**Securities Law Enforcement in Canada: Towards a Consolidated Model?**

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About 20 years ago, the Law and Finance movement was launched with a series of influential papers by La Porta, Lopez-de-Silanes, Shleifer & Vishny (LLSV). A central thesis of the movement is that “law matters”, that is regulation influences the level of investor protection, corporate ownership structures and, more generally, the development of financial markets. An additional wrinkle to this story is that enforcement matters. Indeed, even if the laws on the books are excellent, an ineffective enforcement regime will prevent the rules from attaining their outcome.

In Canada, enforcement in securities regulation has generated much debate in policy and academic settings. A first debate relates to the role and place of public and private enforcement mechanisms. A second debate pertains to the efficacy of the decentralized (multi-enforcer) model of enforcement vis-à-vis the centralized (or consolidated) enforcement model. These debates have been fuelled by the perception that enforcement is suboptimal in Canada, prompting proposals to establish a national securities regulator.

Recently, the proposed Cooperative Capital Markets Regulatory System and the Supreme Court decision in *Theratechnologies* have put these debates squarely at the forefront of the agenda in Canada. Taking into account the legal and institutional features of the Canadian securities regulation landscape, the paper surveys the theoretical and empirical literature regarding enforcement in securities regulation. It critically analyzes the decentralized and consolidated enforcement models in order to assess their efficacy in the Canadian setting.

Key words: law and finance; securities regulation; enforcement; deterrence