

# OSC approves \$24.5M in settlements with TD, RBC over FX traders sharing info

The Canadian Press

**TORONTO**  
Canada's two biggest lenders have agreed to pay nearly \$24.5 million in fines to the Ontario Securities Commission to settle allegations that currency traders inappropriately shared confidential information in chatrooms to gain a potentially unfair advantage, and that neither TD Bank nor Royal Bank had adequate controls to keep them in check.

TD and RBC have agreed to voluntary payments of \$9,300,900 and \$13,552,000, respectively, as part of settlement agreements approved by an OSC panel Friday.

The lenders also agreed to an additional payment of \$800,000 each to cover the costs of the OSC's investigation. As well, internal audit groups at both banks will conduct audits of their compliance with the FX Global Code, a set of principles for the foreign exchange market.

"These are serious failings by two of the biggest, most sophisticated and well-resourced financial institutions in Canada," said the OSC's director of enforcement Jeff Kehoe in a statement Friday.

"RBC and TD had the ability and means to properly monitor use of technology with known compliance risks in their FX trading, yet for more than three years, they failed to adequately do so. As a result, traders were free to engage in self-serving behaviour that put the banks' economic interests ahead of their customers, other market participants and the integrity of the capital markets."

The multi-million dollar settlements with Canada's biggest securities regulator come days after both lenders reported their latest quarterly results. Last week, RBC reported that it earned third-quarter profits of \$3.26 billion. On Thursday, TD reported that it earned \$3.26 billion in net income during the quarter ended July 31.

In calculating the settlement amounts, OSC staff also took into account the amount of relevant revenue during the period between 2011 and 2013, which were estimated at \$102.87 million for TD and \$124 million for RBC.

The OSC said TD's payment was calculated as 10 per cent of the relevant revenue plus an additional \$1 million for each year of conduct, but then applied a discount of 30 per cent for its early settlement and co-operation.

RBC's payment was calculated with a similar methodology, but the lender received a 12 per cent discount for its co-operation.

Vingoe said Friday that both banks complied with the regulator's probe, but noted that TD's co-operation was "exemplary."

The factors in the OSC's decision to approve these settlements included efforts by both TD and RBC to improve their compliance and procedures, Vingoe said. He noted that RBC has since prohibited and shut down multi-dealer chatrooms, implemented training and implemented

enhanced surveillance of electronic communication. He said TD, among other things, has engaged a third-party consultant to review its market-abuse controls.

The banks agreed as part of the settlements that their currency traders exchanged confidential information, such as the existence of stop loss orders, with traders at other financial institutions over a period between 2011 and 2013.

Both banks also agreed that they did not have a sufficient system of controls and supervision in place in relation to their foreign exchange businesses during that time.

However, neither lender admitted to a specific breach of securities law and OSC staff did not allege or have any evidence of market manipulation, OSC staff lawyer Cullen Price said.

Still, TD and RBC "failed to meet the high standards of conduct expected of a market participant, which potentially put its customers at risk," said OSC's vice chair Grant Vingoe during both hearings.

TD and RBC foreign currency traders were involved in several large chatrooms involving traders from other international banks, as well as bi-lateral chats, and OSC staff had identified "many hundreds of prohibited disclosures" between 2011 and 2013, the regulator said in its summary of the agreed facts.

"Participation in chatrooms with traders from other firms had a profit motive," the OSC wrote.

# Airbus pulls out of fighter-jet competition following complaints

The Canadian Press

**OTTAWA**  
Canada's multibillion-dollar effort to buy new fighter jets has taken another surprise turn with European aerospace giant Airbus announcing it has withdrawn from the high-stakes competition.

Airbus Defence and Space, in partnership with the British government, was one of four companies expected to bid on the \$19-billion contract to build 88 new fighter jets. They're to replace the Royal Canadian Air Force's aging CF-18s.

But in a statement Friday, Airbus said it had notified the Canadian government of its decision to withdraw its Eurofighter Typhoon for two reasons - both of which it had raised before the competition was formally launched in July.

The first relates to a requirement that bidders show how they plan to ensure their planes can integrate with the top-secret Canada-U.S. intelligence network known as "Two Eyes," which is used to co-ordinate the defence of North America.

Meeting the requirement continues to place "too significant of a cost" on non-U.S. aircraft, said Airbus, which would have been required to show how it planned to integrate the Typhoon into the Two-Eyes system without knowing the system's full technical details.

The second factor was the government's decision to change a long-standing policy that requires bidders on mili-

tary contracts to legally commit to invest as much money in Canadian products and operations as they get out of contracts they win.

With the new process, bidders can instead establish "industrial targets," lay out a plan for achieving those targets and sign non-binding agreements promising to make all efforts to achieve them. Such bids do suffer penalties when the bids are scored but are no longer rejected outright.

That change followed U.S. complaints the previous policy violated an agreement Canada signed in 2006 to become one of nine partner countries in developing the F-35. The agreement says companies in partner countries will compete for work.

In its statement, Airbus said the new approach "does not sufficiently value the binding commitments the Typhoon Canada package was willing to make, and which were one of its major points of focus."

Airbus is the second company to pull its fighter jet from the competition after Dassault withdrew its Rafale last November. That leaves Lockheed Martin's F-35, Boeing's Super Hornet and Sweden's Saab Gripen in the running.

Boeing and Saab have both previously raised their own concerns about the changed industrial-requirement policy, arguing it will shortchange taxpayers and Canada's aerospace and defence industry.

# PUBLIC NOTICES

## DEVELOPMENT PERMITS APPROVED AUGUST 22 TO AUGUST 28, 2019 PLANNING & DEVELOPMENT SERVICES

RESIDENTIAL	
<b>1878 9 AVENUE NE</b>	(Lot 8, Block 4, Plan 7510086) DP15120. Garage (Addition).
<b>1481 26 STREET SE</b>	(Lot 50, Block 10, Plan 0614308) DP15134. Duplex (Over-Height Fence Variance).
COMMERCIAL	
<b>777 17 STREET SE</b>	(Lot 1, Block 18, Plan 3420AH) DP14972. Industrial Operations (Storage) Including Side Setback Variance.
<b>1250 52 STREET NW</b>	(Lot, Block, Plan) DP15095. Industrial Operations (Control Room).
HOME OCCUPATION	
<b>430 STRATTON WAY SE</b>	(Lot 12, Block 5, Plan 0013182) DP15131. Office Use Only. Carpet/ Upholstery Cleaning.
<b>1145 ROSS STREET SE</b>	(Lot 6, Block 7, Plan 481M) DP15132. Office Use Only. Consultant.
<b>525 2 AVENUE SE</b>	(Lot 20, Block 83, Plan 636M) DP15133. Office Use Only. Consultant.
<b>130 5 STREET SW</b>	(Lot 27, Block 15, Plan 833M) DP15135. Office With Storage on Site. Photography and Equipment.
<b>103 ROSSLAND ROAD SE</b>	(Lot 3, Block 19, Plan 7810695) DP15136. Customers to Attend Site. Online Sales.
<b>58 SOMERSIDE GATE SE</b>	(Lot 20, Block 9, Plan 0912931) DP15137. Office With Storage on Site. General Contractor/Project Manager.

A person claiming to be affected by a decision of the Development Officer or the Municipal Planning Commission may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty-one (21) days of this publication. Notice of Appeal forms are available from the City Clerk Department, Third Floor, City Hall or on the City's website at [www.medicinehat.ca](http://www.medicinehat.ca)

All Development Permits listed are subject to conditions. Further information on any Development Permit may be obtained from the Planning & Development Services Department, Second Floor, City Hall during normal business hours (Telephone 403.529.8374).

## WASTE MANAGEMENT FACILITY

Residents are reminded that the City of Medicine Hat Waste Management Facility will remain open on Monday, September 2, 2019 and currently operates on regular (summer) hours from April 1 to October 31 as follows:

- Monday through Friday 8:00 a.m. – 6:00 p.m.
- Saturday and Sunday 8:00 a.m. – 5:00 p.m.

Refer to [medicinehat.ca/eu](http://medicinehat.ca/eu), download the Recycle Coach App, or contact Environmental Utilities at 403.529.8176 for more information.

## 8AM - 4PM SPECIAL SERVICES

Electric Outages.....	403.529.8260
Gas Emergency.....	403.529.8191
Water & Sewer Emergency.....	403.502.8042
After Hours Special Services.....	403.526.2828



## BYLAW #4596 PROPOSED AMENDMENT TO THE LAND USE BYLAW #4168 AIRPORT DISTRICT

TAKE NOTICE that City Council gave First Reading on Monday, August 19, 2019 to Bylaw #4596, a Bylaw of the City of Medicine Hat to amend the Land Use Bylaw #4168 by revising the permitted and discretionary land uses within the Airport District (A) as well as rezoning the South and East Nodes of the Airport from Airport District (A) to General Industrial District (I-G). The rezoning application is intended to ensure future development within the Airport District (A) will contribute to a high quality, attractive, gateway to the airport lands

A Public Hearing in general accordance with the Municipal Government Act and the City's Procedure Bylaw, and consideration of the Second/Third Readings of proposed Bylaw #4596 will be held in the City Hall Council Chambers at the address below on Monday, September 16, 2019, beginning at approximately 6:30 pm. Any person who claims to be affected by the proposed bylaw may make representation to City Council at the Public Hearing. Oral submissions are limited to five minutes.

For further information, or to view a copy of proposed Bylaw #4596 and related documents, please contact Planning & Development Services at 403.529.8374. Bylaw #4596 may also be accessed via the 'Proposed Bylaws' section on the City's website at [www.medicinehat.ca](http://www.medicinehat.ca).

Anyone wishing to have a written submission concerning this proposed bylaw placed before the City Council must submit it to:

City Clerk Department, 580 First Street SE, Medicine Hat, Alberta T1A 8E6

by 12:00 noon, Wednesday, September 11, 2019.

All submissions are treated as public documents.

Dated at the City of Medicine Hat, in the Province of Alberta, this 24th day of August, 2019.

Angela Cruickshank, City Clerk  
Phone 403.529.8234  
Fax 403.529.8324  
E-mail: [clerk@medicinehat.ca](mailto:clerk@medicinehat.ca)

## WATER MAIN FLUSHING & FIRE HYDRANT INSPECTIONS

Environmental Utilities performs regular, routine maintenance to uphold the water quality and system infrastructure by annually flushing water mains and inspecting fire hydrants.

During these operations, there may be some discoloration in the water which is not harmful to consume and will disappear when flushing is complete. Please note that discoloured water should not be used for laundry and that fluctuating water pressure may also be noticed.

Should discoloration persist beyond three hours, turn on your cold water tap or an outside sprinkler and let the water run for several minutes until the water runs clear.

For additional information or to confirm whether crews are working in your zone, refer to the Water Flushing Programs page on the City's website at [www.medicinehat.ca/eu](http://www.medicinehat.ca/eu) or contact Environmental Utilities at 403.529.8176.

## RESIDENTIAL WASTE COLLECTION COLLECTION DAY CHANGES

There will be no residential waste collection on Monday, September 2, 2019 due to the Labour Day Statutory Holiday. Waste collection zones will advance as follows:

DATE	CITY ZONE
Monday, September 2	No Collection
Tuesday, September 3	Zone 1
Wednesday, September 4	Zone 2
Thursday, September 5	Zone 3
Friday, September 6	Zone 4
Monday, September 9	Zone 5

Download the Recycle Coach App, refer to [medicinehat.ca/collectionsschedule](http://medicinehat.ca/collectionsschedule) or contact Environmental Utilities at 403.529.8176 for more information.

## CART COLLECTION TIPS

- Carts must be out by 7 a.m. on your collection day.
- Waste carts are collected separately with collection times that vary throughout the day.
- Make sure carts are accessible with 3ft (1m) clearance on all sides.
- Ensure cart lids are closed to avoid litter or collection problems.
- Contaminated blue recycling carts as well as yard waste material in plastic bags **will not** be collected.

Prevent theft or damage to your carts! Remove carts off roadways, sidewalks, back lanes etc. and return to private property within 24 hours of collection.

## PUBLIC NOTICE OF ROAD CLOSURE PLAN: 726M, BLOCK: 3, LANE COVENANT CARE (FORMER RIVERSIDE SCHOOL SITE)

The municipal council of the City of the Medicine Hat gave First Reading on Monday, August 19, 2019 to Bylaw #4595, a road closure bylaw. The purpose of Bylaw #4595 is to close an undeveloped Lane in Plan: 726M, Block 3 (former Riverside School Site). The Lane could then be consolidated with the former Riverside School property to allow for the redevelopment of the entire site.

A copy of proposed Bylaw #4595 and related documents may be inspected between 8:30 am to 4:30 pm at the City Clerk Department or accessed via the 'Proposed Bylaws' section on the City's website at [www.medicinehat.ca](http://www.medicinehat.ca).

Any person claiming to be affected by the proposed bylaw will be given an opportunity to be heard by the Council prior to consideration of second and third readings of this bylaw, which will occur in City Hall Council Chambers during the course of a regularly scheduled Council meeting on Monday, September 16, 2019.

Anyone wishing to have a written submission concerning this proposed bylaw placed before the City Council must submit it to:

City Clerk Department, 3rd Floor, 580 First Street SE, Medicine Hat, Alberta, T1A 8E6

by 12:00 o'clock noon, Wednesday, September 11, 2019.

All submissions are treated as public documents.

THIS NOTICE is provided pursuant to Section 22 of the Municipal Government Act.

Dated at the City of Medicine Hat, in the Province of Alberta, this 24th day of August, 2019.

Angela Cruickshank, City Clerk  
Phone: 403.529.8234  
Fax: 403.529.8324  
E-mail: [clerk@medicinehat.ca](mailto:clerk@medicinehat.ca)