



Competition Bureau  
Canada

Bureau de la concurrence  
Canada

# FROM BREAD TO BANKING:

## DRIVING COMPETITION AND INNOVATION IN CANADA

2017–18 ANNUAL REPORT



Canada



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## For information on the Competition Bureau's activities

This publication is not a legal document. It is intended to provide general information and is provided for convenience. To learn more about the Competition Bureau's activities, please refer to the full text of the relevant Acts (the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*) or contact the Competition Bureau's Information Centre at:

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# MESSAGE FROM THE COMMISSIONERS

2017–18 was a transitional year for the Bureau with the end of our 2015–18 Strategic Vision and also for me personally, with my term as Commissioner of Competition concluding in May 2018.



I am proud of the results we have achieved for consumers and businesses across a variety of sectors. We fought to enable retailers to offer discounts on ebooks, exposed hidden fees charged by online retailers and secured record-setting fines against cartels in the international autoparts sector.

We also looked ahead at what's to come, focusing particularly on innovation in the digital economy. Our case against the Toronto Real Estate Board set a precedent for putting digital innovation first, while our market study on financial technology and discussion paper on the competition-related challenges of big data have helped shape stakeholders' understanding of these key areas of innovation.

It is my hope that the Bureau will continue to prioritize this kind of forward-looking analysis in the years ahead, further exploring how emerging trends and technologies

will affect competition — and how Canadians will do business in the digital world.

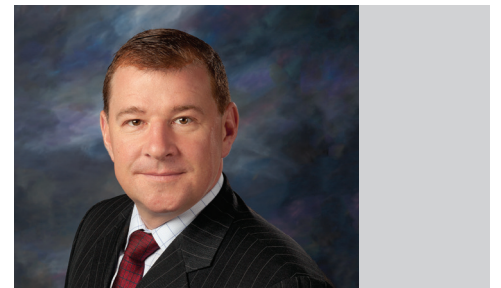
Over the past five years, my priority has been to build trust through collaboration with *all* of the Bureau's stakeholders. That trust has many facets: the trust Canadians have in the marketplace; trust between the Bureau and the legal community that deals with competition matters; trust with our international and domestic law enforcement partners; and the trust of our government partners who count on our expert insights to develop and improve regulations that will serve Canadians today and into the future.

It has been a privilege to serve Canadians in this capacity. I am proud of the many accomplishments we have made to ensure consumers and businesses prosper in a competitive and innovative marketplace. I want to thank every member of the Bureau's staff and management for their tireless work and dedication in realizing our Strategic Vision — and I am confident they will harness the momentum created over these past years to deliver many more excellent results for all Canadians.

## **John Pecman**

Outgoing Commissioner  
of Competition

Competition has a direct impact on the day-to-day lives of Canadians. Competitive marketplaces drive innovation, leading to better products, greater choice and lower prices for Canadian consumers for everything from bread to banking services.



Our goal at the Competition Bureau is to ensure that Canadians enjoy the benefits of innovation by promoting and supporting competition. We are pursuing that aim through high-profile cases, such as our investigation into the alleged price-fixing of bread products in Canada's grocery stores and our legal proceedings against Ticketmaster over alleged misleading price advertising — both issues that impact the daily lives of Canadians.

I am proud of what we achieved in 2017–18, and I am honoured to have been asked to lead the Competition Bureau until the next Commissioner is appointed. Thanks to Commissioner Pecman's leadership and vision, the Bureau is well positioned to continue to succeed in delivering on its mandate. I intend to build on this solid foundation to ensure that Canadians continue to benefit from increased competition and innovation in the marketplace.

## **Matthew Boswell**

Interim Commissioner  
of Competition



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## WHO WE ARE

# WE ARE CANADA'S COMPETITION BUREAU

### Our Responsibilities

Headed by the Commissioner of Competition, the Competition Bureau (Bureau) administers and enforces the *Competition Act*, the *Consumer Packaging and Labelling Act* (except enforcement as it relates to food), the *Textile Labelling Act* and the *Precious Metals Marking Act* (collectively referred to as the Acts).

### Our Vision

To be among the leading competition agencies in the world; one that is open, transparent and collaborative, and that vigorously enforces and promotes competition to provide Canadians with the benefits of a competitive and innovative marketplace.

### Our Mission

To promote and protect competition for the benefit of Canadians, the Bureau will administer and enforce the Acts with fairness and predictability, to:

- Prevent and deter anti-competitive behaviour and deceptive marketing practices
- Review mergers to ensure they do not harm competition
- Empower consumers and businesses

## Our Core Values

### Openness and transparency

We engage with our stakeholders through a wide range of new and existing means of communication to dialogue and share information, and to explain to Canadians and our partners the benefits of competition for consumers, businesses and the productivity of the Canadian economy.

### Collaboration

We work with our partners to advance competition to ensure our marketplace is functioning efficiently.

### Integrity and fairness

We act with integrity and fairness and in the public interest at all times. This requires a principle-based approach to enforcing and administering the Acts. Our decisions are based on facts, evidence and sound judgement. We are committed to protecting the confidentiality of sensitive information.

### Respect

We interact honestly and respectfully with our colleagues, partners and all Canadians — recognizing their diversity and their individual contributions to healthy competition.

### Leadership

We show leadership through our actions, strategic approach and commitment to continuous innovation.

## Our Structure

Our organization is headquartered in Gatineau, Québec, and has regional offices in Montréal, Toronto and Vancouver.



### Headquartered:

Gatineau, Québec

### Regional Offices:

Montréal

Toronto

Vancouver



## Budget and Employees



Budget for  
2017–2018:  
**\$49.6** million



Full-time Employees  
for 2017–2018:  
**361**

## Branches

### Cartels and Deceptive Marketing Practices

- Cartels Directorate
- Deceptive Marketing Practices Directorate

### Mergers and Monopolistic Practices

- Mergers Directorate
- Monopolistic Practices Directorate

### Competition Promotion

- Economic Analysis Directorate
- International Affairs Directorate
- Policy, Planning and Advocacy Directorate
- Public Affairs and Outreach Directorate
- Compliance Unit

### Corporate Services

- Enforcement Services Directorate
- Finance, Administration and Information Management Directorate
- Talent Management and Development Directorate

# FINANCIAL SNAPSHOT

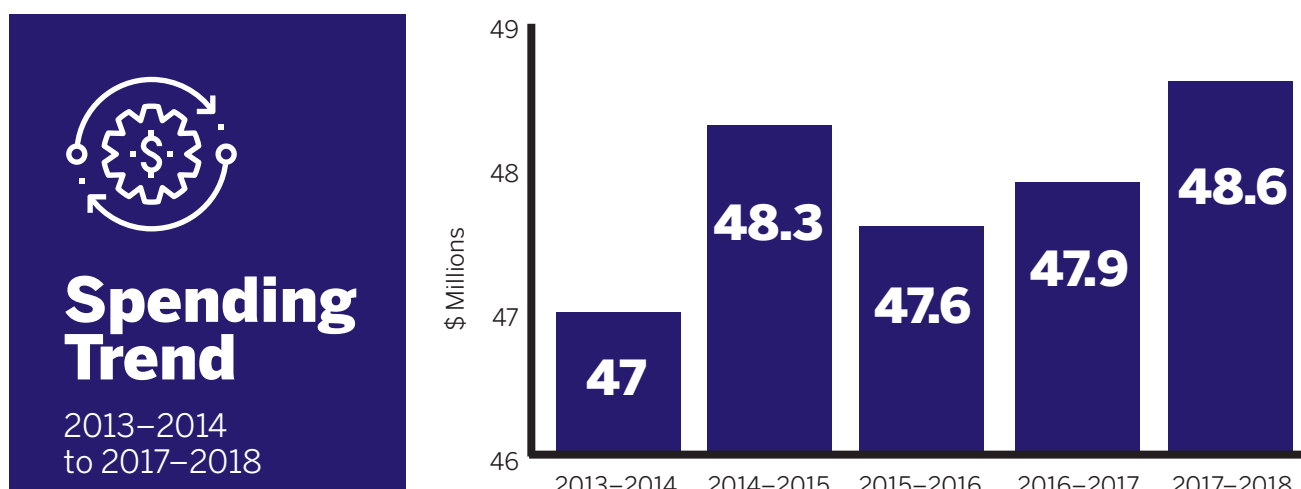
The Bureau's budget for 2017–18 was \$49.6 million, including approximately \$10 million from user fees.<sup>1</sup> Expenditures were \$48.6 million, consisting of \$36.6 million in salaries for 361 full-time equivalent (FTE) employees and \$14 million in non-salary expenses.

Table 1 presents the Bureau's authorized budget and expenditures for the year.

**Table 1: Authorized budget expenditures for 2017–18**

	BUDGET	EXPENDITURE
Salary	\$34,460,353	\$36,613,959
O&M	\$15,034,640	\$13,921,530
Capital	\$78,104	\$72,913
Total	\$49,573,097	\$48,608,403

Figure 1 illustrates the Bureau's spending trend for the past five years.



<sup>1</sup> The Bureau collected \$10.06 million in user fees (including \$9,937,360 from pre-merger notification and advance ruling certificates, \$14,130 for written opinions and \$105,400 for fulfilling requests for CA numbers).





## WHAT WE ACHIEVED

# HIGHLIGHTS: OUR YEAR AT A GLANCE

2017

### May

- Second-generation cooperation arrangement signed with Japan Fair Trade Commission to strengthen cooperation and further build ties

### July

- *Competition Advocate* issued calling for a rethink of food truck regulations
- Guidance issued for firms considering participation in ISED's Innovation Superclusters Initiative

### April

- Tip line launched for Canadians to report suspected federal contracting fraud
- Hertz/Dollar Thrifty agreed to pay a \$1.25 million administrative monetary penalty for advertising unattainable prices
- Mitsubishi Electric agreed to pay \$13.4 million in fines for rigging bids for car parts

### June

- Memorandum of Understanding (MOU) signed with Colombia's competition authority, the Superintendence of Industry and Commerce, to enhance cross-border collaboration
- Agreements reached with Couche-Tard and Parkland to preserve competition in retail gas in Ontario, Quebec and Atlantic Canada

### August

### September



## October

- Canada-wide investigation into alleged bread price-fixing in Canada's grocery sector ramped-up
- 14<sup>th</sup> annual ICN Cartel Workshop hosted in Ottawa with attendees from 50 foreign jurisdictions

## December

- Federal Court of Appeal upheld Competition Tribunal decision in favour of innovation in TREB case
- FinTech market study report published, providing 30 recommendations to regulators and policymakers on how to increase competition and innovation in financial services
- 12<sup>th</sup> guilty plea and fines obtained in international car parts bid-rigging conspiracy investigation

## February

- Federal Court upholds agreements between the Bureau and four major Canadian publishers, paving the way for Canadian retailers to offer discounts on ebooks to consumers
- White Paper on big data published highlighting key themes for competition policy and enforcement in Canada
- Enterprise Rent-A-Car agreed to pay \$1 million in penalties for advertising unattainable prices
- Agreement reached with Leon's and The Brick regarding concerns over the advertising of financing plans

# 2018

## November

- Senior-level trilateral meeting held with U.S. and Mexican counterparts to strengthen North American cooperation
- Québec sewer services cartel case concluded with seventh guilty plea

## January

- Legal action against Ticketmaster commenced over alleged misleading ticket price advertising
- Up to \$290.5 million in compensation obtained for Canadians in Volkswagen, Audi and Porsche emissions case
- MOU signed with Consumer Protection BC to increase cooperation in support of consumers and businesses

## March

- 14<sup>th</sup> annual Fraud Prevention Month kicked off, aimed at giving Canadians the information they need to recognize, reject and report fraud
- Second edition of the *Little Black Book of Scams* published, a guide that exposes 12 of the most prevalent scams in Canada

# INCREASE COMPLIANCE

## Protecting competition in Canada's grocery stores



When all players in the marketplace follow the rules, everybody wins. By increasing compliance with Canada's competition laws, our work helps to prevent and deter anti-competitive conduct like price-fixing and bid-rigging, mergers that stand to substantially lessen or prevent competition as well as deceptive marketing practices that threaten the growth of the Canadian economy, and the confidence consumers have in it.

For example, Canadians expect to pay fair prices for everyday staples like bread. When it turns out they may not have, it becomes major news. Last year, we uncovered an alleged scheme between the country's largest bread makers and grocery retailers to fix the price of fresh commercial bread. The investigation is ongoing, and we will continue to focus on determining the facts.

### OUR COMMITMENTS

### STATUS

**Continue to build confidence and support competition and innovation in the digital economy through the administration and enforcement of our legislation**

- Pursue high-impact cases

**Achieved**

**Safeguard government spending on infrastructure projects by focusing on detecting and preventing bid-rigging**

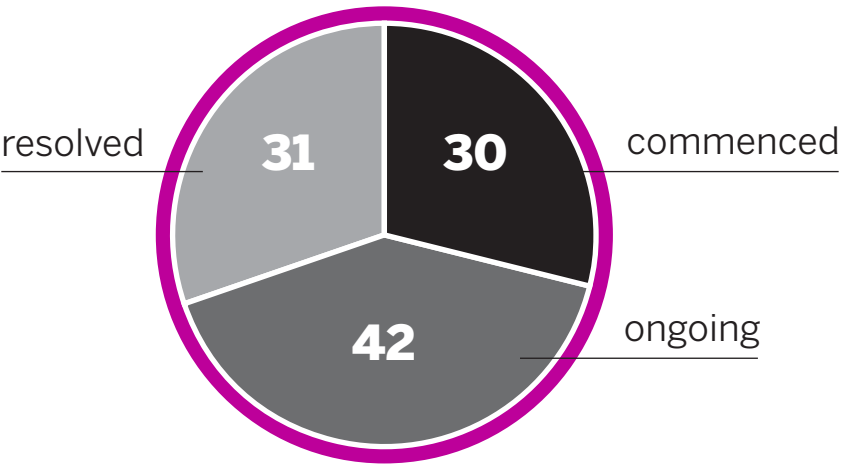
- Set up and promote bid-rigging tip line
- Continue to raise procurement community and bidder awareness of bid-rigging and compliance

**Achieved**

**Achieved**

# Competition and Innovation in the Digital Economy

## PUTTING THE DIGITAL ECONOMY IN THE SPOTLIGHT



### COMPETITION IN ACTION

#### Putting the squeeze on drip pricing

Canadians need to have trust that the prices they see advertised online are the ones they will actually pay. That trust is easily broken when online retailers add hidden fees and charges to their products and services.

Drip pricing, for example, is a practice where extra fees are incrementally added at different stages of the online buying process, causing the final price to be much higher than advertised. Last year, we took on key players in the car rental industry over hidden fees, resulting in a total of \$2.25 million in administrative monetary penalties for Hertz/Dollar Thrifty and Enterprise Rent-A-Car. We also took legal action against Ticketmaster over alleged misleading ticket price advertising — sending a strong message to online retailers that false or misleading claims will not be tolerated.

#### Enabling digital innovation through competition

In a big win for competition and consumers, the case against the Toronto Real Estate Board (TREB) was upheld by the Federal Court of Appeal. It was found that TREB had blocked its members from offering certain innovative online brokerage services, preventing home buyers and sellers from taking advantage of a wide range of options when making one of the most significant financial transactions of their lives. By lifting restrictions on access and use of real estate data, agents will be able to offer consumers new services that provide insights into home sales prices and trends online. Following the Federal Court of Appeal decision, TREB sought leave to appeal to the Supreme Court of Canada. The Bureau opposed this application, and will continue to fight for increased competition and innovation in this important sector.



In January 2018, the Bureau reached a consent agreement with Softvoyage Inc., a Canadian developer of travel-related software, regarding restrictive terms in its contracts with tour operators and travel agencies which excluded rival companies. This resolution is expected to open the door to greater competition and innovation in the travel industry, resulting in more choices for Canadian travellers.

### A new chapter for ebook competition in Canada

We continued to work to restore price competition for ebooks, having found that certain publishers had entered into an arrangement preventing Canadian retailers from offering discounts on their ebooks. This meant that Canadians saw identical prices for the vast majority of those publishers' ebooks no matter where

they shopped. In the wake of consent agreements reached in early 2017 with Apple and three ebook publishers — Hachette, Macmillan and Simon & Schuster — we reached a similar consent agreement in early 2018 with a fourth ebook publisher, HarperCollins. The agreements with ebook publishers enable Canadian retailers to offer discounts on ebooks to consumers.

In February 2018, the Federal Court rejected an application by Kobo, Canada's largest ebook retailer, which challenged certain of the consent agreements between the Bureau and ebook publishers. The Federal Court decision upheld the Hachette, Macmillan and Simon & Schuster consent agreements and cleared the way for the HarperCollins agreement to come into force. The decision paves the way for Canadian retailers to offer consumers the benefit of retail price competition in the ebook marketplace.

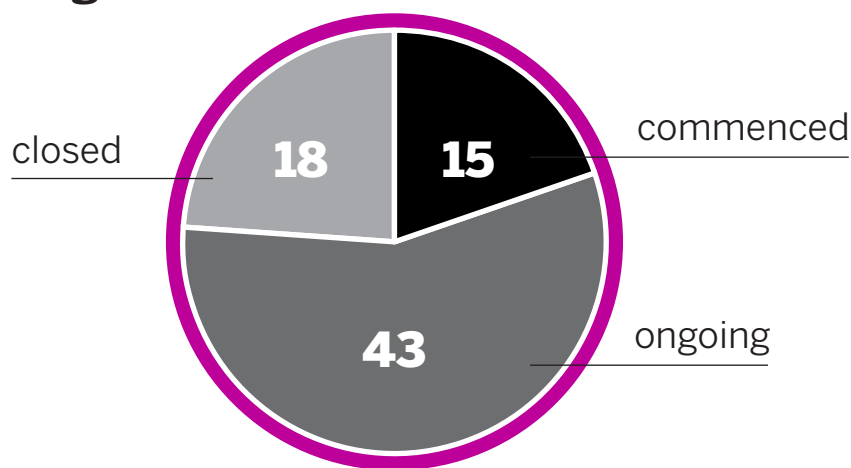
## Cartels and Bid-Rigging

### TAKING ACTION AGAINST CARTELS



**\$14.8**  
million  
in fines  
imposed  
in cartel  
cases

### Investigations



**42** promotional  
activities in support  
of the tip line



**7** immunity  
markers granted  
to applicants

## COMPETITION IN ACTION

### Making a difference through high-impact cases

Price-fixing strikes a nerve with Canadians because it undermines the sense of fair play expected from a free market economy. As part of our ongoing investigation into alleged price-fixing among Canada's two largest bread makers (Canada Bread and Weston Bakeries) and several major grocery retailers, we executed searches to gather more information about the alleged offences. In the coming year we will continue this important work to combat price-fixing in the Canadian grocery sector.

In November 2017, Irving Oil Ltd. pleaded guilty to one count of retail price maintenance in Quebec and was fined \$287,583. It follows a wider Bureau investigation that resulted in charges being laid against 39 individuals and 15 companies in 2008, 2010 and 2012 for their role in a gasoline price-fixing conspiracy in the province of Quebec.

In the auto-parts sector, our sustained efforts to address international bid-rigging conspiracies once again led to substantial fines being brought against the companies involved. In April 2017, Mitsubishi Electric Corporation pleaded guilty to three counts of bid-rigging and was fined \$13.4 million by the Ontario Superior Court of Justice — one of the largest bid-rigging fines ever ordered by a court in Canada. In December 2017, Japanese manufacturer NGK Spark Plug Co., Ltd. also pleaded guilty to one count of bid-rigging and was fined \$550,000.

In October 2017, Cardinal Ventilation Inc. was fined \$375,000 after pleading guilty to bid-rigging related to three condominium development projects in Montréal. The company admitted it had won a ventilation contract by conspiring with competing firms to ensure its bid was the lowest — and then reciprocating that arrangement to ensure the competing firms would get the contracts for other projects. This sixth guilty plea concludes the Bureau's Quebec ventilation case, with more than \$1 million in total fines handed down by the courts.

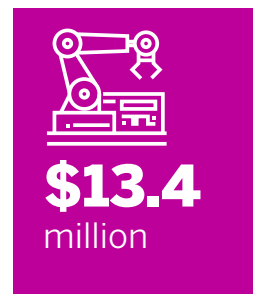
Last year we also focused our efforts on public procurement, where bid-rigging can increase contract costs that are ultimately borne by taxpayers. In

November 2017, we wrapped up our bid-rigging investigation into sewer service cartels in Quebec with a seventh and final guilty plea.

### Giving Canadians a voice against cartels

Information and complaints from the public are essential to identifying and understanding potential cartel behaviour. That's why it is important for us to continually improve the tools and programs that allow Canadians to share what they know. Our best weapon against cartels are our Immunity and Leniency Programs. Under the Immunity Program, the first party to disclose to the Bureau an offence not yet detected or to provide evidence leading to the filing of charges, may be entitled to full immunity from prosecution. Any individual or organization that does not qualify for immunity can apply for leniency. Under the Leniency Program, qualifying applicants can be eligible for leniency in sentencing for reporting cartel offences to the Bureau and cooperating with an investigation. Consultations began last year on how to update these programs to increase their transparency and predictability.

We also launched a dedicated tip line that allows the public to report suspected instances of fraud, collusion or corruption affecting federal government contracts, helping build trust in government procurement. In its first year of operation, the Bureau received 140 tips through the telephone tip line and online form. This joint initiative with Public Services and Procurement Canada and the Royal Canadian Mounted Police complements the measures already in place to ensure that federal contracts are lawful, ethical, and fair.



in fines against Mitsubishi Electric Corporation for bid-rigging in the auto-part sector.

# Canada-Wide Compliance Promotion

## SPREADING THE WORD



**22**  
bid-rigging  
presentations



**38**  
compliance  
outreach events



**7**  
compliance  
publications

### Helping small and medium-sized businesses prevent anti-competitive behaviour

In 2017–18, we delivered more than 30 compliance presentations across the country — giving companies the knowledge and tools needed to develop their own corporate compliance programs and help prevent anti-competitive behaviour before it occurs. Our outreach focused on small- and medium-sized businesses which typically lack the resources needed to adopt compliance programs.

We provided targeted outreach and bid-rigging presentations to public procurement authorities to help them promote compliance throughout their own organizations. Such outreach also facilitates information sharing, enabling public procurement authorities to provide the Bureau with information about the procurement activities they are seeing in their work. This engagement demonstrates the Bureau's continued commitment to shared compliance — reinforcing that compliance with the law is a shared responsibility.



# Merger Reviews

## PROTECTING COMPETITION IN AN EVOLVING MARKETPLACE

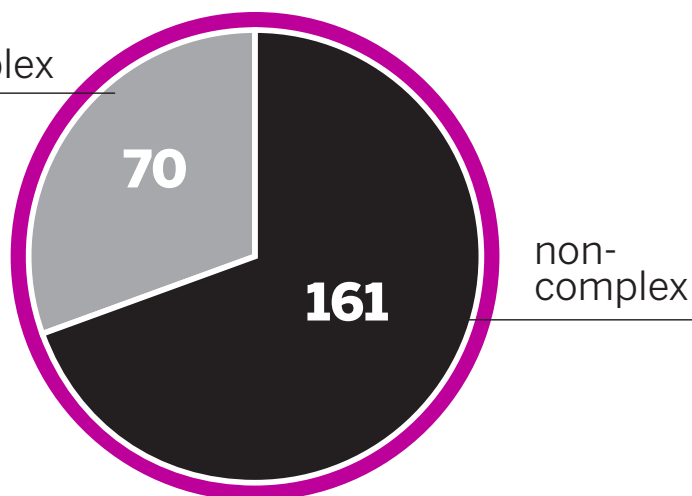


**6**  
merger-  
related  
consent  
agree-  
ments



**Merger  
Reviews  
Concluded**

complex



## COMPETITION IN ACTION

### Making sure mergers do not harm competition and innovation

When competitors merge, the loss of a rival can reduce the incentive of market participants to innovate and bring new and better products to market. Last year, we concluded that the proposed merger between E.I. du Pont de Nemours and Company (DuPont) and The Dow Chemical Company (Dow) would likely decrease competition and innovation in the development and supply of crop protection products and certain packaging plastics typically used in specialized packaging applications for diverse products like food, beverages and pharmaceuticals. To address our concerns and maintain competition and innovation, DuPont agreed to sell a significant part of its global herbicides business and research and development (R&D) branch to FMC Corporation, a United States based chemical technologies company. Additionally, Dow agreed to sell its global business of certain specialised plastics products to SK Global Chemical Co. LTD (SK Global), a new entrant in these markets.

As part of our continued efforts to preserve competition in the retail gas industry, last year we reached separate consent agreements with Alimentation Couche-Tard Inc. (Couche-Tard) and Parkland Industries Ltd. (Parkland). These agreements related to Couche-Tard's proposed merger with CST Brands Inc. (Ultramar) and its decision to sell a number of retail gasoline sites and dealer contracts to Parkland. As these mergers and acquisitions would have resulted in decreased competition in local markets in Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador, we stepped in to address the competition concerns in this important sector.

To address our concerns, Couche-Tard agreed to sell 366 gas stations and gasoline supply contracts to Parkland and one gas station to Philippe Gosselin & Associés Limitée (Filgo). In the subsequent sale of assets to Parkland, the Bureau concluded that a substantial lessening of competition in several markets in Ontario was likely. In those markets, Parkland agreed to sell nine gasoline supply contracts to MacEwen

Petroleum Inc. (MacEwen) or McDougall Energy Inc. In addition, there were two other markets where the Bureau found that Parkland was not a suitable purchaser. In the latter, Parkland also divested certain of its own assets to MacEwen, prior to the Bureau entering into either of the consent agreements.

Consent agreements were also reached with companies across a variety of sectors affecting Canadian consumers and businesses, including with:

- The Sherwin-Williams Company for its proposed acquisition of The Valspar Corporation, resolving concerns that the merger would have reduced competition for customers that require a long-term supply of large batch shipments of industrial wood coatings; and,
- Superior Plus LP for its proposed acquisition of Canwest Propane, resolving concerns that the merger would have led to a substantial price increase in the retail sale of bulk propane for many consumers, particularly those living in rural areas.

## Deceptive Marketing Practices

### STANDING UP FOR CANADIANS



**\$2.8 billion**  
in estimated  
consumer savings<sup>2</sup>



**\$5.1 million**  
in administrative  
monetary penalties



**2**  
jail sentences

### COMPETITION IN ACTION

#### Fighting for truth in advertising

We stood up to deceptive marketing and advertising in a big way in 2017–18. In September 2017, a Montreal businessman was sentenced to 18 months in jail for making false product claims and deceiving consumers about delivery times. In March 2018, the last accused in

a Bureau deceptive telemarketing case was sentenced to two years less a day in jail and three years of probation for defrauding businesses in Canada and the United States. And our investigation into Thompson Hill Publishing resulted in an \$180,000 fine for making false or misleading representations and engaging in deceptive telemarketing.

<sup>2</sup> Estimated consumer savings measures the total consumer savings arising from an enforcement matter in a given fiscal year.

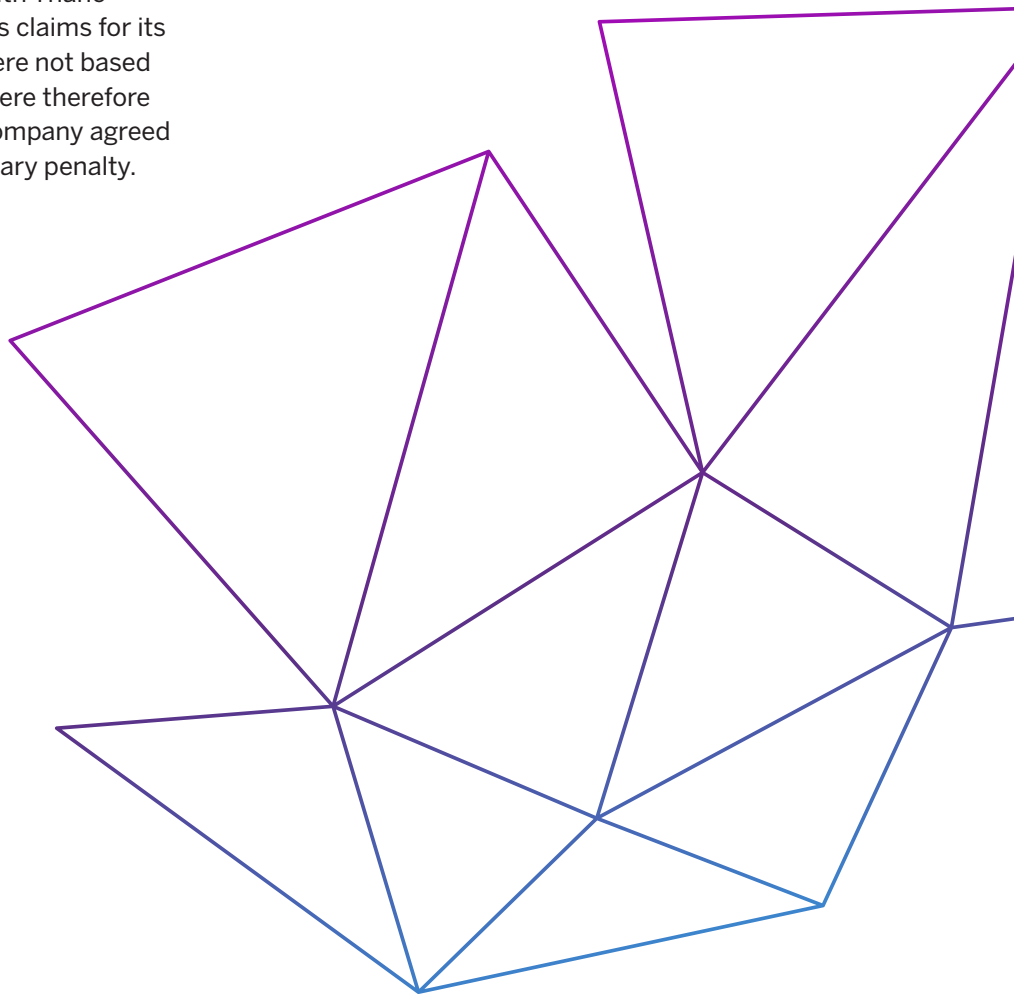
In January 2018, as part of a class-action settlement related to false environmental marketing claims made by Volkswagen, Audi and Porsche, buyers and lessees of certain 3.0 litre diesel vehicles were awarded up to \$290.5 million in compensation. The Bureau also reached a consent agreement with the three Canadian automobile distributors under which Volkswagen Canada and Audi Canada committed to paying a total administrative monetary penalty of \$2.5 million.

In addition, we worked in close cooperation with Leon's and The Brick to resolve concerns over false or misleading advertising of financing plans, bringing an end to legal proceedings we had launched in 2013. As part of this consent agreement, Leon's and The Brick agreed to each donate \$750,000 worth of home furnishings over two years to charities in Canada.

We also reached a consent agreement with Thane Canada Inc. after we found its weight loss claims for its electronic muscle stimulation devices were not based on adequate and proper testing — and were therefore false or misleading to consumers. The company agreed to pay a \$350,000 administrative monetary penalty.

## Promoting truthful advertising and labelling

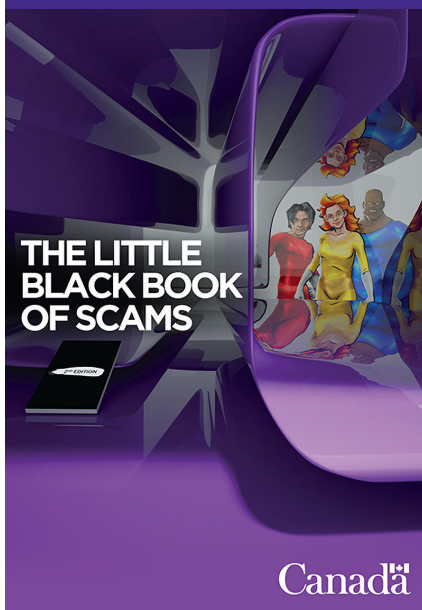
In 2017–18, we stepped-up our industry outreach to prevent misleading advertising and labelling. In September 2017, we held meetings with industry stakeholders from the Canadian Jewelry Association and Jewellers Vigilance Canada to find a joint solution to precious metal articles sold to consumers which were not compliant with the *Precious Metals Marking Act*. We also continued our work on Made in Canada representations, meeting with the President of the Canadian Shoe Manufacturer's Association in September 2017 regarding false or misleading "Made in Canada" claims and representations on footwear imported into Canada. In 2018, we delivered several presentations to the Canadian Apparel Federation on labelling requirements for textiles and apparel.





# EMPOWER CANADIANS

Leading the way in  
the fight against fraud



We are dedicated to ensuring that consumers are well-informed and confident in their buying decisions. Through our work, we are equipping Canadians with the knowledge they need to protect themselves against false or misleading representations and deceptive marketing practices.

In March 2018, we once again led Fraud Prevention Month, a campaign aimed at helping Canadians recognize, reject and report fraud. In addition to participating in awareness campaigns like the Top 10 Scams, and the #fraudchat and #2G2BT Twitter chats, this year we also launched the second edition of our Little Black Book of Scams, a guide that exposes 12 of the most prevalent scams in Canada.

## OUR COMMITMENTS

## STATUS

Continue to provide timely and accurate warnings to reduce the risk of Canadian consumers being victims of civil and criminal deceptive marketing

- Increase the number of consumer and business alerts
- Collaborate on Fraud Prevention Month activities

**Achieved**

**Achieved**

# Helping Canadians Stand Up for Themselves



consumer  
and business  
alerts issued



Twitter hits



media hits



web visits



complaints and information  
requests received by the  
Bureau's Information Centre

## COMPETITION IN ACTION

### Helping Canadians recognize fraud

Consumers and businesses play a crucial role in the fight against fraud. When people know how to recognize and report scams, they not only protect themselves, but also help the Bureau and its partners stop fraud.

In addition to our ongoing role as Chair of Canada's Fraud Prevention Forum, we once again led Fraud Prevention Month, an annual education and awareness campaign held every March to help Canadians recognize, reject and report fraud. Over the course of the month, the Bureau and its partners from over 90 private sector firms, consumer and volunteer groups, government agencies and law enforcement, participated in a number of events and activities to raise awareness about new and ongoing scams. As part of #FPM2018, we launched the second edition of our *Little Black Book of Scams*, profiling the 12 most prevalent scams in Canada. We also participated in awareness campaigns like the Top 10 Scams, and the #fraudchat and #2G2BT (2 Good 2 Be True) Twitter chats to keep the conversation going about fraud.

### Raising awareness of deceptive marketing practices

A key focus of our public outreach is ensuring Canadian consumers have the tools and guidance needed to protect themselves against false or misleading representations and deceptive marketing practices. From

monthly subscription traps to scams involving weight loss products, technical support and requests from fake CEOs, deceptive marketing practices have an impact on all Canadians.

We increased our outreach efforts to reach more Canadians with information about these issues, meeting our goal by issuing 12 consumer alerts and one business alert over the year. We also boosted our presence on social media to share information in an easily accessible way, achieving a 112% increase in social media engagement from levels achieved in 2016–17.

In May 2017, we published the third volume of the *Deceptive Marketing Practices Digest*. In addition to giving consumers and businesses timely information about false or misleading representations and deceptive marketing practices, it explored how the Bureau and its international partners are working together to promote clarity and confidence in a borderless marketplace.



**112%  
increase**

in social media  
engagement  
from levels  
achieved in  
2016–17.

# PROMOTE COMPETITION

**Advocating for greater competition and innovation through modernized banking regulations**



Unnecessary and overly-restrictive regulations can stifle competition and innovation. When providing advice to governments and other decision makers, we advocate for a pro-competitive, innovation-friendly approach to regulation.

The financial services sector plays a significant role in Canadians' day-to-day lives, whether they're receiving or making payments, borrowing, spending, saving or investing. The market study report we published last year will help shape the future of financial services, providing regulators and policymakers with 30 recommendations to encourage greater competition and innovation in payments, lending and investment dealing and advice.

## COMMITMENTS

## STATUS

### Inform and advance dialogue in Canada on emerging competition issues

- Increase engagement with policy thought leaders and think tanks
- Publish a white paper on big data

**Achieved**

**Achieved**

### Foster innovation through a pro-competitive approach to regulation

- Complete a market study of the Canadian financial services sector and publish a report

**Achieved**



# Acting in Canadians' Best Interests



## Promotion and Advocacy



**3** representations before regulatory bodies



**21** other advocacy interventions<sup>3</sup>



**1** market study published

**1** issue of The Competition Advocate published

## COMPETITION IN ACTION

### Exploring the future of financial services

From grocery shopping to business investments, virtually every aspect of Canada's economy relies on the financial services sector. New technologies stand to bring greater speed and convenience to Canadians as they spend, borrow and invest — but to fulfil that potential, the marketplace needs to encourage more competition and innovation in this sector.

In December 2017, following 18 months of active engagement with Canadians, government partners, as well as national and international stakeholders, we published a market study of innovation in the financial services industry (FinTech). Focused on emerging FinTech services in retail payment systems, peer-to-peer lending and equity crowdfunding, and investment dealing and advice, the study provides policymakers and regulators with 30 recommendations on how to promote greater competition and innovation in financial services.

Our research included more than 130 interviews, 50 written submissions, and a one-day workshop that brought together more than 230 participants from Canada and abroad. Since the report's release, many financial services stakeholders have published responses indicating their readiness to continue the dialogue on this important issue. At the Bureau, we plan to carry this work forward, nurturing a competitive environment that allows Canadian FinTech companies to innovate and grow globally.

### Getting a grip on big data

With the expansion of digital technologies, the amount of data available has increased exponentially. While that data can be used to drive innovation and quality improvements across many industries, it may also introduce challenges for competition law enforcement. In support of our ongoing commitment to remain at the forefront of emerging competition issues in Canada, we published a discussion paper on big data to spark dialogue on how to address these challenges in ways

<sup>3</sup> Other interventions (outside formal interventions, submissions and appearances before regulatory bodies), including written submissions, letters, calls and meetings with regulatory groups and other stakeholders.

that support innovation and competition. As part of this work we consulted with a number of partners and stakeholders, including the Office of the Privacy Commissioner of Canada; the Canadian, American and International Bar associations; industry associations; major technology firms and leading antitrust scholars. This work was recognized by the International Antitrust Writing Awards as one of the top “Soft Law” publications of 2017. The final report was published in February 2018, highlighting key themes for competition policy and enforcement in Canada.

### Supporting Canada’s Innovation Superclusters Initiative

The federal government is investing nearly \$1 billion in business-led “innovation superclusters” — large-scale collaborations that will bring together Canadian innovators, energize the economy and help our country be a world leader in innovation.<sup>4</sup> To encourage participation in the Innovation Superclusters Initiative, we issued a guidance document advising interested firms that in the vast majority of cases, collaborative projects promoted by the initiative will not raise competition concerns. The collaboration and partnerships encouraged by this initiative can accelerate the pace of innovation and bring new products, services and processes to market, faster and cheaper. They can also enable organizations to combine technologies and resources, leading to the development of new and better products and services for the benefit of Canadians and the economy.

### Rethinking food truck regulations

A pro-competitive approach to regulation is essential to fostering competition and innovation in any industry. *Promoting Fair Competition in the Restaurant and Mobile Food Industry* — part of our ongoing *Competition Advocate* series — highlights how competition, innovation and consumer choice can be improved by removing regulatory barriers that keep food trucks and other mobile food services from competing with brick-and-mortar restaurants. Studies have shown that food trucks can bring vitality to community streets, contribute to safety, encourage pedestrian-friendly environments, and give Canadians more affordable and convenient food options along with increased employment opportunities.



recommendations  
for policy makers and  
regulators for promot-  
ing competition and  
innovation in the  
FinTech industry.

<sup>4</sup> Innovation, Science and Economic Development. (February 2018). *Innovation Superclusters Initiative*. <https://www.canada.ca/en/innovation-science-economic-development/programs/small-business-financing-growth/innovation-superclusters.html>

# COLLABORATE WITH PARTNERS

## Taking on cartels with our international colleagues



Today's complex and fast-moving markets stretch across borders, making it critical for us to work with our international counterparts to deliver on our mandate. Strong, mutually beneficial partnerships at all levels ensure healthy competition, build global awareness of key issues and enable action against unlawful practices — all of which help protect Canadian businesses and consumers.

Last year, we hosted the 14<sup>th</sup> annual International Competition Network (ICN) Cartel Workshop, sharing knowledge and best practices in cartel and bid-rigging detection, investigation and deterrence with representatives from more than 50 antitrust agencies. This three-day event created an open dialogue that will help improve the competitiveness of public procurement processes in Canada and around the world.

### COMMITMENTS

### STATUS

**Continue to enhance and strengthen our network of partners to address anti-competitive activities and deceptive marketing practices, and promote best practices at an international level**

- |  |                 |
|--|-----------------|
| ▪ Host the 14 <sup>th</sup> Annual ICN Cartel Workshop | <b>Achieved</b> |
| ▪ Co-chair ICN Agency Effectiveness Working Group      | <b>Achieved</b> |
| ▪ Continue leadership roles in OECD, ICN and ICPEN     | <b>Achieved</b> |

# Sharing our Knowledge and Best Practices Around the World



## COMPETITION IN ACTION

### Promoting competition excellence at home and abroad

Collaborating with international and domestic partners allows us to engage in open dialogue to address cross-border competition concerns, build consensus and share knowledge and best practices. Ultimately, it helps strengthen competition promotion and enforcement across Canada and around the world.

One of the steps we took last year to increase collaboration with international partners was to sign a new cooperation agreement with the Japan Fair Trade Commission — promoting further cooperation, coordination and communication between our two authorities. This agreement, signed in May 2017, will increase the efficiency of investigations between our two countries and contribute to more effective enforcement outcomes. A month later, we signed a Memorandum of Understanding (MOU) with our counterpart in Colombia, the Superintendence of Industry and Commerce, to promote cooperation and strengthen

cross-border competition law enforcement. We also met with U.S. and Mexican competition authorities to reinforce North American cooperation in competition law enforcement.

Working with Global Affairs Canada, Innovation, Science and Economic Development Canada as well as other departments, we continued to provide our expertise in support of key Canadian trade initiatives. This included concluding the competition policy provisions for the renegotiation and modernization of the North American Free Trade Agreement and advancing negotiations toward a possible Pacific Alliance Free Trade Agreement.

Domestically, we signed an MOU with Consumer Protection BC in January 2018. This arrangement provides a framework for cooperation on enforcement matters, marketplace trends, policies and other issues of mutual interest — helping to foster a more competitive marketplace for the benefit of consumers and the economy, not only in the province of British Columbia, but throughout Canada.

<sup>5</sup> Formal international and domestic agreements include Memoranda of Understanding and other agreements.



## Providing leadership on the international stage

Competition agencies around the world face similar challenges — and we are much more effective when we work together. By taking an active role in organizations such as the ICN, the Organisation for Economic Co-operation and Development (OECD) and the International Consumer Protection and Enforcement Network (ICPEN), we are able to share our knowledge and best practices with the international community.

We took part in several OECD meetings last year, including roundtables of the OECD Competition Committee and the Committee on Consumer Policy (CCP). Our active participation in these meetings included a presentation on the Canada–European Union Comprehensive Economic and Trade Agreement and responding to questions regarding our formal submission to the OECD Competition Committee on Methodologies for Conducting Market Studies.

We continued our leadership roles in the ICN, acting as the ICN Secretariat, a member of the ICN Steering Group and co-chair of the Agency Effectiveness Working Group (AEWG). Through the AEWG, we played an instrumental role in bringing together academics and economists from competition agencies around the world to share their knowledge in important areas of competition law enforcement. In October 2017, we hosted the 14th annual ICN Cartel Workshop. Attended by 250 representatives from 50 antitrust agencies, this three-day session promoted collaboration on — and best practices for — cartel detection, investigation and deterrence related to public procurement. We also acted as the liaison between the ICN and the OECD to ensure alignment in the work of these two important bodies.

We continued to enhance and strengthen our network of partners to address anti-competitive activities and deceptive marketing practices, and promote best practices through our participation in ICPEN. The Bureau played an active role in both annual ICPEN conferences, and served once again as the coordinator for ICPEN's Annual Internet Sweep.

## Getting better together

Each year, we take part in numerous capacity-building programs and events to help improve our own capabilities as well as those of the international competition agencies with whom we work. For example, we shared our experience and best practices at the ICN's capacity-building workshop on due process in Singapore by facilitating a training session on integrating procedural fairness into agency decision-making and moderating a panel offering practical solutions. Again in Singapore, we participated in the Antitrust Regional Seminar on Economic Analysis in Competition Enforcement, which supported the development of competition policy and enforcement in the Asia-Pacific region. We led a "how-to" session on merger control analysis and delivered a presentation on our approach to abuse of dominance cases. We also shared various aspects of competition law and policy, including merger review and exclusionary conduct, to senior officers of the Competition Commission of India (CCI) using a number of presentations and case studies.

In February 2018, we delivered a presentation on compliance as part of a seminar for the staff of regional antitrust authorities at the Eurasian Antitrust Forum in Kazakhstan. In addition, we organized an ICN outreach program on due process and transparency for the Association of Southeast Asian Nations (ASEAN) Heads of Agencies.

To further strengthen cross-agency collaboration, we continued to participate in staff exchanges with our international counterparts. In 2017-18, we sent staff to the Australian Competition and Consumer Commission (ACCC), the Korea Fair Trade Commission (KFTC) and the Hong Kong Competition Commission. We also welcomed staff from the ACCC, the KFTC, the CCI and the Austrian Federal Competition Authority.



250

representatives from 50 antitrust agencies attended the ICN Cartel Workshop hosted by the Bureau.

# CHAMPION EXCELLENCE

## Creating a workplace where mental health matters



Investing in our people allows the Bureau to perform at its peak — and deliver the best possible outcomes for Canadians and the economy.

In our view, organizational excellence begins with a respectful, diverse, healthy and inclusive work environment. In our ongoing efforts to support workplace wellness, last year we set up a Workplace Wellbeing Network, appointed Workplace Wellbeing Co-Champions, implemented the *Not Myself Today* campaign and held Mental Health Week. We also developed a mental health action plan to tackle the most pressing issues facing our employees, furthering the conversation on wellbeing and mental health through a campaign of training, presentations, posters, newsletters and more.

## COMMITMENTS

## STATUS

**Build and sustain a high performing workforce and a respectful, healthy and inclusive work environment**

- Implement our multi-year Talent Management Strategy
- Improve workplace wellness including awareness of mental health

**Ongoing**

**Achieved**

**Enhance the Bureau's Performance Measurement Framework to create an environment of continuous improvement and better measure the achievement of the Bureau's long-term outcomes**

- Use new methods to enhance our performance measurement framework

**Ongoing**

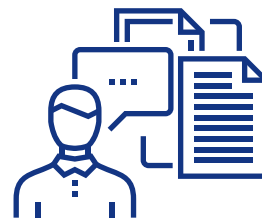
# Inspiring Professional Growth and Transparency



## Professional Growth



**72** training courses and information sessions offered



**7** public and stakeholder consultations on documents

## COMPETITION IN ACTION

### Maintaining a high-performing workforce

When we developed our Talent Management Strategy (Strategy), our aim was to change the way the Bureau plans, acquires, develops and retains its workforce. Over the past year, we have remained fully committed to implementing the Strategy — and to maintaining a high-performing, respectful, diverse, healthy and inclusive work environment.

Since the Strategy was launched, we have expanded our training, career development, performance, employee recognition and talent management programs. We introduced our first in-house e-learning course, developed and started to implement a core training program for Bureau investigators and paralegals, coordinated and delivered more than 70 training and information sessions to staff, and facilitated the participation of Bureau employees in approximately 150 external training courses.

### Shining a spotlight on workplace wellness

Given that every year 1 in 5 people will personally experience a mental health problem or illness,<sup>6</sup> mental health awareness is key to maintaining a high-performing and healthy workplace. In 2017–18, we established a Workplace Wellbeing Network, appointed Workplace Wellbeing Co-Champions, implemented the Not Myself Today campaign and held Mental Health Week to raise awareness about mental health, break down stigma and provide resources to employees.

Based on the results of our previous survey on wellbeing and mental health issues, we developed an action plan with recommendations for how to tackle some of the more pressing issues faced by our employees. Overall, we undertook 18 initiatives to build and sustain a safe, healthy, respectful and supportive work environment. These included sharing a monthly newsletter and posters to raise awareness of mental health topics, facilitating and hosting a series of group discussions and presentations, encouraging employees to participate in wellbeing and mental health-related activities and challenges, and conducting mental health first aid training sessions.

6 Canadian Mental Health Association. (2016). *Fast Facts about Mental Illness*. <http://www.cmha.ca/media/fast-facts-about-mental-illness/>

## Creating a more transparent and accountable Bureau

To help us make better decisions and ensure we focus on the issues that matter most, we need tools and practices to measure and report on our activities and their impact for Canadians.

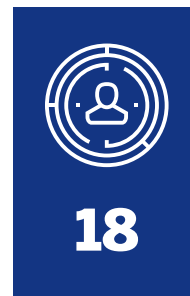
Last year, we updated our key performance indicators to align with the Treasury Board's 2016 structure for planning, reporting, financial management and evaluation. We refined our logic model and performance measurement framework, holding workshops to identify needs and results across our different activities — and determine how they connect to the Bureau's higher-level goals. We were then able to accurately identify and refine the performance indicators and targets for our specific lines of business.

Our *Quarterly Statistics Report* — now the *Performance Measurement & Statistics Report* — features an enhanced performance measurement dashboard to provide a more comprehensive view of the Bureau's performance. A narrative section added to the report speaks to variances in statistics, highlights key activities from the past quarter, and provides additional context on newsworthy and public-facing activities.

We also continued our efforts to identify meaningful outcome-based measures, working closely with

partners such as Statistics Canada and the Bank of Canada to identify available data. As we move to implement a case management system that will help us better organize, assess and approach our case work, we will incorporate performance measurement considerations into our business needs to leverage the important insights derived from our data.

In March 2018, we published a *Practical Guide to Efficiencies Analysis in Merger Reviews* for public consultation to provide additional guidance and transparency to stakeholders and the practitioner community following a recent decision from the Supreme Court of Canada. The Guide focuses on the Bureau's internal assessment of efficiencies prior to making an enforcement decision, and provides practical guidance on how best to engage with the Bureau when conducting this highly complex analysis.



mental health initiatives undertaken in 2017–18, including presentations, newsletter and training sessions.