

**In the Matter of  
The Securities Act, 1988**

**and**

**In the Matter of  
Ava Trade Ltd.  
Ava Trade EU Limited  
Ava Capital Markets Australia Pty Ltd.  
Ava Trade Japan K.K.**

**Notice of First Appearance**

To: **Ava Trade Ltd.  
Ava Trade EU Limited  
Ava Capital Markets Australia Pty Ltd.  
Ava Trade Japan K.K.**

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on Friday, December 21, 2018 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated December 14, 2018, a copy of which is attached hereto.

The teleconference number is: [REDACTED]  
Pass code: [REDACTED]

TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the conference call will proceed in your absence and the Panel of the Authority may set hearing dates in the above matter without further notice to you;

AND FURTHER TAKE NOTICE that any order made by the Authority may form the basis for a parallel order in another jurisdiction in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in other jurisdictions automatically, without further notice to you. If an order is made or a settlement is reached in relation to the matters set out in the Statement of Allegations attached hereto, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

DATED at Regina, Saskatchewan on December 17, 2018.

  
Linda Patton  
Registrar

**For Delivery To:**

**Ava Trade Ltd.  
Ava Trade EU Limited  
Ava Capital Markets Australia Pty Ltd.  
Ava Trade Japan K.K.**

C/o Osler, Hoskin & Harcourt LLP  
Attn: Terrence W. Doherty  
620 8<sup>th</sup> Avenue  
36<sup>th</sup> Floor  
New York, NY 10018  
U.S.A.  
Via Email: [tdoherty@osler.com](mailto:tdoherty@osler.com)

**Note:** Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at [www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca).

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**STATEMENT OF ALLEGATIONS  
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS  
AUTHORITY OF SASKATCHEWAN**

Staff of Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

**The Respondents**

1. The Respondent, Ava Trade Ltd. is business corporation registered with the British Virgin Islands' Registry of Corporate Affairs, with a registered office purportedly located in Road Town, Tortola, British Virgin Islands.
2. The Respondent, Ava Trade EU Limited is a Private Company Limited by Shares, incorporated pursuant to the laws of Ireland, with a head office located in Dublin, Ireland.
3. The Respondent, Ava Capital Markets Australia Pty Ltd. is an Australian Proprietary Company, Limited by Shares, incorporated pursuant to the laws of Australia, with a registered office purportedly located in Sydney, Australia.
4. The Respondent, Ava Trade Japan K. K. is a business corporation incorporated pursuant to the laws of Japan, with a registered office purportedly located in Tokyo, Japan.
5. Ava Trade Ltd., Ava Trade EU Limited, Ava Capital Markets Australia Pty Ltd. and Ava Trade Japan K. K. shall herein collectively be referred to as the "Respondents".

**Contraventions of subsection 27(2) of *The Securities Act, 1988* (the Act)**

6. From time to time from in or around June 2016 to in or around August 2017 (the Relevant Time), the Respondents acted as dealers as defined in the Act by engaging in the business of trading in securities or derivatives or holding themselves out as engaging in the business of trading in securities or derivatives in Saskatchewan.
7. The details of these activities include, but are not limited to, the following:

*The Website*

- a. Throughout the Relevant Time the Respondents owned or maintained a website at [www.avatrade.com](http://www.avatrade.com) (the Website);
- b. The Website provided online trading platforms, offering users the ability to utilize either manual or automated platforms to “speculate in, and/or purchase, and/or sell, Forex, Contracts for Differences (hereinafter referred to as “CFDs”), Options (hereinafter referred to as “Options”) and Spread Betting, in commodities, metals, currencies and indices”;
- c. The Website explains that a “CFD” is a “type of financial instrument allows you to benefit from the fluctuations in the price of stocks, commodities, indices and more, without really purchasing them; i.e. you can profit from the difference between the opening price and the closing price of a certain position opened on a certain CFD instrument. It is important to us to emphasize that you **don’t own the asset you trade.**”;
- d. Through the Website, the Respondents provided a simplistic, user-friendly interface, accessible to members of the general public to facilitate trades in various securities and derivatives;

*Investor 1*

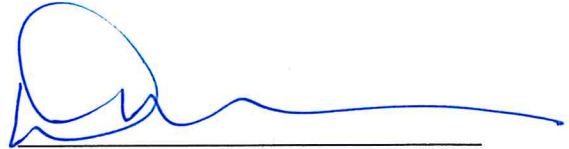
- e. From time to time during the Relevant Time, Investor 1, a Saskatchewan resident, utilized the trading platforms provided by the Respondents on the Website in order to trade in securities and/or derivatives;
- f. In order to conduct such trades, Investor 1 accessed the Website and opened an online account with the Respondents;
- g. Investor 1 made the following deposits into the above-noted online account, for the purpose of funding trades in securities and/or derivatives through the online account:
  - i. On or about June 21, 2016, in the amount of \$22,300.00 USD, through a wire transfer, payable to the benefit of Ava Trade Ltd,



- ii. On or about September 26, 2016, in the amount of \$26,000.00 USD, through a wire transfer, payable to the benefit of Ava Trade Ltd, and
    - iii. On or about September 29, 2016, in the amount of \$22,400.00 USD, through a wire transfer, payable to the benefit of Ava Trade Ltd,
  - h. From time to time between June 2016 and November 2016 Investor 1's online trading account, maintained by the Respondents, was used to trade in CFD's and commodities, through the online trading platform provided on the Website; and
  - i. By November 2016 the balance remaining in Investor 1's online trading account with the Respondents was \$17,000.00 USD.
8. In carrying out the acts indicated in paragraph 7, above, the Respondents engaged in actions, or held themselves out as engaging in actions in furtherance of trades in securities or derivatives with or on behalf of Investor 1 and/or the general public, including those resident in Saskatchewan, and as such, acted as 'dealers' as defined in the Act.
9. None of the Respondents has ever been registered as a 'dealer' as required by the Act, and therefore, each of the Respondents has contravened clause 27(2)(a) of the Act.
10. Based on the above, Staff of FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
- a. Pursuant to clause 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to the Respondents;
  - b. Pursuant to subsection 134(1)(d) of the Act, the Respondents shall cease trading in securities and derivatives in Saskatchewan;
  - c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities or derivatives for and on behalf of residents of Saskatchewan;
  - d. Pursuant to section 135.1 of the Act, the Respondents shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$25,000;
  - e. Pursuant to section 135.6 of the Act, the Respondents shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of the Ava Group's contraventions of the Act, in amounts to be determined; and

- f. Pursuant to section 161 of the Act, the Respondents shall pay the costs of or relating to this hearing in this matter.

DATED at Regina, Saskatchewan, this 14 day of December, 2018.



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Dean Murrison  
Director,  
Securities Division  
Financial and Consumer Affairs Authority of  
Saskatchewan