

NEWS RELEASE

Wilfrid Laurier University



Ontario Research Fund helps Laurier profs build insider-trading database

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WATERLOO — Two finance professors at Wilfrid Laurier University who study insider trading have been awarded a grant through the Ontario Ministry of Research and Innovation's Ontario Research Fund.

Dr. Brian Smith and Dr. William McNally of the Laurier School of Business & Economics have been awarded an Ontario Research Fund – Research Infrastructure Grant worth \$45,172 to help them develop an insider-trading database.

Smith and McNally's research focuses on patterns of legal insider trading in Ontario. Corporate "insiders," such as senior officers and administrators, are allowed to hold stock in their companies but are required to report their trades of that stock to the Ontario Securities Commission within a specific time frame.

The broad public perception is that insider trading in general is a problem, but there is limited evidence to either support or challenge that perception. Smith and McNally's project will provide the tools to address this issue.

The goal of their research, already underway, is to assemble a clean set of insider-trading data for the last 20 years. Once that database has been assembled, it can be used by researchers to look at how patterns of trades influence the market and how other traders react.

Both Smith and McNally have extensive publication and research experience in the field of corporate finance in Canada. "With this research, we can make a contribution to the regulation and reputation of Canadian capital markets," says McNally.

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“I am very pleased about Dr. Brian Smith and Dr. William McNally’s successful grant application,” says Laurier dean of business and economics, Ginny Dybenko. “This accomplishment is a true testament to the hard work and dedication they have put toward the project, and I am excited about the support it will provide to finance research at Laurier.”

The Bank of Canada, interested in maintaining confidence in strong and well-regulated security markets, has provided support to the project by donating databases. Private-sector funding was also provided by the John Dobson Foundation in Montreal.

The Ontario Ministry of Research and Innovation has announced \$22.1 million in funding to support 138 Ontario Research Fund projects. The province matches funding commitments made by the Canada Foundation for Innovation through the Research Infrastructure Program. Project funding is shared among the Canada Foundation for Innovation (up to 40 per cent), the province (up to 40 per cent), and the research institutions and industry partners (at least 20 per cent).