



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

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Canadian securities regulators propose to ban advertising, offering, selling and trading in binary options

Calgary – The Canadian Securities Administrators (CSA) today published for comment National Instrument 91-102 *Prohibition of Binary Options*. The proposed instrument would prohibit advertising, offering, selling or otherwise trading a binary option to an individual.

“We are deeply concerned by the increasing number of investor losses and complaints resulting from binary options,” said Louis Morisset, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers. “The proposed ban is critical to our efforts to help stop binary options fraud in Canada.”

Binary options take the form of a wager in which investors bet on the performance of an underlying asset, often a currency, commodity, stock index, or share. The timeframe on this bet is typically very short, sometimes hours or even minutes. When the time is up, the investor either receives a predetermined payout or loses the entire amount. In many instances, no actual trading occurs and the transaction takes place for the sole purpose of stealing money. In addition, those who have provided credit or personal information to binary options sites frequently fall victim to identity theft.

Binary options are sometimes marketed under other names, including “all-or-nothing options,” “asset-or-nothing options,” “bet options,” “cash-or-nothing options,” “digital options,” “fixed-return options” and “one-touch options.”

The firms and individuals involved in binary options trading platforms are often located overseas. Investing offshore is a common red flag of fraud, as it may be impossible to get your money back if something goes wrong.

Any firm or individual selling investments or offering advice must be registered in the province where they do business. Before making a decision to invest, investors should visit aretheyregistered.ca to check the registration of a person or company offering the investment. Registration helps protect investors because regulators will only register firms and individuals that are properly qualified. There are no registered individuals or firms permitted to trade binary options in Canada.

The proposed instrument can be found on CSA members’ websites. The comment period is open until May 29, 2017 in Alberta and Québec, until June 28, 2017 in Manitoba and Saskatchewan, and until July 28, 2017 in all other participating jurisdictions. The CSA encourages comments by May 29, 2017.

The British Columbia Securities Commission did not publish the proposed instrument for comment, although staff anticipates doing so in the near future, after obtaining necessary approval.

Anyone who has invested with or has concerns about an offshore binary options trading platform should immediately contact their local securities regulator. For more information on binary options fraud, please visit <http://www.binaryoptionsfraud.ca/>.

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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