

Act

Agenda Item 4b(iii) November 14/23 EOC Meeting

**Proposed amendments to the Securities Act,
Commodity Futures Act, and the Financial
Services Regulatory Authority of Ontario Act,
2016, that would reduce the minimum
consultation period for proposed rules made by
the Financial Services Regulatory Authority of
Ontario (FSRA) and the Ontario Securities
Commission (OSC) from 90 days to 60 days.**

Regulation n/a
Number(s):

Instrument Type: Act

Bill or Act: Less Red Tape, More Common Sense Act, 2023,
Securities Act, Commodity Futures Act, Financial
Services Regulatory Authority of Ontario Act, 2016

**Summary of
Proposal:** Currently, following the publication of a proposed
rule, the OSC and FSRA are statutorily required to
provide 90 days for the public to review and
comment on the proposed rule.

As part of the Less Red Tape, More Common Sense Act, 2023, introduced on October 19, 2023 and led by the Ministry of Red Tape Reduction, the Ministry of Finance has proposed legislative amendments to subsection 143.2(4) of the Securities Act, subsection 67(4) of the Commodity Futures Act and subsection 22(4) of the Financial Services Regulatory Authority of Ontario Act, 2016 whereby the statutory minimum consultation period established for receiving feedback on proposed rules made by the OSC and FSRA would be reduced from 90 days to 60 days. While 60 days would be the minimum consultation period, the OSC and FSRA could set out longer consultation periods for consideration of more complex rules.

The proposed amendments would allow reduced consultation time and more timely enactment of simple, straightforward rules to respond to market changes and sector developments. It would provide the OSC and FSRA with the flexibility to streamline the rule development process and reduce regulatory burden, while having the ability to set out longer consultation periods for stakeholder

consideration of more complex rules. This proposal would align with comparable jurisdictions in Canada which have shorter consultation periods of 30 to 60 days, or do not specify a minimum period in legislation.

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**Analysis of
Regulatory
Impact:**

This proposal is not subject to the Modernizing Ontario for People and Business Act, 2020 and a Regulatory Impact Analysis was not required as it affects the operational rule-making process for FSRA and the OSC and does not impose any regulatory burden or direct compliance costs/impacts.

The proposed amendments align with the theme of making it easier to work with government as regulator-led initiatives, where appropriate, would not be delayed due to a statutory minimum consultation period. The OSC and FSRA would be able to respond more quickly to a rapidly evolving sector development and more effectively fulfil policy objectives such as improving investor and consumer protection, ensuring compliance with securities and financial services laws, and supporting the financial services sector.

Benefit quantification is not possible, as impact/benefits would differ depending on the regulator's discretion in varying the consultation time period for specific rule initiatives. Being able to respond quicker to market changes would help Ontario's financial sector competitiveness and protect investors and consumers more promptly.

**Further
Information:**

 [Bill 139, Less Red Tape, More Common Sense Act, 2023](#)

Proposal Number:

23-MOF016

Posting Date:

October 19, 2023

**Comments Due
Date:**

December 4, 2023

Contact Address:

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[Comment on this proposal via email](#)

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