



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

## News Release

For immediate release

### Investment Industry Association Supports BCSC Initiative on OTCBB Trading

**Vancouver, May 13, 2008** –The Investment Industry Association of Canada (IIAC) supports the efforts of the British Columbia Securities Commission (BCSC) in taking action to discourage the manufacturing and sale of U.S. over-the-counter (OTC) quoted shell companies in British Columbia, for non-legitimate activities. BC Instrument 33-705 *Conditions of Registration for Investment Dealers that Trade in U.S. Over-the-Counter Markets* addresses the issues from the investment dealer perspective, taking into account much of the feedback provided by the securities industry on this matter.

The use of OTC shell companies for abusive purposes has compromised the reputation of the British Columbia capital markets, which in turn affects legitimate issuers and other market participants, said Susan Copland, Director, IIAC. She continued, “We look forward to the release of BC Instrument 51-509 *Issuers Quoted in the US Over-the-Counter Markets* to address the remaining responsibilities of other market participants in relation to this problem.

The IIAC acknowledges the importance of this initiative to the British Columbia capital markets, however, we are concerned about the implementation of regulation on a regional rather than national basis. Differentiation of provincial regulation creates complexities and works against the continuing move to national regulatory harmonization. The effect of this regionally based regulation may just move the problem elsewhere in Canada, and as such, other members of the Canadian Securities Administrators may want to consider implementing similar regulation.

The IIAC looks forward to working with the BCSC and the industry to develop best practices to assist its members in complying with the new requirements.

The Investment Industry Association of Canada (IIAC), formerly the industry association arm of the Investment Dealers Association of Canada (IDA), advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

– 30 –

For more information:  
Katie O'Dell  
Public Affairs Consultant  
Tel. (416) 687-5478, kodell@iiac.ca