

**For Immediate Release
September 26, 2024**

CSA provides update to crypto asset trading platforms about value-referenced crypto assets

MONTREAL and TORONTO – The Canadian Securities Administrators (CSA) is providing a further update for crypto asset trading platforms (CTPs) that are registered, or that provided a pre-registration undertaking (PRU), about the application of terms and conditions in the CTPs' registration and exemptive relief decisions or PRUs related to value-referenced crypto assets (VRCAs).

Investors have experienced significant harm from the collapse of unregulated VRCAs, other VRCA market disruptions and the activities of unregistered crypto market participants. While other international jurisdictions are developing payment-based, banking-based or hybrid regulatory regimes for certain types of VRCAs, the CSA is not aware of any such regulated VRCAs being traded in Canada. Nor is the CSA aware of any initiatives to develop similar regulatory regimes in Canada that would address a VRCA issuer's financial condition, conduct and public disclosure. As a result, we continue to have investor protection concerns with the trading of these investment products in Canada.

Recognizing that VRCAs may have certain uses for the Canadian clients of CTPs, the CSA's approach, described in [CSA Staff Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients*](#) (the Staff Notice), reflected a willingness to allow the continued trading of certain VRCAs that are referenced to the value of a single fiat currency (fiat-backed crypto assets, or FBCAs). The Staff Notice described terms and conditions that would address the CSA's investor protection concerns. (the Staff Notice), reflected a willingness to allow the continued trading of certain VRCAs that are referenced to the value of a single fiat currency (fiat-backed crypto assets, or FBCAs). The Staff Notice described terms and conditions that would address the CSA's investor protection concerns.

The Staff Notice included a deadline of April 30, 2024 by which the CSA expected that CTPs would no longer allow clients to buy, deposit, or enter into crypto contracts to buy or deposit FBCAs that do not comply with the applicable terms and conditions. As part of the CSA's ongoing engagement with Canadian crypto market participants on the implementation of these terms and conditions, and in response to technical issues CTPs raised with meeting the April 30 deadline, the [CSA extended the April 30 deadline to October 31, 2024](#) and invited submissions on the appropriate long-term regulation of VRCAs.

The CSA has actively engaged with CTPs and crypto industry participants and remains open to proposals for alternative ways to address investor protection concerns raised by VRCAs. **To that end, the CSA is further extending the October 31 deadline to December 31, 2024.** The extension is intended to provide more time for CTPs to either comply with the terms and conditions of their registration and exemptive relief decisions, or their PRUs, or to propose alternatives that address investor protection concerns, as long as any alternatives are in place or substantially finalized prior to December 31, 2024. The CSA also remains open to considering exemptions relating to specific use cases for VRCAs that do not raise investor protection concerns. CTPs and VRCA issuers should contact their [principal regulator](#) if they wish to discuss any such alternatives or use cases.

After December 31, 2024, registered CTPs or CTPs that provided a PRU can only offer VRCAs that comply with the conditions of their registration and exemptive relief decisions, or their PRUs.

For clarity, CTPs are also reminded that they were required to no longer allow clients to buy, deposit or enter into crypto contracts to buy or deposit VRCAs other than certain FBCAs by December 29, 2023. This requirement is not affected by the extension of the October 31 deadline to December 31, 2024.

Investors are reminded that holding a VRCA or a crypto contract with a CTP does not offer the protections generally afforded to holding regulated deposits. Investors wishing to hold VRCAs risk losing all of their investment, or of having to sell at a loss instead of redeeming directly from the issuer on a 1:1 basis.

The CSA cautions Canadian investors that all crypto assets, including any VRCAs, carry risk, and are not the same as fiat currency (such as the Canadian dollar, the U.S. dollar or the Euro). Even if a specific VRCA meets the terms and conditions of an applicable registration, exemptive relief decision or PRU, it does not mean the CSA approves or endorses the VRCA, endorses its safety, or that it is compliant with Canadian securities laws. To learn more about crypto assets, visit the CSA's [Investor Tools Crypto Assets](#) page.

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

The British Columbia Securities Commission did not participate in this news release due to publication restrictions related to the upcoming B.C. provincial election.

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