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Bank of Canada Announces Closure of Optical Security Material Division and Sale of Related Assets

OTTAWA – The Bank of Canada announced today that it is closing its Optical Security Material (OSM) division and selling all of its related assets.

The Bank's OSM division manufactures optical security material used in the production of bank notes and other security documents. Following a strategic review, the Bank decided to sell its OSM assets and initiated a competitive tender process.

Fortress Optical Features Ltd., a subsidiary of the Canadian-based Fortress Paper Ltd., was the successful bidder, and yesterday signed a purchase agreement for the acquisition of the OSM assets. The transaction is expected to conclude in January 2011. The Bank retains a royalty-free licence to use the intellectual property sold to Fortress for Canadian bank note applications. Fortress has extended offers of employment to affected Bank of Canada staff.