



**Canadian Securities
Administrators**

**Autorités canadiennes
en valeurs mobilières**

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**Canadian securities administrators remind investors of inherent risks associated
with cryptocurrency futures contracts**

Montreal – The Canadian Securities Administrators (CSA) would like to remind dealers and investors of the inherent risks associated with products linked to cryptocurrencies, including futures contracts. While these contracts may be traded on regulated exchanges and may be cleared by regulated central counterparties, the fact remains that their high level of risk will not be suitable for all types of investors.

“More specifically, the underlying value of these futures contracts is based on trading occurring on markets for cryptocurrencies which are largely unregulated,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “Therefore, there may be some circumstances such as price volatility in the underlying markets, which may lead to consequences such as sudden and significant margin calls in the futures market.”

As is the case with every investment, an investor looking to participate in cryptocurrency futures trading should understand all of the risks involved.

The CSA reminds registered dealers and advisers that they must perform their own due diligence on these cryptocurrency-linked products before recommending them to their clients.

The CSA will continue to follow developments surrounding these initiatives. For additional information on the risks of cryptocurrencies, please refer to CSA Staff Notice 46-307 *Cryptocurrency Offerings*.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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