

For Immediate Release
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Canadian securities regulators consult on regulatory framework for crypto-asset trading platforms

Toronto – The Canadian Securities Administrators (CSA) and Investment Industry Regulatory Organization of Canada (IIROC) today published Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Consultation Paper 21-402 *Proposed Framework for Crypto-Asset Trading Platforms*. The consultation paper seeks input from the fintech community, market participants, investors and other stakeholders on how regulatory requirements may be tailored for crypto-asset trading platforms (platforms) operating in Canada.

“This consultation outlines a proposed regulatory framework that provides clarity for platforms, greater market integrity and protection for investors,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “Platforms have told us that a tailored regulatory framework is welcome as they seek to build consumer confidence and expand their businesses across Canada and globally.”

“The emergence of digital and crypto assets continues to be a growing area of interest for regulators, investors and marketplaces – and, together, securities regulators are taking steps to deepen our understanding of this area,” added Andrew J. Kriegler, President and CEO, IIROC. “We must adapt to innovation, and provide clarity to the market about how regulatory requirements might best be tailored and applied to these unique business models, while maintaining investor protection.”

Platforms, depending on how they operate and the crypto assets they make available for trading, may be subject to securities and/or derivatives regulation. Depending on their structure, they may also introduce novel features that create risks to investors and Canada’s capital markets that may not be fully addressed by the existing regulatory framework. Where securities legislation applies to platforms, the CSA and IIROC are considering a tailored regulatory framework to address these novel features and risks.

The consultation paper seeks input on a number of areas that will assist in determining appropriate requirements for platforms. These include how to address custody and verification of assets, price determination, market surveillance, systems and business continuity planning, conflicts of interest, crypto-asset insurance, and clearing and settlement. The CSA and IIROC continue to engage with international regulators about their approach to platforms, and welcome input on a variety of regulatory approaches that exist in this area.

The consultation paper is available on the websites of CSA members and IIROC. Comments should be submitted by May 15, 2019.

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 national self-regulatory organization that oversees all investment dealers and their trading activity in Canada's debt and equity markets.

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

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