

BILL

No. 150

An Act to amend *The Securities Act, 1988*

(Assented to _____)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title

1 This Act may be cited as *The Securities (Saskatchewan Investors Protection) Amendment Act, 2023*.

SS 1988-89, c S-42.2 amended

2 *The Securities Act, 1988* is amended in the manner set forth in this Act.

Section 2 amended

3 Subsection 2(1) is amended:

(a) by adding the following clauses after clause (o.4):

“(o.5) **‘designated independent dispute resolution service’** means an independent dispute resolution service that is designated by the Commission pursuant to section 26.81 for the purpose of resolving complaints between registrants and members of the public;

“(o.6) **‘designated independent dispute resolution service order’** means a final order made by a designated independent dispute resolution service pursuant to this Act or the regulations, but does not include a settlement of the complaint by the parties”; **and**

(b) by adding the following clause before clause (v):

“(u.1) **‘independent dispute resolution service’** means, subject to the regulations, a not-for-profit company that:

(i) provides independent and impartial third-party dispute resolution services outside a court proceeding; and

(ii) meets any other requirements established by the Commission”.

Section 14.1 amended

4 The following clause is added after clause 14.1(1)(p):

“(q) a designated independent dispute resolution service”.

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Section 20 amended

5 Subsection 20(1) is amended:

- (a) in the portion preceding clause (a) by striking out “Parts V and V.1” and substituting “Parts V, V.1, V.2 and V.3”;
- (b) by striking out “or” after subclause (a)(vii);
- (c) by adding “or” after subclause (a)(viii);
- (d) by adding the following subclause after subclause (a)(viii):
“(ix) a designated independent dispute resolution service”; and
- (e) by repealing clause (a.1) and substituting the following:
“(a.1) conduct an examination of the affairs, records, practices and procedures of:
 - (i) a credit rating organization;
 - (ii) an entity recognized pursuant to section 21.3;
 - (iii) an entity designated pursuant to section 26.1; or
 - (iv) a designated independent dispute resolution service”.

Section 20.2 amended

6 Subsection 20.2(1) is amended by adding “every designated independent dispute resolution service,” after “every entity designated pursuant to section 26.1.”

Section 26.1 amended

7 Clause 26.1(1)(c.1) is repealed.

New Part V.3

8 The following Part is added after section 26.7:

**“PART V.3
Independent Dispute Resolution Service**

“Application of Part

26.8 Every designated independent dispute resolution service shall comply with this Part.

“Designation of independent dispute resolution service

26.81(1) On the application of the Director, the Commission may, in accordance with this section, designate an independent dispute resolution service as a designated independent dispute resolution service.

(2) After receiving an application pursuant to subsection (1), the Commission shall give the affected independent dispute resolution service an opportunity to be heard before making a decision pursuant to subsection (3).

(3) If the Commission considers it in the public interest to do so, the Commission may, by order, designate the independent dispute resolution service as a designated independent dispute resolution service.

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- (4) A designation pursuant to subsection (3) may be made subject to any terms and conditions the Commission considers advisable.
- (5) The Commission, if it considers it in the public interest to do so, may:
- (a) vary, suspend or cancel the designation of a designated independent dispute resolution service; or
 - (b) amend the terms and conditions of or impose new terms and conditions on the designation of a designated independent dispute resolution service.
- (6) The Commission may, if it considers it in the public interest to do so, cancel a designation made pursuant to subsection (3) at the request of the affected designated independent dispute resolution service.
- (7) The Commission shall provide the affected designated independent dispute resolution service an opportunity to be heard before the Commission makes a decision pursuant to subsection (5) or (6).

“The Arbitration Act, 1992 and other agreements not applicable

26.82(1) *The Arbitration Act, 1992* does not apply to proceedings conducted by a designated independent dispute resolution service pursuant to this Part and the regulations.

(2) Without limiting the generality of subsection (1), any agreement or contract, including an arbitration agreement as defined by *The Arbitration Act, 1992*, that provides that this Part or any provision of this Part does not apply to proceedings mentioned in subsection (1) is null and void and of no effect.

“Applicable standards, processes and procedures

26.83(1) Subject to subsection (2) and the regulations, a designated independent dispute resolution service may apply any standards, processes and procedures that the designated independent dispute resolution service considers appropriate and necessary to:

- (a) provide a fair dispute resolution process and outcome for the parties based on the circumstances of each matter that is the subject of a complaint;
- (b) facilitate an efficient resolution of each matter that is the subject of a complaint; and
- (c) present the dispute resolution process and outcome in an appropriate format and using appropriate language based on the circumstances of each complaint.

(2) A designated independent dispute resolution service shall only use those standards, processes and procedures that the designated independent dispute resolution service considers to be required to meet the objectives of clauses (1)(a) to (c).

(3) Subject to the regulations, a designated independent dispute resolution service may add one or more persons or companies to be a party to an existing complaint if the designated independent dispute resolution service considers that the addition of one or more parties is appropriate and fair in the circumstances.

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“Designated independent dispute resolution service orders

26.9(1) If a designated independent dispute resolution service considers that it would be fair in the circumstances of the complaint, it may order a registrant to do any or all of the following:

- (a) review, rectify, mitigate or change the conduct complained of or its consequences;
- (b) provide reasons or explanations for the conduct complained of;
- (c) change a practice relating to the conduct complained of;
- (d) apply to correct the information provided to federal and provincial tax authorities by that registrant;
- (e) apply to correct a credit rating of another party to the complaint;
- (f) forgive or vary a debt;
- (g) release assets, including securities, being held for a debt;
- (h) repay, waive or vary a fee or other amount paid to or owing to the registrant or to its representative or agent, including a variation in the applicable interest rate on a loan;
- (i) reinstate, vary, rectify or set aside a contract;
- (j) meet a claim under an insurance policy, including by repairing, reinstating or replacing items of property;
- (k) in the case of a complaint involving a privacy concern, not repeat conduct on the basis that it constitutes an interference with the privacy of an individual or correct, add to or delete information pertaining to the complainant.

(2) Subject to the regulations, in addition to any order made pursuant to subsection (1), a designated independent dispute resolution service may order that a registrant compensate a complainant with respect to a matter that is the subject of the complaint.

(3) Subject to the regulations, a designated independent dispute resolution service may make a designated independent dispute resolution service order that is binding on any parties to the complaint.

(4) Subject to the regulations, a designated independent dispute resolution service order may be filed with the Court of King’s Bench by:

- (a) the designated independent dispute resolution service; or
- (b) the complainant.

(5) A designated independent dispute resolution service order that is filed pursuant to subsection (4) may be enforced in the same manner as any order or judgment of the Court of King’s Bench.

(6) A designated independent dispute resolution service order is final and there is no appeal from a designated independent dispute resolution service order.

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“Powers of Commission respecting designated independent dispute resolution service

26.91(1) If the Commission considers it to be in the public interest, the Commission may approve the constating documents, terms of reference, bylaws or any other documents that could reasonably affect the ownership, control, standards, processes or procedures of a designated independent dispute resolution service.

(2) If the Commission considers it to be in the public interest to do so, the Commission may make an order respecting any of the following:

- (a) a bylaw, rule or other regulatory instrument or policy of a designated independent dispute resolution service;
- (b) a direction, decision, order or ruling made under a bylaw, rule or other regulatory instrument or policy of a designated independent dispute resolution service;
- (c) the standards, processes and procedures of a designated independent dispute resolution service;
- (d) the manner in which a designated independent dispute resolution service carries on business.

(3) A designated independent dispute resolution service shall comply with an order of the Commission made pursuant to subsection (2)”.

Section 52 amended

9 Section 52 is amended:

- (a) **by striking out “or” after clause (e);**
- (b) **by adding “or” after clause (f); and**
- (c) **by adding the following clause after clause (f):**

“(g) the fitness or conduct of a designated independent dispute resolution service”.

Section 134 amended

10(1) Clause 134(1)(j) is repealed and the following substituted:

“(j) that the registration, designation or recognition of a person or company pursuant to Saskatchewan securities law be suspended or restricted for any period that is specified in the order or be terminated, or that terms and conditions be imposed on the registration, designation or recognition”.

(2) The following clause is added after clause 134(1)(k):

“(l) that a person or company take any other action that the Commission considers necessary to ensure compliance with:

- (i) Saskatchewan securities laws; or
- (ii) a written undertaking made by a person or company to the Commission or the Director”.

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(3) The following clause is added after clause 134(1.01)(b):

“(b.01) a designated independent dispute resolution service”.

(4) The following subsection is added after subsection 134(3):

“(3.1) Without limiting the generality of subsection (1), (1.1) or (3), the Commission may make an order or take any other action mentioned in subsection (1), (1.1) or (3) against a person or company that publishes, hosts, indexes, broadcasts, shares, disseminates or distributes materials or information on any online platform or through any other means, whether or not the person or company is subject to any other order or action made pursuant to those subsections”.

Section 135.1 amended

11 Subsection 135.1(2) is amended:

(a) in clause (a) by striking out “\$100,000” and substituting “\$1,000,000”; and

(b) in clause (c) by striking out “\$100,000” and substituting “\$1,000,000”.

Section 152.1 amended

12(1) Clause 152.1(1)(g) is amended by adding “26.81,” after “26.1,”.

(2) Clause 152.1(4)(b) is amended by adding “an independent dispute resolution service,” after “a self-regulatory organization,”.

Section 153 amended

13 Subsection 153(1) is amended:

(a) by striking out “or” after clause (c);

(b) by adding “or” after clause (d); and

(c) by adding the following clause after clause (d):

“(e) a designated independent dispute resolution service, or a director, officer, employee or agent of a designated independent dispute resolution service, but only with respect to an act or thing carried out by or on behalf of a designated independent dispute resolution service in accordance with this Act and the regulations”.

Section 154 amended

14 Subsection 154(1) is amended:

(a) by repealing subclause (c)(v) and substituting the following:

“(v) respecting dispute resolution processes, including:

(A) requirements with respect to participation in a dispute resolution process, including a dispute resolution process by a designated independent dispute resolution service;

(B) any information sharing rules or requirements with respect to a dispute resolution process or a designated independent dispute resolution service;

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(C) any standards, processes or procedures with respect to a dispute resolution process, including a dispute resolution process by a designated independent dispute resolution service;

(D) requiring any registrant or category of registrant to comply with a designated independent dispute resolution service order or any other direction, decision, order or ruling made by a designated independent dispute resolution service;

(E) the enforcement of a designated independent dispute resolution service order or any other direction, decision, order or ruling made by a designated independent dispute resolution service, including the registration and enforcement of a decision or order in accordance with section 26.9 or 151.2;

(F) the impact of a dispute resolution process on other proceedings respecting the same matter that is the subject of a complaint;

(G) prescribing in the regulations review or appeal processes respecting any direction, decision, order or ruling made by a designated independent dispute resolution service; and

(H) requirements with respect to membership in a designated independent dispute resolution service”; **and**

(b) by adding the following clause after clause (c):

“(c.1) respecting a designated independent dispute resolution service, including:

(i) the designation of an independent dispute resolution service pursuant to section 26.81;

(ii) granting a designated independent dispute resolution service authority to make any order or decision in addition to orders made pursuant to subsection 26.9(1) that the designated independent dispute resolution service considers appropriate;

(iii) for the purposes of section 26.9, prescribing:

(A) categories of designated independent dispute resolution service orders that cannot be filed with the Court of King’s Bench pursuant to that section; and

(B) conditions, restrictions or requirements in relation to designated independent dispute resolution service orders that are permitted to be filed by a designated independent dispute resolution service pursuant to that section;

(iv) the disclosure or provision of information to the Commission, the public or any person or company by a designated independent dispute resolution service;

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- (v) the establishment, publication and enforcement of a code of conduct applicable to a designated independent dispute resolution service and any directors, officers, employees or third-party service providers of a designated independent dispute resolution service;
- (vi) the circumstances in which a party is required to use a designated independent dispute resolution service for dispute resolution respecting a complaint pursuant to this Act;
- (vii) the contractual requirements between a designated independent dispute resolution service and a registrant, other person or company;
- (viii) the use of third-party service providers by a designated independent dispute resolution service;
- (ix) governing conflicts of interest for a designated independent dispute resolution service and any directors, officers, employees or third-party service providers of a designated independent dispute resolution service;
- (x) prohibiting registrants from using the services of an independent dispute resolution service that is not designated pursuant to section 26.81 or from using dispute resolution processes from any entity other than a designated independent dispute resolution service;
- (xi) the maintenance of books, records and other documents by a designated independent dispute resolution service;
- (xii) the governance, compliance, accountability, oversight, audit and internal controls of a designated independent dispute resolution service with respect to dispute resolutions;
- (xiii) the standards, practices, policies and procedures of a designated independent dispute resolution service with respect to dispute resolutions;
- (xiv) the conduct of investigations by a designated independent dispute resolution service, including the examination of documents and records of registrants, other persons or companies for the purposes of a dispute resolution process;
- (xv) the addition of parties to or expanding the scope of existing investigations and dispute resolution processes by a designated independent dispute resolution service;
- (xvi) matters respecting a designated independent dispute resolution service order, including the enforcement of a designated independent dispute resolution service order and the parties on which a designated independent dispute resolution service order is binding; and
- (xvii) any additional conditions and requirements that a designated independent dispute resolution service must meet when performing its duties and carrying out its responsibilities pursuant to this Act”.

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Section 161 amended

15 Clause 161(1)(d) is amended by striking out “subsection 131(3.1)” and substituting “clause 21.3(1)(a)”.

Coming into force

16 This Act comes into force by order of the Lieutenant Governor in Council.

FOURTH SESSION

Twenty-ninth Legislature

SASKATCHEWAN

BILL

No. 150

An Act to amend *The Securities Act, 1988*

Received and read the

First time

Second time

Third time

And passed

Honourable Bronwyn Eyre
