

**For Immediate Release  
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**Canadian securities regulators strengthen oversight, enhance expectations of crypto asset trading platforms operating in Canada**

**TORONTO and CALGARY** – Further to its [update](#) on December 12, 2022, the Canadian Securities Administrators (CSA) today published a notice ([link](#)) describing enhanced investor protection commitments it expects from crypto asset trading platforms (CTPs) operating in Canada.

These commitments are made in the form of an enhanced pre-registration undertaking, which CTPs must provide to continue operating in Canada while pursuing their applications for registration with Canadian securities regulators.

“Recent insolvencies involving several crypto asset trading platforms highlight the tremendous risks associated with trading crypto assets, particularly when conducted on unregistered platforms based outside of Canada,” said Stan Magidson, CSA Chair and Chair and CEO of the Alberta Securities Commission.

Unregistered CTPs that continue to operate in Canada while pursuing registration are expected to provide an enhanced pre-registration undertaking to their principal regulator within 30 days of publication of this notice.

These pre-registration undertakings will include, among other things, enhanced expectations regarding the custody and segregation of crypto assets held on behalf of Canadian clients and a prohibition on offering margin, credit, or other forms of leverage to any Canadian client. They will also prohibit CTPs from permitting clients to purchase or deposit value-referenced crypto assets (commonly referred to as stablecoins) and proprietary tokens without the prior written consent of the CSA.

If a CTP is unable or unwilling to provide an enhanced pre-registration undertaking, the CSA expects it will take appropriate action to off-board existing Canadian users and impose restrictions to prevent Canadian users from accessing its products or services.

[CSA Staff Notice 21-332 \*Crypto Asset Trading Platforms: Pre-Registration Undertakings Changes to Enhance Canadian Investor Protection\*](#) is available on CSA members’ websites.

The CSA reminds Canadians that trading in crypto assets comes with elevated levels of risk and may not be suitable for many investors, particularly retail investors. Generally speaking, trading crypto assets is a speculative activity, and the value and liquidity of crypto assets are highly volatile.

Investors should consult the list of platforms that are [registered with the CSA](#) and learn the [fundamentals of crypto assets](#) before investing. While regulatory oversight plays an important role in investor protection, these measures cannot eliminate all risks associated with trading in crypto assets.

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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**For investor inquiries, please [contact your local securities regulator](#).**