



BILL NO. 158

Government Bill

*2nd Session, 62nd General Assembly
Nova Scotia
65 Elizabeth II, 2016*

An Act to Amend Chapter 418 of the Revised Statutes, 1989, the Securities Act

CHAPTER 16
ACTS OF 2016

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
MAY 20, 2016**

The Honourable Randy Delorey
Minister responsible for the Securities Act

*Halifax, Nova Scotia
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**An Act to Amend Chapter 418
of the Revised Statutes, 1989,
the Securities Act**

Be it enacted by the Governor and Assembly as follows:

1 Section 129 of Chapter 418 of the Revised Statutes, 1989, the *Securities Act*, as amended by Chapter 15 of the Acts of 1990 and Chapter 46 of the Acts of 2006, is further amended by adding immediately after subsection (2) the following subsection:

(2A) No person is guilty of an offence under clause (c) of subsection (1) for contravening subsection (10) of Section 134B if the person did not know, and in the exercise of reasonable diligence would not have known, that the act or course of conduct in which the person engaged caused that person to contravene subsection (10) of Section 134B.

2 Subsection 134(1A) of Chapter 418 is repealed.

3 Chapter 418 is further amended by adding immediately after Section 134A the following Section:

134B (1) In this Section,

(a) “securities regulatory authority in Canada” means a securities commission, or another person or body, empowered by law to regulate trading in securities or derivatives in, or to administer or enforce the securities or derivatives laws of, any province of Canada, or any other person or body prescribed by the regulations, but does not include a self-regulatory organization, exchange, clearing agency, quotation and trade reporting system or credit rating organization;

(b) “securities regulatory authority outside Canada” means a securities commission, a self-regulatory organization, an exchange or another person or body, empowered by law to regulate trading in securities or derivatives in, or to administer or enforce the securities or derivatives laws of, any jurisdiction outside of Canada.

(2) Notwithstanding the requirement for a hearing in subsection (1) of Section 134, the Commission may, with or without providing an opportunity to be heard, make an order under clauses (a) to (h) of subsection (1) of Section 134 in respect of a person or company if the person or company

(a) has been convicted in Canada or elsewhere of an offence

(i) arising from a transaction, business or course of conduct related to securities or derivatives, or

(ii) under laws respecting trading in securities or derivatives;

(b) has been found by a court in Canada or elsewhere to have contravened laws respecting trading in securities or derivatives;

(c) is subject to an order made by

- (i) a securities regulatory authority outside Canada,
- (ii) a recognized self-regulatory organization in Canada, or
- (iii) an exchange in Canada,

imposing sanctions, conditions, restrictions or requirements on the person or company; or

(d) has agreed with

- (i) a securities regulatory authority outside Canada,
- (ii) a recognized self-regulatory organization in Canada, or
- (iii) an exchange in Canada,

to be subject to sanctions, conditions, restrictions or requirements.

(3) Subject to subsection (5), an order made by a securities regulatory authority in Canada imposing sanctions, conditions, restrictions or requirements on a person or company takes effect in the Province, without notice to that person or company and without a hearing or opportunity to be heard, as if the order were made by the Commission, with such modifications as the circumstances require.

(4) Subject to subsection (5), where a person or company is subject to sanctions, conditions, restrictions or requirements pursuant to an agreement with a securities regulatory authority in Canada, those sanctions, conditions, restrictions or requirements apply to that person or company, without notice to that person or company and without a hearing or opportunity to be heard, as if the agreement had been made with the Commission, with such modifications as the circumstances require.

(5) An order referred to in subsection (3), or an agreement referred to in subsection (4), must have

(a) arisen as a result of findings or admissions of a contravention of laws respecting the trading in securities or derivatives, or conduct contrary to the public interest; and

(b) been made or entered into on or after the day this Section came into force,

in order to satisfy the requirements of subsection (3) or (4), as the case may be.

(6) Where an order referred to in subsection (3), or an agreement referred to in subsection (4), does not satisfy the requirements of subsection (5), notwithstanding the requirement for a hearing in subsection (1) of Section 134, the Commission may, with or without providing an opportunity to be heard, make an order under clauses (a) to (h) of subsection (1) of Section 134 in respect of the person or company that is the subject of the order or agreement, as the case may be.

(7) Where an order is made by the Commission pursuant to subsection (2) or subsection (6), the Commission shall send a copy of the order to the person or company against whom the order was made.

(8) Notwithstanding subsections (3) and (4),

(a) no person or company is required to pay the Commission or any other person or company any administrative penalty, costs or other funds as a result of the operation of this Section;

(b) no order issued by, or agreement entered into with, a securities regulatory authority in Canada solely based on

(i) an order issued by another securities regulatory authority in Canada imposing sanctions, conditions, restrictions or requirements, or

(ii) an agreement with another securities regulatory authority in Canada to be subject to sanctions, conditions, restrictions or requirements,

satisfies the requirements of subsection (3) or (4), as the case may be;

(c) where

(i) an order issued by a securities regulatory authority in Canada imposing sanctions, conditions, restrictions or requirements is overturned, vacated, revoked or otherwise held to be of no force and effect pursuant to applicable laws, or

(ii) an agreement with another securities regulatory authority in Canada to be subject to sanctions, conditions, restrictions or requirements is set aside, revoked or otherwise held to be of no force and effect either pursuant to applicable laws or on consent of the parties to the agreement,

that order or agreement ceases to satisfy the requirements of subsection (3) or (4), as the case may be; and

(d) where

(i) an order issued by a securities regulatory authority in Canada imposing sanctions, conditions, restrictions or requirements, other than an order excluded from this Section pursuant to clause (b), is varied or amended pursuant to applicable laws, or

(ii) an agreement with another securities regulatory authority in Canada to be subject to sanctions, conditions, restrictions or requirements, other than an agreement excluded from this Section pursuant to clause (b), is varied or amended either pursuant to applicable laws or on consent of the parties to the agreement,

that order or agreement applies in the Province as varied or amended.

(9) On the application of

(a) the Director, in respect of a person or company who is subject to sanctions, conditions, restrictions or requirements imposed by, or agreed to with, a securities regulatory authority in Canada; or

(b) a person or company who is subject to sanctions, conditions, restrictions or requirements imposed by, or agreed to with, a securities regulatory authority in Canada,

the Commission may, after providing the Director and the person or company an opportunity to be heard, make a declaration clarifying or varying the application of subsection (3) or (4), as the case may be, to the person or company, and that declaration is binding on the person or company and the Commission.

(10) A person or company shall comply with an order that is deemed to have been made pursuant to subsection (3) or an agreement that is deemed to have been made with the Commission pursuant to subsection (4), including any declaration made by the Commission pursuant to subsection (9).

4 Subsection 142(2) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 28 of the Acts of 2014, is further amended by

- (a) striking out the period at the end of clause (ca) and substituting a comma; and**
- (b) striking out “and” in the sixteenth line.**

5 Section 150 of Chapter 418, as amended by Chapter 15 of the Acts of 1990, Chapter 32 of the Acts of 1996, Chapters 18 and 41 of the Acts of 2001, Chapter 39 of the Acts of 2002, Chapter 26 of the Acts of 2005, Chapter 46 of the Acts of 2006, Chapter 32 of the Acts of 2008, Chapter 73 of the Acts of 2010, Chapter 34 of the Acts of 2012, Chapter 28 of the Acts of 2014 and Chapter 51 of the Acts of 2015, is further amended by

- (a) striking out the semicolon at the end of subclause (cg)(ii) and substituting a comma; and**
 - (b) striking out the semicolon at the end of subclause (da)(iii) and substituting a comma.**
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