



BANK OF CANADA

FOR IMMEDIATE RELEASE
22 September 2005

CONTACT: Jeremy Harrison
(613) 782-8782

Governor Dodge Discusses How Regulation Can Improve Financial System Efficiency

TORONTO, ONTARIO—Bank of Canada Governor David Dodge today said that the pursuit of financial system efficiency is an important way for regulators to “best serve the public and contribute to sustainable economic growth and prosperity in Canada.”

In a speech to the Toronto Chartered Financial Analysts (CFA) Society, Mr. Dodge described ways that policy-makers can build a regulatory framework that enhances financial system efficiency, including by promoting competition. For the framework to be effective, it is important that regulations are enforced and are seen to be enforced. “Investors must have confidence that they will be treated fairly,” he said.

The Governor said that Canadian regulators are right to take a made-in-Canada approach that also takes international considerations into account. “The principles behind our regulations must be as good as, or better than, those of other countries. But we must apply those principles in a way that develops a comparative advantage for our firms and our markets.”

With respect to the rules governing securities markets, Mr. Dodge said that, “. . . while the application of rules needs to take into account the size and complexity of firms, there is no need for different rules to be applied based on the province or territory of the issuer or investor.”