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Mr. G.J. O'Mahoney
Chair, Board of Directors
Canadian Capital Markets Association
85 Richmond Street West
Toronto ON M5H 2C9

Dear Mr. O'Mahoney:

Thank you for your letters expressing support for the implementation of updated securities transfer legislation. Premier Dalton McGuinty also forwarded your letters to me. I apologize for the delay in my response.

As the Minister responsible for the administration of a number of business-related statutes, I am acutely aware of the importance of a modern commercial law framework to the economic prosperity of Ontario. Our government understands the need for modern business laws that reflect current market realities and that embody high standards of investor protection and corporate governance in Ontario. We also recognize that international developments are a key consideration in developing a legal framework that supports a competitive Ontario business environment.

I have heard from a number of experts and business leaders on the need for significant changes to Ontario's business laws. In recent months, I have met with representatives from the Ontario Securities Commission, the Ontario Bar Association and the Institute of Chartered Accountants of Ontario, all of whom are strong proponents of legislative reform. Following these discussions, I identified commercial law reform as one of the Ministry's priorities over the next few years. We are committed to a reform agenda.

Ministry staff are working closely with their counterparts at the Ministry of Finance and other ministries to ensure a consistent and coordinated approach to the reform of Ontario's commercial, securities and accounting laws.

In terms of your specific comments on the need for changes to Ontario's securities transfer laws, as you noted, the report of the Standing Committee on Finance and Economic Affairs on the Five Year Review of the Securities Act recommended that the government introduce securities transfer legislation modelled on the provisions that apply in the United States. In his response to this report, my colleague, the Honourable Gerry Phillips, Chair of the Management Board of Cabinet, noted that he had no major problems with the direction of any of the committee's recommendations.

In summary, I agree that updated securities transfer laws are an important part of modernizing the legal foundation of Ontario's financial services sector. The relevant ministries are now assessing and analyzing the specifics of this proposal. Once the government's consideration is complete, I would support developing updated securities transfer legislation for introduction at the earliest opportunity in the government's legislative agenda.

Thank you again for taking the time to write to me on this important matter.

Sincerely yours,



Jim Watson, MPP
Minister

c: Premier Dalton McGuinty
The Honourable Greg Sorbara, Minister of Finance
The Honourable Joe Cordiano, Minister of Economic Development and Trade
The Honourable Gerry Phillips, Chair of the Management Board of Cabinet
The Honourable Michael Bryant, Attorney General
Chair and Members of the Standing Committee on Finance and Economic Affairs