "**designated benchmark**" means a benchmark that the Superintendent has designated under clause 83.3(1)(a);

(i.2) "**designated benchmark administrator**" means a benchmark administrator whom the Superintendent has designated under clause 83.3(1)(c);

(d) in clause (w), by the deletion of the words "results of operations**" and the substitution of the words "**financial performance**";**

(e) in clause (ee),

(i) in subclause (xvii), by the deletion of the semicolon and the substitution of a comma, and

(ii) by the addition of the following after subclause (ee)(xvii):

(xviii) a credit rating organization,

(xix) a designated benchmark administrator, and

(xx) a person who engages or participates in the provision of information for use by a benchmark administrator for the purpose of determining a designated benchmark;

(f) by the repeal of clause (aaa).

2. (1) The Act is amended in the following provisions by the deletion of the word "rules**" and the substitution of the word "**regulations**" wherever it occurs:**

(a) clauses 1(1)(g), (n), (qq);

(b) subclauses 1(1)(k)(iv), (ee)(xvii), (ss)(ii);

(c) subsection 1(2);

(d) subsection 6(1);

(e) section 25;

(f) section 57;

(g) subsections 63(1) and (2);

(h) clauses 75(1)(a) and (b);

(i) subsection 88(1) and clause 88(2)(a);

(j) subsection 93(1) and clauses 93(2)(a) and (b);

(k) subsection 96(2);

(l) clause 97(a);

(m) clause 98(2)(b);

(n) subclause 100(2)(a)(i);

(o) section 102;

(p) section 104;

(q) section 107;

(r) clause 108(1)(b) and subsection (2);

(s) section 109 and clauses 109(c), (d) and (e);

(t) subclauses 114(1)(a)(iii), (3)(a)(iii) and (3)(b)(ii);

(u) subsection 114(13);

(v) paragraphs 122(h)(i)(A) and (iii)(A);

(w) clause 122(m);

(x) paragraph 126(1)(b)(ii)(A) and subclause (c)(i);

(y) paragraph 126(2)(b)(ii)(A) and subclause (c)(i);

(z) subsection 136(1);

(aa) subsections 138(1) and 139(1) and (2);

(bb) section 140;

(cc) clause 148(1)(b);

(dd) subsection 165(3).

(2) The Act is amended in the following provisions by the deletion of the word "rules**" and the substitution of the word "**regulations**" wherever it occurs:**

(a) clauses 1(1)(i), (kk), (ll), (zz);

(b) section 105;

(c) subsection 110(1).

3. Subsection 6(1) of the Act is amended

(a) in clause (i), by the deletion of the word "or**" after the semicolon;**

(b) in clause (j), by the deletion of the period and the substitution of a semicolon; and

(c) by the addition of the following after clause (j):

(k) a rating or a class of ratings to be or not to be a credit rating;
(l) a person or a class of persons to be, or not to be, a credit rating organization;
(m) a rating or a class of ratings to be, or not to be, a benchmark; or
(n) a person or class of persons to be, or not to be, a benchmark administrator.

4. Clause 14(1)(b) of the Act is amended

(a) by the deletion of the word "Minister**" and the substitution of the words "**Lieutenant Governor in Council**"; and**

(b) by the deletion of the word "rule**" and the substitution of the word "**regulations**".**

5. The Act is amended by the deletion of the words "PART 7 — MARKETPLACES, SELF-REGULATION AND MARKET PARTICIPANTS" and the substitution of the words "PART 7 — MARKETPLACES, SELF-REGULATION, CREDIT RATING ORGANIZATIONS, BENCHMARKS AND MARKET PARTICIPANTS".

6. Section 70 of the Act is amended

(a) in clause (b), by the deletion of the word "or**" after the semicolon;**

(b) in clause (c), by the deletion of the comma and the substitution of the words "; or**"; and**

(c) by the addition of the following after clause (c):

(d) an auditor oversight body,

7. Section 72 of the Act is amended

(a) in clause (c), by the deletion of the word "or**" after the semicolon;**

(b) by the repeal of clause (d) and the substitution of the following:

(d) an auditor oversight body, or
(e) a person designated as requiring recognition under this Part,

8. Section 74 of the Act is amended by the addition of the following after subsection (1):

Scope of regulatory duty – recognized auditor oversight body

(1.1) For the purposes of regulating its participants referred to in subsection (1), a recognized auditor oversight body is not required to regulate the operations, standards of practice and business conduct of its members or participants except to the extent that the regulation relates to the auditing or review of financial statements that are required to be filed under Prince Edward Island securities laws.

Recognized auditor oversight body may adopt rule, etc.

(1.2) For the purposes of performing the duties referred to in subsection (1.1), a recognized auditor oversight body may adopt a rule, standard or policy for regulating its members or participants on the basis that a government or a governmental authority or other regulatory body applies the same rule, standard or policy.

9. The Act is amended by the addition of the following after section 74:

74.1 Auditor oversight body may require disclosure

(1) If a member or participant of a recognized auditor oversight body receives from the body a written request to provide information or records relevant to the auditing or review of financial statements that are required to be filed under Prince Edward Island securities laws, the member or participant shall provide the information or records specified in the request, including information or records relating to or prepared by an issuer whether or not the issuer is named in the request.

Request may contain reasonable deadline

(2) An auditor oversight body may, in a written request under subsection (1), specify a reasonable time or interval by which the information or records are to be provided to the auditor oversight body.

Information subject to solicitor-client privilege

(3) For greater certainty, if a member or participant of an auditor oversight body is in possession of information or a record that is subject to solicitor-client privilege, the member or participant shall not provide the information or record to the auditor oversight body unless the person in respect of whom the solicitor-client privilege exists consents to its disclosure.

No further disclosure without consent

(4) An auditor oversight body that receives information or a record subject to solicitor-client privilege may not further disclose the information or record unless the person in respect of whom the solicitor-client privilege exists consents to its disclosure.

Consent is not waiver, etc.

(5) If a person consents under subsection (3) or (4) to the disclosure to an auditor oversight body of information or a record that is subject to solicitor-client privilege, the consent neither negates nor constitutes a waiver of solicitor-client privilege and the privilege continues for all other purposes.

74.2 Recognized auditor oversight body, etc., not compellable

A recognized auditor oversight body or a director, officer, employee or agent of such a body is not required to testify or produce evidence, in any proceeding to which the body is not a party

other than a criminal proceeding, about records or information obtained in the discharge of the body's duties.

10. The Act is amended by the addition of the following after section 83:

Designated Credit Rating Organizations

83.1 Authority of Superintendent

The Superintendent, on the application of a credit rating organization, or on the Superintendent's own initiative after giving a credit rating organization an opportunity to be heard, may, if the Superintendent considers that it would be in the public interest to do so,

(a) designate the credit rating organization;

(b) impose terms or conditions in respect of the designation of the credit rating organization;

(c) suspend or cancel the designation of the credit rating organization; or

(d) remove, vary or replace any terms or conditions that were imposed in respect of the designation of the credit rating organization.

83.2 Prohibition

The Superintendent shall not direct or regulate the content of a credit rating or the methodology used by a credit rating organization to determine credit ratings.

Benchmarks

83.3 Authority of Superintendent

(1) The Superintendent, on the application of a benchmark administrator or, subject to clause (2)(b), on the Superintendent's own initiative, may, if the Superintendent considers that it would be in the public interest to do so,

(a) designate a benchmark as a designated benchmark;

(b) designate a designated benchmark in one or more prescribed categories of designated benchmarks;

(c) designate the benchmark administrator of a designated benchmark as its designated benchmark administrator; or

(d) require a person to provide information in relation to a designated benchmark for use by the designated benchmark administrator.

Opportunity to be heard – designation or requirement

(2) A designation or requirement under subsection (1)

(a) is subject to any terms or conditions that the Superintendent considers advisable; and

(b) shall not be made on the Superintendent's own initiative before giving the benchmark administrator, or the person who is subject to the requirement under clause (1)(d), an opportunity to be heard.

Opportunity to be heard - refusal

(3) The Superintendent shall not, without giving the benchmark administrator an opportunity to be heard, refuse to designate a benchmark or a benchmark administrator.

Powers of Superintendent – cancellation, etc.

(4) The Superintendent may, if the Superintendent considers it to be in the public interest and after giving the benchmark administrator, or the person who is subject to a requirement under clause (1)(d), an opportunity to be heard,

(a) cancel a designation made or a requirement imposed under subsection (1);

(b) add new terms or conditions to a designation made or a requirement imposed under subsection (1); or

(c) change or remove terms or conditions attached to a designation made or a requirement imposed under subsection (1).

83.4 Duty to comply – benchmark administrators, contributors

(1) Benchmark administrators and benchmark contributors shall comply with any prescribed requirements, including requirements

(a) that relate to benchmarks, benchmark administrators, benchmark contributors and benchmark users; and

(b) that relate, in the case of benchmark administrators, to the establishment, publication and enforcement of codes of conduct by an administrator.

Duty to comply - general

(2) Benchmark administrators, benchmark contributors and their respective directors, officers and employees, and any of their service providers or security holders that are in a prescribed class, shall comply with

(a) any code of conduct established by a benchmark administrator in accordance with the prescribed requirements;

(b) any prescribed requirements relating to prohibitions against and procedures in respect of conflicts of interest involving a benchmark and benchmark administrators, benchmark contributors and their respective directors, officers and employees, and any of their service providers or security holders that are in a prescribed class; and

(c) any prescribed requirements relating to the prohibition or restriction of any matter or conduct involving a benchmark.

Duty to comply – benchmark users

(3) Benchmark users shall comply with any prescribed requirements, including requirements

(a) in respect of benchmarks, benchmark administrators, benchmark contributors and benchmark users;

(b) prohibiting the use of a benchmark that is not a designated benchmark; and

(c) for disclosure and other requirements relating to the use of a benchmark.

11. Subsection 101(1) of the Act is amended

(a) by the addition of the words "subject to the regulations,**" after the words "**section 94 applies shall,**"; and**

(b) by the deletion of the word "rules**" and the substitution of the words "**regulations, and any prescribed document**".**

12. (1) Section 101 of the Act is amended by the addition of the following after subsection (1):

Exception

(1.1) Subsection (1) does not apply in respect of a distribution of a prescribed investment fund security trading on an exchange or on a prescribed alternative trading system.

Exchange traded funds – disclosure

(1.2) A dealer acting as agent of the purchaser who receives an order or a subscription from the purchaser for the purchase of a prescribed investment fund security trading on an exchange or a prescribed alternative trading system shall send or deliver to the purchaser a prescribed disclosure document.

Agreement not binding as specified in regulations

(1.3) An agreement of purchase and sale for a prescribed investment fund security described in subsection (1.2) is not binding on the purchaser in the circumstances specified in the regulations.

(2) Subsection 101(2) of the Act is amended by the addition of the words ", or any prescribed document**" after the words "**any amendment to the prospectus**".**

(3) Subsection 101(7) of the Act is amended by the addition of the words ", or any prescribed document**" after the words "**any amendment to the prospectus**" wherever they occur.**

(4) Subsection 101(9) of the Act is amended by the addition of the words "except subsection (1.2),**" after the words "**For the purposes of this section**".**

13. Section 116 of the Act is repealed and the following substituted:

116. Right of action – failure to deliver specified disclosure document

Each of the following persons has a right of action for damages or rescission against a dealer, offeror or other person, as the case may be, who failed to comply with the applicable requirement:

(a) a person who is a purchaser of a security to whom a prospectus, an amendment to a prospectus or a prescribed document was required to be sent or delivered under Prince Edward Island securities laws but which was not sent or delivered as required;

(b) a person who is a purchaser of a prescribed investment fund security trading on an exchange or on a prescribed alternative trading system to whom a prescribed disclosure document was required to be sent or delivered under subsection 101(1.2) but was not sent or delivered in compliance with the regulations;

(c) a person to whom a take-over bid circular, issuer bid circular, notice of change or notice of variation was required to be sent or delivered under Prince Edward Island securities laws but which was not sent or delivered as required.

14. Section 118 of the Act is amended by the addition of the words ", an amendment to a prospectus or a prescribed document**" after the words "**which a prospectus**".**

15. Section 122 of the Act is amended

(a) in subclauses (b)(i) and (ii), by the deletion of the words "interim financial statements**" and the substitution of the words "**an interim financial report**";** **and**

(b) in clause (i), by the deletion of the words "results of operations**" and the substitution of the words "**financial performance**".**

16. Section 135 of the Act is amended

(a) by renumbering it as subsection 135(1); and

(b) by the addition of the following after subsection (1):

Suspension of limitation period

(2) A limitation period established by subsection (1) in respect of an action is suspended on the date an application for leave under section 129 is filed with the court, and resumes running on the date

(a) the court grants or dismisses the application and

(i) all appeals have been exhausted, or

(ii) the time for an appeal has expired without an appeal being filed; or

(b) the application is abandoned or discontinued.

17. Section 149 of the Act is amended

(a) in clause (b), by the deletion of the word "or**" after the semicolon; and**

(b) by the repeal of clause (c) and the substitution of the following:

(c) the merits of a credit rating organization, a credit rating issued by a credit rating organization or the methodology used by a credit rating organization to determine credit ratings; or

(d) the merits of the disclosure record of an issuer or a credit rating organization under Prince Edward Island securities laws.

18. The Act is amended by the addition of the following after section 156:

156.1 Benchmark – false or misleading information

(1) No person shall, directly or indirectly, engage or participate in the provision of information to another person for the purpose of determining a benchmark if the person knows or reasonably ought to know that the information, at the time and in the circumstances in which it is provided, is false or misleading.

Attempt

(2) No person shall, directly or indirectly, attempt to engage or participate in the conduct described in subsection (1).

156.2 Benchmark manipulation

(1) No person shall, directly or indirectly, engage or participate in conduct relating to a benchmark that improperly influences the determination of the benchmark or produces or contributes to the production of a false or misleading determination of the benchmark.

Attempt

(2) No person shall, directly or indirectly, attempt to engage or participate in the conduct described in subsection (1).

19. Section 168 of the Act is repealed and the following substituted:

168. Regulations

The Lieutenant Governor in Council may make regulations

(a) respecting any matter considered advisable to carry out the purposes of this Act;

(b) amending or repealing a rule made by the Minister under section 169 before the coming into force of this section;

(c) governing the publication requirements for any regulatory instrument, code, standard, procedure or guideline, adopted or incorporated, or proposed orders made under section 138;

(d) respecting fees and charges, or limits on the fees and charges, that may be imposed with respect to

(i) a person being investigated or whose financial affairs are being examined under this Act,

(ii) a person appointed under Prince Edward Island securities laws, and

(iii) a market participant subject to a review under Prince Edward Island securities laws;

(g) varying the provisions of Prince Edward Island securities laws as they apply to a person;

(h) respecting the fees payable to the Superintendent for any service or function and respecting the refund of fees.

20. (1) Section 169 of the Act is amended in the words before clause 1,

(a) by the deletion of the words "The Minister**" and the substitution of the words "**The Lieutenant Governor in Council**"; and**

(b) by the deletion of the word "rules**" and the substitution of the word "**regulations**".**

(2) Section 169 of the Act is amended by the addition of the following after clause 1:

Credit Rating Organizations

1.1 respecting credit rating organizations, including, without limitation,

(i) the designation of credit rating organizations,

(ii) the suspension, cancellation or variation of designations of credit rating organizations,

(iii) the disclosure, filing or providing of information and documents to or with the Superintendent by credit rating organizations,

(iv) the disclosure of information to the public,

(v) requirements for the establishment, publication and enforcement of a code of conduct applicable to directors, officers and employees of credit rating organizations, including minimum requirements to be included in the code,

(vi) prohibiting or regulating conflicts of interest involving credit rating organizations,

(vii) prohibiting or regulating the disclosure, use and dissemination of non-public material information,

(viii) the maintenance of books and records necessary for the conduct of business and the issuance and maintenance of credit ratings,

(ix) the circumstances in which a credit rating organization or class of credit rating organization is not required to be designated or is deemed to be designated;

Benchmarks and benchmark administrators

1.2 prescribing categories of designated benchmarks;

1.3 prescribing classes of service providers or security holders for the purposes of subsection 83.4(2);

1.4 prescribing requirements respecting

(i) the designation of a benchmark or a benchmark administrator under subsection 83.3(1),

(ii) the imposition of a requirement under clause 83.3(1)(d),

(iii) the disclosure or provision of information to the Superintendent, the public or any person by a benchmark administrator, a benchmark contributor or a benchmark user, including requirements for disclosure statements by a benchmark administrator in relation to a benchmark,

(iv) the quality, integrity and sufficiency of the data and the methodology used by a benchmark administrator to determine a benchmark, including requirements for a benchmark administrator to monitor benchmark contributors and data provided by benchmark contributors,

(v) the establishment, publication and enforcement by a benchmark administrator of codes of conduct that apply to the benchmark administrator and benchmark contributors, their respective directors, officers and employees and any of their service providers or security holders that are in a prescribed class, and the minimum requirements to be included in a code,

(vi) contractual arrangements related to benchmarks to be entered into by a benchmark administrator and benchmark contributors, and the minimum requirements to be included in the contractual arrangements,

(vii) the use of service providers by benchmark administrators and benchmark contributors,

(viii) prohibitions against, and procedures respecting, conflicts of interest that involve a benchmark and benchmark administrators, contributors and their respective directors, officers and employees, and any of their service providers or security holders that are in a prescribed class, including

(A) procedures to be followed to avoid conflicts of interest,

(B) procedures to be followed if conflicts of interest arise,

(C) requirements for the separation of roles, functions and activities, and

(D) restrictions on the ownership of a benchmark or of a benchmark administrator,

(ix) prohibitions against the use by a benchmark user of a benchmark that is not a designated benchmark,

(x) disclosure and other requirements respecting the use of a benchmark by a benchmark administrator, benchmark contributor or benchmark user,

(xi) the requirement that any person provide information in relation to a benchmark for use by the benchmark administrator,

(xii) the maintenance of books and records necessary for the conduct of a benchmark administrator's business and the establishment and maintenance of a benchmark,

(xiii) the maintenance by a benchmark contributor of books and records relating to a benchmark,

(xiv) the appointment of compliance officers by benchmark administrators and benchmark contributors and any standards that must be met or qualifications a compliance officer must possess,

(xv) the prohibition or restriction of any matter or conduct involving a benchmark by benchmark administrators, benchmark contributors and their respective directors, officers and employees, and any of their service providers or security holders that are in a prescribed class,

(xvi) the design, determination and dissemination of a benchmark,

(xvii) plans of a benchmark user in the event that a benchmark changes or ceases to be provided and how these plans will be reflected in the contractual arrangements of the benchmark user,

(xviii) governance, compliance, accountability, oversight, audit, internal controls, policies and procedures of a benchmark administrator or benchmark contributor in respect of a benchmark, and

(xix) governance, compliance, accountability, oversight, audit, internal controls, policies and procedures of a market participant, investment fund or other person in respect of the use of a benchmark;

1.5 regulating submissions of information for the purposes of the determination or administration of a benchmark;

1.6 requiring benchmark administrators or benchmark contributors

(i) to establish plans in the event that a benchmark changes or ceases to be provided or is subject to data failures or business continuity issues, and

(ii) to have the plans referred to in subclause (i) reflected in contractual arrangements that relate to the benchmark;

1.7 governing or restricting the payment of fees or other compensation to a benchmark administrator or benchmark contributor;

(3) Clause 18 of section 169 of the Act is amended

(a) by the addition of the following after subclause (ii):

(ii.1) prescribing investment fund securities that are trading on an exchange or an alternative trading system,

(ii.2) in respect of investment fund securities under subsection 101(1.2),

(A) prescribing the disclosure document that is required, and

(B) prescribing the time and manner of delivering the disclosure document,

(b) by the addition of the following after subclause (xi):

(xi.1) prescribing circumstances in which a person who purchases a prescribed investment fund security under subsection 101(1.2) may cancel the purchase, including, without limitation

(A) prescribing the period in which a purchaser may cancel the purchase,

(B) prescribing the principles for determining the amount of the refund if the purchaser cancels the purchase,

(C) specifying the person responsible for making and administering the payment of the refund, and prescribing the period in which the refund must be paid, and

(D) prescribing different circumstances, periods, principles or persons for different classes of securities, issuers or purchasers,

(4) Section 169 of the Act is amended by the addition of the following after clause 32:

32.1 prescribing classes of documents or records to which the Superintendent shall not have access when exercising a power in relation to an auditor oversight body;

(5) Section 169 of the Act is amended in subclause 38(iii), by the deletion of the words "interim financial statements**" and the substitution of the words "**interim financial reports**".**

(6) Section 169 of the Act is amended in the following provisions by the deletion of the word "rules**" and the substitution of the word "**regulations**":**

(a) clause 3 and paragraph 3(xxvii)(B);

(b) subclauses 11(i) and (v);

(c) subclause 17(vi);

(d) subclause 18(xv);

(e) subclause 33(i);

(f) clause 42;

(g) clause 62, wherever they occur;

(h) clause 65.

21. Section 170 of the Act is repealed and the following substituted:

170. Scope of regulations

(1) A regulation made under section 168 or section 169 may

(a) prohibit, regulate, restrict, limit or control a person, an action, activity or conduct;

(b) adopt or incorporate by reference, in whole or in part, as amended from time to time, whether amended before or after the adoption or incorporation, with or without modification, any regulatory instrument, code, standard, procedure or guideline;

(c) impose or provide for the imposition of terms, conditions, restrictions and requirements, or any of them, before, during or after an action, activity or conduct is taken, in addition to any other terms, conditions, restrictions and requirements that may be imposed by the Superintendent;

(d) if circumstances warrant, have retroactive, retrospective or prospective effect;

(e) be of general or specific application;

(f) apply to classes, categories or subcategories of persons, securities, trades, transactions or other matters or things;

(g) be limited as to time or place, or both; and

(h) confer a discretionary power on the Superintendent.

Adoption by reference

(2) If a regulation adopts or incorporates by reference, in whole or in part, a regulatory instrument, code, standard, procedure or guideline, it may adopt it or incorporate it by reference as amended from time to time, whether before or after the adoption or incorporation by reference, and with the necessary changes.

Exemption may be authorized

(3) A regulation may authorize the Superintendent to grant an exemption to the regulation

(a) in whole or in part; and

(b) subject to terms, conditions, restrictions or requirements.

22. Section 171 of the Act is repealed and the following substituted:

171. Procedure for making regulations

The Superintendent shall follow the requirements of the regulations made by the Lieutenant Governor in Council under section 168 respecting the procedure to be followed in publishing any regulatory instrument, code, standard, procedure or guideline, and may adopt it or incorporate it by reference.

23. Sections 172 to 174 of the Act are repealed.

24. This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.

EXPLANATORY NOTES

SECTION 1 amends subsection 1(1) of the *Securities Act* to add new definitions for the purposes of the following amendments to the Act.

SECTION 2 amends the specified provisions of the Act to substitute the word "regulations" for the word "rules".

SECTION 3 amends subsection 6(1) of the Act by adding new subclauses (k), (l), (m) and (n) to provide for the regulation of credit rating organizations and benchmarks. The section authorizes the Superintendent to make orders designating a rating or class of ratings as a credit rating or benchmark and designating a person or class of persons as a credit rating organization or benchmark administrator.

SECTION 4 amends clause 14(1)(b) of the Act to substitute the word "regulations" for the word "rule".

SECTION 5 amends the heading of Part 7 of the Act to include credit rating organizations and benchmarks.

SECTION 6 amends section 70 of the Act to add an auditor oversight body as an entity that requires recognition by the Superintendent in order to carry on business.

SECTION 7 amends section 72 of the Act to include an auditor oversight body as an entity that may apply for recognition by the Superintendent.

SECTION 8 amends section 74 of the Act by adding new subsections (1.1) and (1.2) respecting the duties of a recognized auditor oversight body.

SECTION 9 amends the Act by adding a new section 74.1 that authorizes an auditor oversight body to request information or records in writing and requires persons to comply with the request, subject to solicitor-client privilege.

SECTION 10 amends the Act by adding a new division respecting Designated Credit Rating Organizations containing new sections 83.1 and 83.2. Section 83.1 authorizes the Superintendent to designate credit rating organizations, to impose terms and conditions on the designation, to suspend or cancel the designation or remove, vary or replace the terms and conditions imposed. Section 83.2 provides that the Superintendent shall not direct or regulate the content of a credit rating or the methodology used by the organization. The section also adds a new division respecting benchmarks containing new sections 83.3 and 83.4 of the Act. Section 83.3 authorizes the Superintendent to designate benchmarks and benchmark administrators, subject to the right to be heard as specified, and to cancel a designation or requirement made, or add to or vary a term or condition imposed, under the section. Section 83.4 requires benchmark administrators and others as specified to comply with prescribed requirements.

SECTION 11 amends subsection 101(1) of the Act to add references to "regulations" and remove a reference to "rules".

SECTION 12 amends section 101 of the Act by adding new subsections (1.1), (1.2) and (1.3) to enhance disclosure requirements in connection with sales of exchange-traded funds (ETFs). The section also adds necessary references to "any prescribed document" in subsections 101(2) and (7) and a consequential amendment in subsection 101(9) of the Act to refer to the new subsection (1.2).

SECTION 13 repeals section 116 of the Act and substitutes a new section 116 to clarify the right of action provided for in that section where the specified documents have not been sent or delivered as required.

SECTION 14 amends section 118 of the Act to include an amendment to a prospectus or a prescribed document as documents required to be filed.

SECTION 15 amends section 122 of the Act to update the wording.

SECTION 16 amends section 135 of the Act by renumbering it as subsection 135(1) and adding a new subsection (2) to specify the circumstances in which a limitation period under subsection (1) is suspended and resumes running.

SECTION 17 amends section 149 of the Act to add clauses (c) and (d) as matters on which a person is not permitted to make a representation that the Superintendent or another specified person has expressed an opinion or passed judgment on.

SECTION 18 amends the Act by adding new sections 156.1 and 156.2. New section 156.1 provides that it is an offence to directly or indirectly provide information that is false or misleading for the purpose of determining a benchmark, or to attempt to do so. New section 156.2 provides that it is an offence to engage or participate in conduct that improperly influences the determination of a benchmark as specified, or to attempt to do so.

SECTION 19 repeals section 168 of the Act and substitutes a new section 168 to update the authority for the Lieutenant Governor in Council to make regulations for the purposes of the Act.

SECTION 20 amends section 169 of the Act to change the authority from the Minister to the Lieutenant Governor in Council, and to add new clauses to the list of matters about which regulations may be made to include credit rating organizations, benchmarks and benchmark administrators, and other items as specified.

SECTION 21 repeals section 170 of the Act and substitutes a new section 170 to specify the scope of a regulation made under section 168 or 169 of the Act.

SECTION 22 repeals section 171 of the Act and substitutes a new section 171 that requires the Superintendent to follow the requirements of the regulations made by the Lieutenant Governor in Council under section 168 of the Act respecting the procedure to be followed in publishing the specified documents.

SECTION 23 amends the Act by repealing sections 172 to 174. These sections are no longer needed due to the amendments above changing "rules" in various provisions to "regulations".

SECTION 24 provides for the commencement of this Act.

(Bill No. 42)

An Act to Amend the Securities Act

STAGE:	***DATE:***
1st Reading:	November 3, 2026
2nd Reading:	
To Committee:	
Reported:	
3rd Reading and Pass:	
Assent:	

SIGNATURES:

Honourable Dr. Wassim Salamoun, Lieutenant Governor

Honourable Brad Trivers, Speaker

Joseph Jeffrey, Clerk

Hon. Bloyce Thompson
Minister of Justice and Public Safety and Attorney General

GOVERNMENT BILL

2026
3rd SESSION, 67th GENERAL ASSEMBLY