

**For Immediate Release
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Canadian securities regulators clarify interim approach to value-referenced crypto assets

TORONTO – The Canadian Securities Administrators (CSA) is today providing further clarity and guidance to crypto asset trading platforms about its [interim approach](#) to the trading of value-referenced crypto assets (some of which are commonly referred to as “stablecoins”).

On February 22, 2023, the CSA [reaffirmed](#) its view that value-referenced crypto assets, which are designed and promoted to maintain a stable value over time in relation to a reference asset, may constitute securities and/or derivatives.

While crypto asset trading platforms operating in Canada are prohibited from trading crypto assets that are securities and/or derivatives, the CSA understands that value-referenced crypto assets may have certain uses for the Canadian clients of crypto asset trading platforms.

Accordingly, the CSA indicated that it may allow, subject to terms and conditions, the continued trading of certain value-referenced crypto assets that are referenced to the value of a single fiat currency (fiat-backed crypto assets).

Today’s notice sets out interim terms and conditions that would apply to crypto asset trading platforms and the issuers of fiat-backed crypto assets if they wish to continue allowing Canadian clients to purchase or deposit these assets.

“The transparency of value-referenced crypto assets about the composition and adequacy of their reserves and their governance are critical issues that must be addressed to protect Canadian investors and the integrity of our capital markets,” said Stan Magidson, CSA Chair and Chair and CEO of the Alberta Securities Commission. “This interim framework, which we will build upon in the future, sets certain standards to help ensure that investors receive the information they need about the assets they are purchasing, including the risks associated with them.”

The interim terms and conditions were informed in part by comments from Canadian crypto market participants, as well as developing international standards and regulations. They are intended to address investor protection concerns presented by value-referenced crypto assets and include, among other things, the following provisions:

- The issuer of the value-referenced crypto asset must maintain an appropriate reserve of assets with a qualified custodian, held for the benefit of the crypto asset holder.
- The issuer of the value-referenced crypto asset and crypto asset trading platforms that offer them must make certain information related to governance, operations and reserve of assets publicly available.

The complete list of terms and conditions, as well as instructions for crypto asset trading platforms that wish to continue allowing clients to buy or deposit value-referenced crypto assets is available in [CSA Staff Notice 21-333 Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients](#) on CSA members' websites.

The CSA cautions Canadian investors that value-referenced crypto assets, including any fiat-backed crypto assets that satisfy the interim terms and conditions, are subject to various risks and are not the same as fiat currency. The fact that an asset satisfies these interim terms and conditions should not be viewed as an endorsement or approval of the asset, nor give any indication that the asset is risk-free.

The CSA welcomes submissions regarding the appropriate long-term regulation of value-referenced crypto assets, such as alternative criteria for trading other types of value-referenced crypto assets. Crypto asset trading platforms and value-referenced crypto asset issuers should contact their Principal Regulator with any questions or to discuss further.

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

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