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Canadian Securities Administrators Publish Report on 2017/18 Enforcement Activities

Securities regulators outline efforts to collaboratively deter violators, address emerging trends and protect the integrity of Canada's capital markets

Montreal– The Canadian Securities Administrators (CSA) today released its [2017/18 Enforcement Report](#), which outlines securities enforcement activities conducted by CSA members in Canada. This year's Report highlights CSA members' efforts to collaboratively work together to meet the challenges of an evolving regulatory environment, to effectively respond to new digital threats and to expand tool kits that play a critical role in detecting and disrupting securities violations.

“To effectively detect and disrupt securities misconduct in an age of digital transformation, we have focused on embracing novel enforcement tools, implementing new technology and sharing learnings across the CSA and with regulatory peers and law enforcement partners,” said Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “This year's CSA Enforcement Report clearly shows that by working together across provincial and international borders, CSA members are continually enhancing efforts, increasing efficiency and addressing securities violations.”

Some highlights from the 2017/18 Enforcement Report include:

- 124 respondents were placed under interim cease-trade, asset-freeze orders or both, preventing further harm to investors; and,
- 43 years of jail time was ordered by the courts for individuals in both quasi-criminal and *Criminal Code* cases.

In addition, the Report highlights how enforcement efforts were enhanced through new relationships with technology and credit card companies, a binary options task force, and continued research into the risks of cryptocurrency and initial coin offering (ICO) investments.

Working with technology and credit card companies

In response to an increasingly complex digital economy, CSA members forged new relationships with technology, social media and credit card companies. CSA members drove efforts to prevent fraudsters from placing deceptive advertising on social media platforms and from accessing payment systems. This work set an important precedent for future digital threats to capital markets.

Binary options: Adapting to protect investors

Closer to gambling than investing, binary options were one of the fastest-growing sources of investor fraud in Canada in 2017. To combat this emerging threat, CSA members established the Binary Options Task Force, led the global discussion on best practices, launched a public education campaign and worked to disrupt widespread access to binary options. In September

2017, CSA members also announced the first ban on offering, selling or trading binary options shorter than 30 days.

Cryptocurrencies and ICOs

CSA members continue to conduct ongoing research and analysis to monitor and mitigate fraud-related risks associated with cryptocurrency offerings and ICOs. CSA members' activity included:

- establishing a taskforce in collaboration with other CSA committees;
- engaging with international colleagues at the North American Securities Administrators Association; and,
- working with global digital platforms to ban related advertising.

To read the 2017/18 Enforcement Report, please visit <http://www.csasanctions.ca/>.

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For more information:

Media inquiries:

Maggie Hall

Kaiser Lachance Communications

T: 647.725.2520 x 223

maggie.hall@kaiserlachance.com