

**For Immediate Release**  
**March 29, 2021**

## **Canadian securities regulators outline regulatory framework for compliance for crypto asset trading platforms**

**Toronto** – The Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) today [published a notice](#) outlining securities law requirements that apply to crypto asset trading platforms (CTPs) and how they may be tailored by regulators for the CTPs business model.

“The guidance in our notice details steps platform operators need to take to comply with securities legislation as they prepare to fully integrate into the Canadian regulatory structure,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “To bring their operations into compliance, CTPs should contact their local securities regulator now to discuss the registration process and address applicable requirements.”

“We are pleased to work with the CSA on such an important initiative,” said Andrew J. Kriegler, President and CEO, IIROC. “This framework provides guidance on how the regulatory requirements may be tailored to a platform’s business, without compromising investor protection or market integrity.”

The notice provides guidance on securities law requirements applicable to platforms whether trading crypto assets that are securities or derivatives, or contractual rights or claims to underlying crypto assets such as bitcoin or ether. The notice also outlines interim approaches that may be available to CTPs, that are intended to foster innovation and provide flexibility, while ensuring the CTPs operate in an appropriately regulated environment.

In addition, the notice provides an overview of key risks related to CTPs and areas where requirements may be tailored, provided that key risks are addressed and investor protection is not compromised. Finally, the notice outlines the process for submitting an application to the relevant CSA jurisdictions and IIROC.

“We remind all CTPs that are dealing with Canadians, including foreign-based CTPs, that they are expected to comply with Canadian securities legislation,” added Louis Morisset. “Failure to do so could result in CSA members pursuing enforcement action.”

In 2019, the CSA and IIROC published [Joint CSA/IIROC Consultation Paper 21-402 Proposed Framework for Crypto-Asset Trading Platforms](#), which outlined a proposed regulatory framework for CTPs, and solicited comments to better understand the industry, its risks and how regulatory requirements may be tailored. The CSA and IIROC received [52 comment letters](#) in response to the consultation paper and consulted extensively with industry stakeholders on issues specific to CTPs.

The CSA is aware of CTPs seeking to become reporting issuers through an initial public offering or through reverse take-overs, changes of business, Capital Pool Company qualifying transactions or similar transactions. There are potential public interest concerns with a CTP that is required to be registered, but that is not, becoming a reporting issuer. CTPs and their representatives should contact their local securities regulator if they intend to become reporting issuers through an initial public offering or other transaction.

[Joint Canadian Securities Administrators and Investment Industry Regulatory Organization of Canada Notice 21-329 Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements](#) is available on the websites of CSA members and IIROC.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

IIROC is the pan-Canadian self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of 175 Canadian investment dealer firms of varying sizes and business models, and their more than 30,000 registered employees. IIROC also sets and enforces market integrity rules regarding trading activity on Canadian debt and equity marketplaces.

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**For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).**

**For inquiries from market participants (issuers and registrants, or their representatives), please refer to the list of subject matter experts at the end of the [Notice](#).**