

Toronto (November 16, 2006 – 12:00 noon)

SIPA supports the brief submitted by the Coalition for the protection of investors to the Public Finance Committee, Québec National Assembly's general consultation on the protection of investors in Québec.

The coalition is concerned with a growing imbalance between the needs of investors and the functioning of the investment industry. The aim is to alert the government and the public to the critical changes which have affected pooled investments over the past decade. These changes will fundamentally affect the lifestyle expectations and security of millions of small investors in Québec and across Canada for generations to come. The proposal is to establish a saving and investment policy for Québec that makes all parties fully accountable for their actions.

We believe that the recommendations of the Coalition can improve investor protection. Such initiatives could serve not only Québécois investors but all investors across Canada. The four main recommendations are:

1. Establish an Indemnity Fund against fraud and fiduciary negligence to provide restitution for victims and help restore investor confidence,
2. Re-structure and simplify the governance of mutual funds to make both custodians and managers more accountable towards investors,
3. Provide certification and rating of investment management firms instead of products,
4. Provide national monitoring of savings and investments to determine financial trends and deliver an annual report.

In addition, we recommend that a national Investor Protection Authority with the power to order restitution in cases of investment industry wrongdoing be established to ensure that all investors across Canada are treated fairly.

We also recommend that Limitation Periods across Canada be reinstated to six years to ensure that investors who have been victimized

by investment industry wrongdoing will have sufficient time to access justice.

SIPA represents small investors across Canada, has members in nine provinces, and makes representations to federal and provincial governments, and regulators on behalf of consumer/investors. Our membership includes investors and investor advocates.

SIPA also associates with seniors' organizations to pursue issues affecting senior investors. These organizations include Canada's Association for the Fifty Plus, the National Pensioners & Senior Citizens Federation, and the United Senior Citizens of Ontario.

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