

Securities Regulators Rack Up \$1.1 billion in Unpaid Fines

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Recently, the Globe and Mail conducted an investigation and published an article which revealed that securities regulators across Canada have over \$1.1 billion in uncollected fines. This is despite the fact that each year Canadian regulators levy approximately \$100 million in fines and penalties. The investigation uncovered that the British Columbia Securities Commission has the highest amount of unpaid fines (likely due to the fact that it levies the highest fines overall), followed by the Ontario Securities Commission and Alberta Securities Commission. The article notes that often the more egregious the offender, the less likely a fine will be paid, particularly if the offender is banned from the industry. It notes an example of a Mutual Fund Dealers Association ("MFDA") decision which commented: "the imposition of a permanent prohibition may well make it less likely that a fine will ever be paid".

Interestingly, the article does not comment on the ability of some regulators (Alberta, Quebec and Prince Edward Island) to collect fines through their court systems. These powers have been granted recently and may well impact the ability of those regulators to collect unpaid fines.

By

[Eric Doherty](#)

Expertise

[White Collar Criminal Defence and Corporate Investigations](#), [Securities Disputes](#)

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BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

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