

New Alberta Securities Commission Policy Encourages Self-Reporting of Securities Breaches

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The Alberta Securities Commission ("ASC") this week released its Policy 15-601: "Credit for Exemplary Cooperation in Enforcement Matters".

The Policy is intended to provide guidance and transparency as to the circumstances in which the ASC will exercise its discretion to grant credit to those individuals or entities **subject to investigative and enforcement matters**. The Policy is clear in that no credit will be awarded for simple compliance with regulatory standards and legal obligations owed by individuals and entities subject to investigations, but does itemize circumstances that may qualify these parties for reduced sanctions or leniency - in very limited circumstances.

In addition to emphasizing full cooperation in ASC investigations, including the provision of any reports prepared by experts or professionals retained by the subjects of any enforcement action to the ASC, the Policy emphasizes self-reporting where a party "think[s] [it] may have done something illegal or harmful to Alberta investors".

The extent of expected self-reporting is at this point unclear, but the Policy appears on its face to disqualify a party from earning credit in an investigation where it does not self-report at first instance. This seems to beg the question of whether parties are entitled to credit for exemplary cooperation where the investigation is initiated by the ASC itself and not as a result of a self-report.

The Policy has no application to quasi-criminal or criminal matters.

By

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