

For Immediate Release

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Canadian securities regulators publish additional guidance for entities facilitating the trading of crypto assets

Montreal - The Canadian Securities Administrators (CSA) today published Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets*, to help these entities to determine situations where securities legislation may or may not apply.

“The evolving landscape of the industry prompts us to clarify our regulatory framework so as to better support fintech businesses seeking to offer innovative products, services and applications in Canada,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “As we continue to consider the comments and responses to the consultation we launched last year, the staff notice published today will help platform operators to determine whether their activities are subject to securities legislation.”

The notice describes situations where securities legislation will and will not apply. For example, securities legislation may apply to platforms that facilitate the buying and selling of crypto assets that are commodities, because the user’s contractual right to the crypto asset may itself constitute a derivative, a security or both.

The relevant determination will depend on the facts and circumstances, including the obligations and intention to provide immediate delivery of the crypto asset. The notice provides guidance on what constitutes immediate delivery, together with a detailed example of a situation where securities legislation does not apply.

The CSA and the Investment Industry Regulatory Organization of Canada (IIROC) continue to review the comments and responses to Joint CSA/IIROC Consultation Paper 21-402 *Proposed Framework for Crypto-Asset Trading Platforms*. We anticipate publishing a summary of comments and responses along with guidance on the regulatory framework applicable to crypto-asset trading platforms that are subject to securities legislation later this year.

CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets* is available on [jurisdictions’ websites](#).

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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