

Headnote

Application for time-limited relief from prospectus requirement and trade reporting requirements to allow the Filer to distribute Crypto Contracts and operate a platform that facilitates the buying, holding, selling, depositing, withdrawing and staking of crypto assets – relief granted subject to certain conditions set out in the decision, including investment limits, disclosure and reporting requirements – relief is time-limited and will expire two years from the date of the decision – relief granted based on the particular facts and circumstances of the application with the objective of fostering capital raising by innovative businesses in Canada – decision should not be viewed as precedent for other filers in the jurisdictions of Canada.

Statute cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 1(1), 53 & 74.

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 *Passport System*, s. 4.7
OSC Rule 91-506 *Derivatives: Product Determination*, ss. 2 & 4
OSC Rule 91-507 *Derivatives: Trade Reporting*, Part 3

July 6, 2026

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO, ALBERTA, BRITISH COLUMBIA,
MANITOBA, QUÉBEC AND SASKATCHEWAN
(collectively, the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE
JURISDICTIONS**

AND

**IN THE MATTER OF
SATSTREET INC.
(the Filer)**

DECISION

Background

As set out in Staff Notice 21-327 and Staff Notice 21-329, securities legislation applies to CTPs that facilitate or propose to facilitate the trading of instruments or contracts involving Crypto Assets, because the user's contractual right to the Crypto Asset may itself constitute a security and/or a derivative.

To foster innovation and respond to novel circumstances, members of the CSA have implemented an interim, time-limited registration that would allow CTPs to operate within a regulatory framework, with requirements tailored to the CTPs' operations. The overall goal of the regulatory framework is to ensure there is a balance between the need to be flexible and to facilitate innovation in the Canadian capital markets, while upholding the regulatory mandate of promoting investor protection and fair and efficient capital markets.

The Filer has applied for registration as a restricted dealer in accordance with Staff Notice 21-329 in the Jurisdictions. As set out in CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings -- Changes to Enhance Canadian Investor Protection*, the Filer provided a pre-registration undertaking to the CSA dated March 24, 2023. The pre-registration undertaking expired on April 30, 2025.

While registered as a restricted dealer, the Filer will apply to become registered as an investment dealer and seek membership with CIRO.

This Decision has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Jurisdictions will not consider this Decision as constituting a precedent for other filers.

Relief Requested

The securities regulatory authority or regulator in Ontario has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of Ontario (the **Legislation**) exempting the Filer from the prospectus requirement under the Legislation in respect of the Filer entering into Crypto Contracts (the **Prospectus Relief**).

The securities regulatory authority or regulator in each of the Jurisdictions, excluding Québec, (the **Coordinated Review Decision Makers**), has received an application from the Filer (collectively, with the Passport Application, the **Application**) for a decision under the securities legislation of those jurisdictions exempting the Filer from the applicable local trade reporting requirements:

- (a) Part 3 of OSC Rule 91-507;
- (b) Part 3 of MSC Rule 91-507; and
- (c) Part 3 of MI 96-101 in Alberta, British Columbia and Saskatchewan.

(the **Trade Reporting Relief**, and together with the Prospectus Relief, the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application (the **Principal Regulator**),
- (b) the decision in respect of the Requested Relief is the decision of the Principal Regulator,
- (c) in respect of the Prospectus Relief, the Filer has provided notice that, in the Jurisdictions where required, section 4.7(1) of MI 11-102 is intended to be relied upon in each of the Jurisdictions, and
- (d) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

Interpretation

Terms used in this Decision have the meaning set out herein or in Appendix A.

Terms defined in MI 11-102 and NI 14-101 have the same meaning if used in this Decision, unless otherwise defined herein or in Appendix A.

In this Decision, a person or company is an affiliate (**Affiliate**) of another person or company if:

- (a) one of them is, directly or indirectly, a subsidiary of the other, or
- (b) each of them is controlled, directly or indirectly, by the same person.

Representations

This Decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a corporation incorporated under the federal laws of Canada with its principal and head office located in Toronto, Ontario.
2. The Filer operates under the business name of "Satstreet".
3. The Filer is registered as a money services business under regulations made under Canadian AML and ATF Law.
4. The Filer does not have any securities listed, quoted, or traded on an exchange or marketplace in any jurisdiction of Canada or internationally.
5. The Filer's personnel consist of dealing representatives, software engineers, compliance professionals and client support representatives who each have experience operating in a regulated financial services environment as an MSB and expertise in blockchain technology.

All of the Filer's personnel have passed, and new personnel will have passed, background checks, including criminal records checks and credit checks.

6. The Filer is not in default of securities legislation in any of the Jurisdictions except in respect of the Filer's trading of Crypto Contracts prior to the date of this Decision.

The Platform

7. The Filer operates the Platform in Canada.
8. The Filer's role under the Crypto Contracts is to fulfill its obligations to Clients relating to Crypto Assets and fiat and to provide custody services for all Crypto Assets and fiat held in Client Accounts on the Platform.
9. To use the Platform, each Client must open a Client Account that is governed by the Client Agreement.
10. Under the terms of the Client Agreement, the Filer maintains certain controls over Client Accounts to ensure compliance with applicable laws and to provide secure custody of Client Assets.
11. The Client Agreement is governed by the laws of the Province of Ontario, and will state that the Client's Crypto Assets held under Crypto Contracts will be held in trust for the Client or for the benefit of the Client.
12. The Filer's trading of Crypto Assets via Crypto Contracts is consistent with activities described in Staff Notice 21-327 and constitutes the trading of securities and/or derivatives.
13. The Filer does not have any authority to act on a discretionary basis on behalf of Clients and does not offer or provide discretionary investment management services relating to Crypto Assets.
14. The Filer may buy, sell, borrow, stake or hold Crypto Assets in its inventory for operational purposes, such as payment of network/transaction fees required to transfer Crypto Assets. The Filer may buy and hold long-term proprietary positions in Crypto Assets on its balance sheet as a treasury asset. The Filer does not and will not engage in active proprietary trading of Crypto Assets and does not and will not take a long or short position in a Crypto Asset with a Client or any other party. The Filer does not allow Clients to enter into and/or hold short positions with respect to any Crypto Asset .
15. The Filer is not a member firm of CIPF and the Crypto Assets held in custody by the Filer do not qualify for CIPF coverage.
16. The Risk Statement provided to each prospective client includes disclosure that there is no CIPF coverage for the Crypto Assets and each prospective client must acknowledge that they have received, read, and understood the Risk Statement before opening an account with the Filer.
17. The Filer makes available to clients that trade or hold Crypto Contracts with the Filer the services of the Ombudsman for Banking Services and Investments to resolve complaints made

by clients, and in Québec, complies with sections 168.1.1 to 168.1.8 of the *Securities Act*, RLRQ, c. V1.1 (Québec).

Crypto Assets Made Available through the Platform

18. Except for Value-Referenced Crypto Assets and Crypto Contracts based on such assets, the Filer only offers, and only allows Clients the ability to enter into, Crypto Contracts based on Crypto Assets that are not themselves securities and/or derivatives.
19. The Filer only allows Clients to buy or deposit, or enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets that are Specified Value-Referenced Crypto Assets.
20. The Filer does not allow Clients to enter into a Crypto Contract unless the Filer has taken steps to:
 - (a) apply the KYP Process in respect of the relevant Crypto Asset;
 - (b) approve the Crypto Asset, and Crypto Contracts for such Crypto Asset, to be made available to Clients; and
 - (c) monitor the Crypto Asset for significant changes and review its approval under (b) where such significant changes occur.
21. The Filer does not engage, without the prior consent of the Principal Regulator, in trades that are part of, or designed to facilitate the design, creation, issuance, or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers, or Affiliates or associates of such persons.
22. On an ongoing basis, the Filer monitors developments related to Crypto Assets made available on the Platform for changes that may affect a Crypto Asset's legal status as a security or a derivative and applies its KYP Process to determine whether specific Crypto Assets can continue to be offered on the Platform.
23. The Filer acknowledges that any determination made by the Filer does not prejudice the ability of the Principal Regulator or of any of the securities regulatory authorities of any of the Jurisdictions to determine that a Crypto Asset available on the Platform is a security and/or derivative.
24. The Filer has established and applies policies and procedures to promptly stop the trading of any Crypto Asset available on the Platform and to allow Clients to liquidate, in an orderly manner, their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on the Platform.

Know Your Client and Suitability Determination

25. The Filer only offers services to Clients that qualify as Accredited Crypto Investors. The Filer verifies Accredited Crypto Investor status using manual processes. The Filer may integrate technology into this process in the future.

26. The Filer updates the Accredited Crypto Investor status of its Clients on an annual basis, at a minimum. Before the Filer opens an account for a Client to purchase, sell, deposit, exchange or transfer Crypto Contracts, the Filer determines that the opening of the account is suitable for the Client.
27. The Filer uses a combination of technology and manual processes to facilitate its determination of whether each action by the Filer is suitable for the Client (except for Permitted Clients who have requested in writing that the Filer not make suitability determination for their accounts) before taking such action, including but not limited to before opening an account for a Client, entering into a Crypto Contract with a Client to purchase or sell Crypto Assets, or providing Staking Services to the Client.
28. After completion of the suitability assessment at account opening, a Client (except for Permitted Clients who have requested in writing that the Filer not make suitability determination for their accounts) will receive appropriate messaging about using the Platform to enter into a Crypto Contract, which, in circumstances where the Filer has evaluated that entering into the Crypto Contract with the Filer is not suitable for the Client, will include prominent messaging to the Client that this is the case and that the Client will not be permitted to open an account and enter into the Crypto Contract with the Filer.
29. As part of the account opening process:
 - (a) the Filer applies its KYC Process;
 - (b) the Filer collects sufficient information to meet its obligations under section 13.3 of NI 31-103, including but not limited to conducting a trade-by-trade suitability determination for each Client except for Permitted Clients who have requested in writing that the Filer not make suitability determinations for their account;
 - (c) the Filer provides a prospective client with a Risk Statement, separate from and at the same time as other disclosure documents, that clearly explains the following in plain language:
 - (i) the Crypto Contracts;
 - (ii) the risks associated with the Crypto Contracts;
 - (iii) a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed the Crypto Contracts or the Crypto Assets made available through the Platform;
 - (iv) the due diligence performed by the Filer before making a Crypto Asset available through the Platform, including the due diligence performed by the Filer to assess whether the Crypto Asset is a security and/or a derivative under the securities and derivatives legislation of each of the jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or a derivative;

- (v) that the Filer has prepared and made available through the Platform a Crypto Asset Statement for each Crypto Asset, with instructions as to where on the Platform the Client may obtain each Crypto Asset Statement;
- (vi) the Filer's policies for halting, suspending, and withdrawing a Crypto Asset from trading on the Platform, including criteria that would be considered by the Filer, options available to Clients holding such a Crypto Asset, any notification periods, and any risks to Clients;
- (vii) the location and the manner in which Crypto Assets are held for the Client, and the risks and benefits to the Client of the Crypto Assets being held in that location and in that manner including the impact of insolvency of the Filer or the Acceptable Third-Party Custodian;
- (viii) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the Client arising from the Filer having access to the Crypto Assets in that manner;
- (ix) that the Filer is not a member of CIPF and the Crypto Contracts issued or entered into by the Filer in respect of Crypto Assets and the Crypto Assets held by the Filer (directly or indirectly through third parties) do not qualify for CIPF protection;
- (x) that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of other Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent that a Crypto Contract is distributed under the Prospectus Relief in this Decision; and
- (xi) the date on which the information in the Risk Statement was last updated.

30. Each Crypto Asset Statement includes:

- (a) a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed the Crypto Contracts, or any of the Crypto Assets made available through the Platform;
- (b) a plain language description of the Crypto Asset, including the background of the creation of the Crypto Asset, including the background of the developer(s) that created the Crypto Asset, if applicable;
- (c) a description of the due diligence performed by the Filer with respect to the Crypto Asset;
- (d) a plain language description of any risks specific to the Crypto Asset;
- (e) a direction to the Client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts, or the Crypto Assets made available through the Platform;

- (f) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of the Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent that a Crypto Contract is distributed under the Prospectus Relief in this Decision;
 - (g) for Crypto Assets in respect of which the Filer offers Staking Services, risks associated with the staking protocols for that Crypto Asset; and
 - (h) the date on which the Crypto Asset Statement was last updated.
31. The Filer prepares and makes available to its Clients, on an ongoing basis and in response to emerging issues in Crypto Assets, educational materials, and other informational updates about trading on the Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets through the Website, direct email communications, or communications from the Filer's client service or compliance personnel, as applicable.

Operation of the Platform

32. A Crypto Contract is a bilateral contract between a Client and the Filer. Accordingly, the Filer is a counterparty to all trades entered by Clients on the Platform. For each Client transaction, the Filer is also a counterparty to one or more corresponding Crypto Asset buy or sell transactions with a Liquidity Provider.
33. Clients enter into Crypto Contracts with the Filer and resulting transactions are conducted through the Website or App. Clients are able to submit orders, either in units of the applicable Crypto Asset or in fiat currency, 24 hours a day, 7 days a week. Clients are able to deposit and withdraw certain Crypto Assets and Canadian dollars, 24 hours a day, 7 days a week (or where applicable, for fiat currency, during banking hours).
34. The Filer establishes, maintains, and applies policies and procedures that identify and address conflicts of interest arising from the operation of the Platform and its related services in the best interest of its Clients, including conflicts between the interests of its owners, its commercial interests, and the responsibilities and sound functioning of the Platform and related services.
35. The Filer currently relies on multiple Liquidity Providers to act as a seller of Crypto Assets that may be purchased by the Filer for its Clients. The Liquidity Providers may also buy any Crypto Assets from the Filer that Clients wish to sell.
36. The Filer evaluates the prices obtained from its Liquidity Providers on an ongoing basis against global benchmarks to provide fair and reasonable pricing to its Clients.
37. The Filer has taken reasonable steps to verify that each Liquidity Provider is appropriately registered or licensed to trade in the Crypto Assets in its home jurisdiction, or that its activities do not require registration or licensing in its home jurisdiction, and that the Liquidity Provider is not in default of securities legislation in the Jurisdictions. The Filer also assesses liquidity and concentration risks posed by the Liquidity Provider.

38. The Filer has verified that each Liquidity Provider has effective policies and procedures to address concerns relating to fair price, fraud, and market manipulation.
39. After a Client requests a quote for the purchase or sale of a Crypto Asset from the Filer, the Filer obtains a price for the Crypto Asset from a Liquidity Provider, after which the Filer incorporates a spread to compensate the Filer, and presents this total cost to the Client.
40. If the Client is agreeable, the Client confirms that it wishes to proceed and, if the Filer is still able to execute at the quoted price, the Client's market order at the quoted price will be filled by the Filer. If, upon the Client's acceptance, the Filer is unable to execute the transaction at the quoted price, the order will be cancelled, the quoted price will be updated and the Client will be able to enter a new order to transact against the new price.
41. The Filer may also fill liquidity for Client orders using proprietary assets. In all cases, the Filer provides fair and reasonable pricing to Clients, including by considering prices available from the Filer's Liquidity Providers and global benchmarks.
42. Clients can submit orders to the Filer in two ways: (i) a market order which specifies the desired trading pair and quantity; and (ii) a limit order (including, for clarity, stop orders) which specifies the desired trading pair, quantity and price at which the Client wishes to transact.
43. When a Client enters a limit order, the Filer will not process the trade until such future time as when the price from the Liquidity Provider plus the 'spread' meets the price entered by the client, and then the Client's order will automatically be executed.
44. For each Client limit order, the limit order may be partially or completely filled if the Client's specified limit price is met. If the market price plus the 'spread' does not meet the price specified in the limit order, the limit order remains open in the Client Account until it is cancelled by the client or filled. If the order remains open for 90 days, Clients are given a notification if they wish to cancel the order or keep it in place. If a limit order is partially filled, the rest of the order remains open in the Client Account. Open limit orders entered by Clients are displayed on the Platform; however, they are not available to trade against other Client orders.
45. The Filer promptly ensures that the increase or decrease in Crypto Assets in the Client's Account resulting from the trade is reflected in the Crypto Asset balances held in custody on the Platform, as described below under "Custody of Crypto Assets." To the extent necessary to fulfil its settlement obligations to Clients, the Filer may trade with its Liquidity Providers on a net basis.
46. Trading pairs available on the Platform include Crypto Asset-for-fiat and Crypto Asset-for-Crypto Asset.
47. Clients have access to a complete record of all transactions in their Client Account, including all incoming transfers of fiat or Crypto Assets, all purchases, sales and withdrawals, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.

48. Clients can fund their account by transferring in fiat currency or Crypto Assets. Clients can transfer in fiat currency by Interac e-transfer, bank wire, and other methods, with the minimum and maximum amount for each transfer type set out on the Platform. Interac e-transfers are subject to fees disclosed on the Platform and incorporated by reference into the Client Agreement. All transfers-in are initiated by the client and manually approved by the Filer prior to being accepted into the Client Account.
49. Clients that use the Filer's custodial services may be charged a withdrawal fee when transferring Crypto Assets out of their Client Account to a blockchain address specified by the Client. This "on chain" withdrawal fee varies by Crypto Asset and the total withdrawal fee payable in respect of a withdrawal is disclosed prior to confirmation of withdrawal.
50. Prior to transferring Crypto Assets out of a Client Account, the Filer conducts secondary verification of the blockchain address and screens the blockchain address specified by the transferring Client using blockchain forensics software.

Pre-trade Controls and Settlement

51. The Filer's books and records document all of the trades executed on the Platform. No order is accepted by the Filer unless there is sufficient cash or Crypto Assets available in the Client Account to complete the trade.
52. The Filer does not extend margin, credit, or other forms of leverage to Clients in connection with trading Crypto Contracts or Crypto Assets on the Platform, and does not offer derivatives based on Crypto Assets, other than Crypto Contracts.
53. The Filer promptly, and no later than two business days after the trade, settles transactions with the Liquidity Providers on a net basis. When there are net purchases of Crypto Assets with a Liquidity Provider, the Filer arranges for fiat to, and receipt of Crypto Assets from, the Liquidity Provider. When there are net sales of Crypto Assets, the Filer arranges for receipt of fiat from, and transfer of Crypto Assets to, the Liquidity Provider.
54. All fees and commissions earned by the Filer are clearly disclosed on the Platform, and the Filer's Clients can check the quoted prices for Crypto Assets on the Platform against the prices available on other Registered CTPs in Canada and other public pricing sources.
55. Clients receive electronic trade confirmations and monthly statements setting out the details of the transaction history in their Client Account. Clients can view their transaction history and account balances in real time by accessing their Client Account using the Website or App.

Custody of Crypto Assets and Client Fiat

Crypto Assets

56. The Filer holds Clients' Crypto Assets:
 - (a) in blockchain wallets or accounts clearly designated for the benefit of Clients or in trust for Clients; and

- (b) separate and apart from its own assets, including Crypto Assets held in inventory by the Filer for operational purposes, and from the assets of any custodial service provider.
57. The Filer is not permitted to pledge, re-hypothecate, or otherwise use any Crypto Assets owned by its Clients.
 58. The Filer is proficient and experienced in holding Crypto Assets and has established and applies policies and procedures that manage and mitigate custodial risks, including an effective system of controls and supervision to safeguard Crypto Assets. The Filer also maintains appropriate policies and procedures related to information technology security, cyber-resilience, disaster recovery capabilities, and business continuity plans.
 59. The Filer has expertise in and has developed anti-fraud and anti-money-laundering monitoring systems, for both fiat and Crypto Assets, to reduce the likelihood of fraud, money laundering, or Client error in sending or receiving Crypto Assets to incorrect wallet addresses.
 60. The Filer retains the services of third-party custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of Clients. The Filer uses Coinbase Custody Trust Company LLC (**Coinbase Custody**) as its Custodian and in future may use other Custodians as necessary, after reasonable due diligence.
 61. In addition, the Filer may hold Client Crypto Assets temporarily online in trading accounts (which hold exclusively client assets) for the purposes of fulfilling Client buy and sell transactions, and/or in a proprietary cold storage wallet solution in order to facilitate client deposit and withdrawal requests and to facilitate trade settlement with Liquidity Providers.
 62. Coinbase Custody is licensed as a limited purpose trust company with the New York Department of Financial Services. Coinbase Custody has completed a SOC report from a leading global audit firm. The Filer has conducted due diligence on the Coinbase Custody which included a review of its policies and procedures for holding Crypto Assets and its SOC 2 Type 2 examination reports. The Filer has not identified any material concerns. The Filer has also assessed whether Coinbase Custody meets the definition of an Acceptable Third-Party Custodian.
 63. Coinbase Custody operates a custody account for the Filer to use for the purpose of holding Client Assets in trust for clients or for the benefit of Clients of the Filer.
 64. Those Crypto Assets that Coinbase Custody holds in trust for or for the benefit of Clients of the Filer, are held in omnibus accounts, in the name of the Filer in trust for or, for the benefit of the Filer's Clients, and are segregated from the assets of the Filer, the Filer's Affiliates, Coinbase Custody, and Coinbase Custody's other clients.
 65. Coinbase Global Inc., the parent company of the Coinbase Custody, maintains US\$320 million of insurance (per-incident and overall) which covers losses of assets held by Coinbase Custody, on behalf of its clients due to third-party hacks, copying or theft of private keys, insider theft or dishonest acts by Coinbase Custody's employees or executives and loss of keys. The Filer has assessed the Coinbase Custody's insurance policy and has determined, based on information that is publicly available and on information provided by Coinbase

Custody and considering the scope of the Coinbase Custody's business, that the amount of insurance is appropriate.

66. The Filer has established, and will maintain and apply, policies and procedures to ensure that the Filer's Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents. The Custodian will also have established and apply written disaster recovery and business continuity plans.
67. The Filer has established, maintains, and applies, policies and procedures that are reasonably designed to ensure that the Custodian's records related to Crypto Assets that the Custodian holds in trust for Clients of the Filer are accurate and complete.
68. The Filer confirms on a daily basis that Clients' Crypto Assets held with the Custodian and held by the Filer reconcile with the Filer's books and records to ensure that all Client Crypto Assets are accounted for. Clients' Crypto Assets held in trust for, or for their benefit with the Custodian and with the Filer are deemed to be the Clients' Crypto Assets in case of the insolvency or bankruptcy of the Filer or of the Custodian.
69. Clients are permitted to transfer into their Client Account Crypto Assets they obtained outside the Platform, or withdraw from their Client Account Crypto Assets they have rights to pursuant to a Crypto Contract (including those that were previously deposited with the Filer). The Filer may not support transfers for all Crypto Assets. When a Client has the right to Crypto Assets under a Crypto Contract, and requests a transfer of Crypto Assets, the Filer promptly delivers possession and control of the Crypto Assets to a blockchain address specified by the Client, subject to the Filer first satisfying all applicable legal and regulatory requirements, including anti-money laundering requirements, and anti-fraud controls.
70. The insurance obtained by the Filer includes coverage for loss or theft of the Crypto Assets held for the benefit of Clients, in accordance with the terms of the Filer's insurance policy and the Filer has assessed the insurance coverage to be sufficient to cover the loss of Crypto Assets, whether held directly by the Filer or indirectly through the Custodian.

Client Fiat

71. The Filer holds client cash in a designated trust account with a Canadian custodian or Canadian financial institution. Despite the Filer holding client cash in a designated trust account with a Canadian custodian or a Canadian financial institution, the Filer may hold client cash in a designated trust account with a foreign custodian if a reasonable person would conclude, considering all of the relevant circumstances, including, for greater certainty, the nature of the regulation and the sufficiency of the equity of the foreign custodian, that using the foreign custodian is more beneficial to the client than using a Canadian custodian or a Canadian financial institution.

Staking Services

72. The Filer will also offer Staking Services for Ethereum and Solana blockchains to its Clients resident in the Applicable Jurisdictions. The Filer may offer the Staking Services in respect of other Stakeable Crypto Assets in the future.
73. The Filer is proficient and knowledgeable about staking Stakeable Crypto Assets.
74. The Filer itself does not act as a Validator. The Filer has entered into written agreements with the Custodian and/or with third party Validators to provide services in respect of staking Stakeable Crypto Assets. The Custodian and Validators are proficient and experienced in staking Stakeable Crypto Assets.
75. Before engaging a Validator, the Filer conducts due diligence on the Validator, with consideration for the Validator's management, infrastructure and internal control documentation, security measures and procedures, reputation of operating nodes, use by others, measures to operate nodes securely and reliably, amount of crypto assets staked by the Validator on its own nodes, quality of work, including any slashing incidents or penalties, financial status and insurance, and registration, licensing or other compliance under applicable laws, particularly securities laws. Where the Filer engages the Custodian to provide staking services, the Filer conducts due diligence on how the Custodian provides the staking services and selects the Validators.
76. The Filer, as part of its KYP Policy, reviews the Stakeable Crypto Assets made available to Clients for staking and staking protocols related to those Stakeable Crypto Assets prior to offering those Stakeable Crypto Assets as part of the Staking Services.
77. The Filer, as part of its suitability assessment, evaluates whether offering the Staking Services is suitable for a Client before providing access to an account that makes available the Staking Services and, on an ongoing basis, at least once in each 12-month period.
78. The Filer only stakes the Stakeable Crypto Assets of those Clients who have agreed to the Staking Services and have allocated Stakeable Crypto Assets to be staked. Where a Client no longer wishes to stake all or a portion of the allocated Stakeable Crypto Assets, subject to any Lock-Up Periods (as defined below) or any terms of the Staking Services that permit the Client to remove Stakeable Crypto Assets from the Staking Services prior to the expiry of any Lock-Up Periods, the Filer ceases to stake those Stakeable Crypto Assets.
79. Before the first time a Client allocates any Stakeable Crypto Assets to be staked, the Filer delivers to the client the Risk Statement that includes the risks with respect to staking and the Staking Services described below, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
80. The Filer clearly explains in the Risk Statement the risks with respect to staking and the Staking Services in plain language.
81. The Filer stakes and unstakes Crypto Assets on an omnibus basis by calculating the total amount of a Stakeable Crypto Asset that clients wish to stake or unstake and adjusting the amount actually staked to reconcile with the net amount that clients have, in total, instructed the Filer to stake or unstake.

82. The Filer holds the staked Stakeable Crypto Assets in trust for or for the benefit of its clients in one or more omnibus Locations in the name of the Filer in trust for or for the benefit of the Filer's Clients with the Custodian separate and distinct from (i) the assets of the Filer, the Custodian and the Custodian's other clients; and (ii) the Crypto Assets held for its clients that have not agreed to staking those specific Crypto Assets. For greater certainty, the Filer (or the Custodians) will not stake Client Crypto Assets from the same Location in which it holds unstaked Client Crypto Assets.
83. The Filer and the Custodian remain in possession, custody and control of the staked Stakeable Crypto Assets at all times. At all times, the Custodian continues to hold the private keys or other cryptographic key material required to stake or unstake Clients' Stakeable Crypto Assets or to access staking rewards. Custody, possession and control of staked Stakeable Crypto Assets are not transferred to Validators or any other third parties in connection with the Staking Services.
84. The Filer has established and applies policies and procedures to address how staking rewards, fees and losses will be calculated and allocated to clients that have staked Stakeable Crypto Assets under the Staking Services.
85. Staking rewards are issued periodically and automatically by the blockchain protocol of the Stakeable Crypto Asset and received directly into the staking wallets with the Custodian. Other than any "validator commission" that may be received by a Validator under the rules of the blockchain protocol, Validators do not receive or otherwise have control over staking rewards earned by Clients.
86. Staking rewards are typically issued for a specific time period, often referred to as an "epoch". For each "epoch", the Filer promptly determines the amount of staking rewards earned by each Client that had staked Stakeable Crypto Assets under the Staking Services.
87. When staking rewards for a Stakeable Crypto Asset are received into staking wallets, the Filer promptly calculates the amount of the staking reward earned by each Client using the Staking Services in respect of that asset and credits each Client Account accordingly. Staking reward distributions are shown on the Platform and on Clients' account statements.
88. For certain Stakeable Crypto Assets, staking rewards are automatically staked by the blockchain protocol to compound rewards. Clients must unstake some or all of these rewards if they wish to sell or transfer them.
89. Where staking rewards are not compounded by the blockchain protocol, the Filer instructs the Custodian to transfer staking rewards from the staking wallets to other omnibus wallets holding Client Crypto Assets.
90. Certain Stakeable Crypto Assets are subject to a so-called "warm-up" or "bonding" period after being staked, during which time the Stakeable Crypto Assets do not earn any staking rewards. A client will not receive staking rewards in respect of any of their staked Stakeable Crypto Assets that are still subject to "warm-up" periods.
91. Similarly, a client will not receive staking rewards in respect of Stakeable Crypto Assets that have been unstaked by the Client but are still subject to Lock-up Periods.

92. The Filer does not promise or guarantee its Clients a specific staking reward rate for any Stakeable Crypto Asset. The Filer does not exercise any discretion to change reward rates.
93. The Filer may show on the Platform the current estimated reward rate for Stakeable Crypto Assets. This estimated reward rate is based on data derived from the blockchain for the Stakeable Crypto Asset and adjusted for any applicable validator commission or fees payable to the Filer.
94. The Filer charges a fee to clients using Staking Services based on a percentage of the Client's staking rewards. The Filer clearly discloses the fees charged by the Filer for the Staking Services and provides a clear calculation of the rewards earned by each Client that agrees to the Staking Services.
95. For certain Stakeable Crypto Assets, a Validator can, as part of the blockchain consensus protocol, set a percentage of the staking rewards earned by Stakeable Crypto Assets staked with the Validator to be received by the Validator. This is typically referred to as the "validator commission". The validator commission is deducted automatically by the underlying blockchain protocol from staking rewards and transferred by the protocol directly to the Validator. Where a "validator commission" applies, the Filer clearly discloses the existence and amount of the validator commission to Clients using the Staking Services.
96. Under the commercial agreements between the Filer and Validators, Validators may pay some of the validator commission to the Filer for arranging the staking of Clients' Stakeable Crypto Assets with the Validators. The Filer discloses to Clients that it receives a share of validator commissions. Further, the Filer has adopted policies and procedures for the selection of Validators and staking of Clients' Stakeable Crypto Assets to Validators to ensure that these decisions are based on factors other than the Filer's financial considerations under these commercial agreements.
97. For Stakeable Crypto Assets that do not have "validator commissions", the Filer pays a fee to the Validator and/or a Custodian for activating and operating nodes for the Filer's Clients using the Staking Services. This fee is included in the fee paid by Clients to the Filer in connection with the Staking Services.
98. Certain proof of stake blockchain protocols impose penalties where a validator fails to comply with protocol rules. This penalty is often referred to as "slashing" or "jailing". If a Validator is "slashed" or "jailed", a percentage of the tokens staked with that Validator and/or a percentage of staking rewards earned by Clients staking to that Validator is permanently lost and/or the Validator will not be selected to participate in transaction validation and any Stakeable Crypto Assets staked with that Validator will not be eligible to earn staking rewards. Accordingly, if a Validator fails to comply with protocol rules, a percentage of Crypto Assets staked or earned by the Filer's Clients may be lost (i.e., the balance of the staking wallet will be reduced automatically by the blockchain protocol) and/or the Filer's Clients will not earn staking rewards for a period of time.
99. For certain Stakeable Crypto Assets, the Filer may agree to reimburse Clients for slashing penalties. The Client Agreement clearly provides for the circumstances the Filer will provide this reimbursement in respect of a Stakeable Crypto Asset. The availability of any

reimbursement, and any conditions or limits on the reimbursement, are also described in the Risk Statement or the relevant Crypto Asset Statement.

100. To mitigate the risk of slashing or jailing to clients, the Filer may, where feasible, arrange to stake Stakeable Crypto Assets across multiple Validators, so that any penalty resulting from the actions or inaction of a specific Validator does not affect all staked Crypto Assets and the Filer can, if appropriate, re-stake with alternative Validators.
101. In addition, the Filer monitors its Validators for, among other things, downtime, jailing and slashing events and takes any appropriate action to protect Stakeable Crypto Assets staked by Clients.

Capital Requirements

102. The Filer excludes from its excess working capital calculation all Crypto Assets it holds for which there is no offsetting by a corresponding current liability, such as Crypto Assets held for its Clients as collateral to guarantee obligations under Crypto Contracts, included on line 1, Current assets, of Form 31-103F1. This results in the exclusion of all Crypto Asset inventory held by the Filer from Form 31-103F1 (Schedule 1, line 9).

Marketplace and Clearing Agency

103. The Filer does not operate a “marketplace” as that term is defined in National Instrument 21-101 and, in Ontario, subsection 1(1) of the Act.
104. The Filer does not operate a “clearing agency” or a “clearing house” as those terms are defined or referred to in securities or commodities futures legislation.

Decision

The Principal Regulator is satisfied that the Decision meets the test set out in the Legislation for the Principal Regulator to make the Decision. Each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief, as applicable, satisfies the test set out in the securities legislation of its jurisdiction for the Coordinated Review Decision Maker to make the Decision in respect of the Trade Reporting Relief, as applicable.

The Decision of the Principal Regulator under the Legislation is that the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation in its jurisdiction is that the Trade Reporting Relief, as applicable, is granted, provided that:

- (A) Unless otherwise exempted by a further decision of the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under securities legislation, including the Legislation, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.

- (B) The Filer is, as of the date of this Decision, and continues to be, registered as a restricted dealer or investment dealer in Ontario and the jurisdiction in which its Clients are, or will be, resident.
- (C) The Filer will only engage in business activities governed by securities legislation as described in the representations above. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any Non-Principal Jurisdiction, prior to undertaking any other activity governed by securities legislation. The Filer will not offer derivatives based on Crypto Assets other than Crypto Contracts.
- (D) The Filer will work actively and diligently with the Principal Regulator and CIRO to transition the Filer's registration to investment dealer registration and to obtain CIRO membership.
- (E) Except for Value-Referenced Crypto Assets and Crypto Contracts based on Value-Referenced Crypto Assets, the Filer will only offer Clients, and will only allow Clients the ability to enter into, Crypto Contracts based on Crypto Assets that are not themselves securities and/or derivatives.
- (F) The Filer does not allow Clients to buy or deposit, or to enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets other than Specified Value-Referenced Crypto Assets.
- (G) The Filer will not operate a "marketplace" as the term is defined in NI 21-101 and, in Ontario, in subsection 1(1) of the Act, or a "clearing agency" or "clearing house" as those terms are defined or referred to in securities or commodities futures legislation.
- (H) The Filer has confirmed, and will continue to confirm, that it is not liable for the debt of an Affiliate or Affiliates that could have a material negative effect on the Filer.
- (I) At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of Clients with one or more Acceptable Third-Party Custodians, unless the Filer has obtained the prior written approval of the Principal Regulator to hold a different percentage with an Acceptable Third-Party Custodian or has obtained the prior written approval of the Principal Regulator, and the regulator or securities regulatory authority of the other Jurisdictions, to hold at least 80% of the total value of the Crypto Assets with an entity that does not meet certain criteria of an Acceptable Third-Party Custodian.
- (J) Before the Filer holds Crypto Assets with a Custodian, the Filer will verify that the Custodian is an Acceptable Third-Party Custodian.
- (K) Before the Filer holds Crypto Assets with a Custodian, the Filer will ensure that the Custodian:
 - (a) will hold the Crypto Assets for the Filer's Clients:
 - (i) in an account clearly designated for the benefit of the Filer's Clients or in trust for the Filer's Clients;

- (ii) separate and apart from the assets of the Filer, the Filer's Affiliates, and the Custodian's other clients; and
 - (iii) separate and apart from the Custodian's own assets and from the assets of any custodial service provider;
 - (b) has appropriate insurance to cover the loss of Crypto Assets held at the Custodian; and
 - (c) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as Custodian.
- (L) For the Crypto Assets held by the Filer, the Filer:
- (a) will hold the Crypto Assets for the benefit of, and in trust for, its Clients separate and apart from the assets of the Filer;
 - (b) will ensure that there is appropriate insurance to cover the loss of Crypto Assets held by the Filer for the benefit of its Clients; and
 - (c) has established, and will maintain and apply, written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.
- (M) The Filer will access liquidity from multiple Liquidity Providers. The Filer will only use a Liquidity Provider that it has verified is registered or licensed, to the extent required in its home jurisdiction, to execute trades in Crypto Assets and that is not in default of securities legislation in any of the Jurisdictions.
- (N) The Filer will promptly stop using a Liquidity Provider if the Filer is made aware, or a court, regulator, or securities regulatory authority in any of the Jurisdictions has determined, that the Liquidity Provider is in non-compliance with securities legislation.
- (O) The Filer will evaluate the price obtained from its Liquidity Provider on an ongoing basis against global benchmarks and will provide fair and reasonable prices to its Clients.
- (P) The Filer will assess liquidity risk and concentration risk posed by its Liquidity Provider and, in so doing, will consider trading volume data (as provided in paragraph 1(e) of Appendix C), complete an historical analysis of its Liquidity Provider, and complete a relative analysis between Liquidity Providers, when the Filer adds Liquidity Providers as service providers. The Filer will also consider whether a Liquidity Provider has issued its own Proprietary Tokens and whether to limit reliance on any Liquidity Provider.
- (Q) Before each prospective client opens a Client Account, the Filer will deliver to the prospective client a Risk Statement, and will require the prospective client to provide electronic acknowledgement of having received, read, and understood the Risk Statement.

- (R) For each Client with a pre-existing Client Account at the date of this Decision, the Filer will deliver to the Client a Risk Statement, and will require the Client to provide electronic acknowledgement of having received, read, and understood the Risk Statement, at the earlier of:
 - (a) the next time the Client logs into their Client Account with the Filer;
 - (b) before placing the Client's next trade or deposit of Crypto Assets on the Platform.
- (S) The Filer will ensure that the Risk Statement delivered to each prospective client and each Client with a pre-existing Client Account is prominent and separate from other disclosures given to the Client at that time and that the acknowledgement is separate from other acknowledgements made by the Client at that time.
- (T) The Filer will make available to the Client, in the same place as the Client's other statements on the Platform, a copy of the Risk Statement acknowledged by the Client.
- (U) Before a Client enters into a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the Client to read the Crypto Asset Statement for the Crypto Asset, including a link to the Crypto Asset Statement on the Website and on the App.
- (V) The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure, including any material risks that may develop with respect to the Crypto Contracts or Crypto Assets and,
 - (a) in the event of any update to the Risk Statement, will promptly notify each existing Client of the update and deliver to them a copy of the updated Risk Statement; and
 - (b) in the event of any update to a Crypto Asset Statement, will promptly notify Clients through email notification of the update on the Platform and, deliver to them a link to the updated Crypto Asset Statement.
- (W) Prior to the Filer delivering a Risk Statement to a Client or prospective client, the Filer will deliver, or will have previously delivered, to the Principal Regulator, a copy of the Risk Statement.
- (X) The Filer will monitor client activity and contact Clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading Crypto Assets or Crypto Contracts is not suitable for the client, or that additional education is required.
- (Y) The Filer will not permit trading on the Platform by any Client with a Client Account that pre-existed this Decision until the Filer has, in respect of the Client, confirmed the KYC information on file and made a suitability determination for the Client, unless the Client that is a permitted client, requested in writing that the Filer should not make a suitability determination for the Client Account.
- (Z) Except as set out in conditions (12(b)(xi)(AA)) and (12(b)(xi)(BB)), the Filer will ensure that the maximum amount of Crypto Assets, other than Specified Crypto Assets, that a

Client may purchase and sell on the Platform under Crypto Contracts does not, on a net basis, exceed the Investment Limit.

- (AA) The Investment Limit does not apply in Alberta, British Columbia, Manitoba, Québec, and Saskatchewan.
- (BB) The Investment Limit does not apply to Permitted Clients or Registered CTPs.
- (CC) In the jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under the securities legislation of that Jurisdiction.
- (DD) The Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:
 - (a) change of or use of a new Custodian; and
 - (b) material changes to the Filer's ownership or its business operations, including its systems or its business model.
- (EE) The Filer will notify the Principal Regulator, promptly, of the loss of any amount of Crypto Assets or any material breach or failure of its, its Affiliate's, or its Custodian's system of controls or supervision, and the steps taken by the Filer, its Affiliate, or its Custodian, as the case may be, to address each such breach or failure.
- (FF) The Filer will evaluate Crypto Assets in accordance with its KYP Process.
- (GG) The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a Client in any Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Jurisdiction, where the Crypto Assets were issued by or on behalf of a person or company that is, or has in the last five years been the subject of an order, judgment, decree, sanction, fine, or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal, or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting, or otherwise facilitating criminal activity, misrepresentation, violation of Canadian AML and ATF Laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct.
- (HH) Except to allow Clients to liquidate their positions in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by the Client, the Filer will promptly stop entering into Crypto Contracts where the underlying asset is a Crypto Asset that is a security, a derivative or a Value-Referenced Crypto Asset that is not a Specified Value-Referenced Crypto Asset, as determined by:
 - (a) the Filer;
 - (b) a court, regulator, or securities regulatory authority in the foreign jurisdiction with which the Crypto Asset has the most significant connection; or

- (c) a regulator or securities regulatory authority.
- (II) The Filer will not engage in trades that are part of, or designed to facilitate the creation, issuance, or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers or Affiliates or associates of such persons.
- (JJ) The Filer will exclude from its excess working capital calculation all Crypto Assets it holds for which there is no offsetting by a corresponding current liability.

Staking

- (KK) The Filer will comply with the terms and conditions in Appendix E in respect of the Staking Services.

Reporting

- (LL) The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association, the New York State Department of Financial Services or any other regulatory authority applicable to a Custodian of the Filer makes a determination that:
 - (a) the Custodian is not permitted by that regulatory authority to hold client Crypto Assets; or
 - (b) there is a change in the status of the Custodian as a regulated financial institution.
- (MM) If the circumstances in condition (LL) arise, the Filer will identify a suitable alternative custody provider that meets the definition of an Acceptable Third-party Custodian to hold the Crypto Assets.
- (NN) The Filer will deliver the reporting as set out in Appendix C.
- (OO) The Filer will deliver to the Principal Regulator within 30 days of the end of March, June, September and December in connection with the Staking Services, including, but not limited to:
 - (a) the total number of clients to which the Filer provides the Staking Services;
 - (b) the Crypto Assets for which the Staking Services are offered;
 - (c) for each Crypto Asset that may be staked:
 - (i) the amount of Crypto Assets staked,
 - (ii) the amount of each such Crypto Assets staked that is subject to a Lockup Period and the length of the Lock-up Period;
 - (iii) the amount of Crypto Assets that clients have requested to unstake; and

- (iv) the amount of rewards earned by the Filer and the clients for the Crypto Assets staked under the Staking Services;
 - (d) the names of any third parties used to conduct the Staking Services;
 - (e) any instance of slashing, jailing or other penalties being imposed for validator error,
 - (f) the details of why these penalties were imposed; and
 - (g) any reporting regarding the Filer's liquidity management as requested by the Principal Regulator.
- (PP) The Filer will deliver to the Principal Regulator within 30 days of the end of each March, June, September and December, either
- (a) blackline copies of changes made to the policies and procedures on the operations of its wallets (including, but not limited to: establishment of wallets; transfer of Crypto Assets into and out of the wallets; and authorizations to access the wallets) previously delivered to the Principal Regulator; or
 - (b) a nil report stating that no changes have been made to its policies and procedures on the operations of its wallets in the quarter.
- (QQ) In addition to any other reporting required by the Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's Custodian(s) and the Crypto Assets held by the Filer's Custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the terms and conditions in this Decision, in a format acceptable to the Principal Regulator.
- (RR) Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Jurisdictions with aggregated or anonymized data concerning Client demographics and activity on the Platform that may be useful to advance the development of the Canadian regulatory framework for trading Crypto Assets.
- (SS) The Filer will promptly make any changes to its business practices or policies and procedures that may be identified by the Filer or by the Principal Regulator to address investor protection concerns arising from the operation of the Platform.

Time Limited Relief

- (TT) If the Filer intends to operate the Platform in the Jurisdictions after the expiry of this Decision, the Filer will:
- (a) submit an application with CIRO to become registered as an investment dealer and to become a dealer member no later than six months after the date of the Decision; and,

- (a) work actively and diligently with the OSC and CIRO to transition the Platform to investment dealer registration and obtain CIRO membership no later than two years after the date of the Decision.
- (UU) This Decision expires on the earlier of:
- (a) two years from date of this Decision, or
 - (b) the date on which the Filer or its Affiliate is registered as an investment dealer and becomes a CIRO member.
- (VV) This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.

“Heather Cohen”

Name: Heather Cohen

Title: Acting Associate Vice President, Markets, Trading and Markets

Ontario Securities Commission

OSC File # 2026/0041

Appendix A Defined Terms

“Acceptable Third-Party Custodian” means an entity that

- (a) is one of the following:
 - (i) a Canadian custodian or Canadian financial institution, as those terms are defined in NI 31-103 and NI 14-101, respectively;
 - (ii) a custodian qualified to act as a custodian or sub-custodian for assets held in Canada pursuant to section 6.2 [*Entities Qualified to Act as Custodian or Sub-Custodian for Assets Held in Canada*] of National Instrument 81-102;
 - (iii) a custodian that meets the definition of an “acceptable securities location” in accordance with the Investment Dealer and Partially Consolidated Rules and Form 1 of CIRO;
 - (iv) a foreign custodian (as defined in NI 31-103) for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Jurisdiction(s), as applicable; or
 - (v) an entity that does not meet the criteria for a qualified custodian (as defined in NI 31-103) and for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Jurisdiction(s);
- (b) is functionally independent of the Filer within the meaning of NI 31-103;
- (c) has obtained audited financial statements within the last twelve months that:
 - (i) are audited by a person or company that is authorized to sign an auditor’s report under the laws of a jurisdiction of Canada or a foreign jurisdiction and that meets the professional standards of that jurisdiction;
 - (ii) are accompanied by an auditor’s report that expresses an unqualified opinion; and
 - (iii) unless otherwise agreed to by the Principal Regulator, discloses on their statement of financial position or in the notes of the audited financial statements the amount of liabilities that it owes to its Clients for holding their assets, and the amount of assets held by the custodian to meet its obligations to those custody Clients, broken down by asset; and
- (d) has obtained a SOC report within the last twelve months or has obtained a comparable report recognized by a similar accreditation board satisfactory to the Principal Regulator and the regulator or securities regulatory authority of the Jurisdiction(s).

“Accredited Crypto Investor” means

- (a) an individual
 - (i) who, alone or with a spouse, beneficially owns financial assets (as defined in section 1.1 of NI 45-106) and Crypto Assets, if not included in financial assets, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000; or
 - (ii) whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that net income level in the current calendar year; or
 - (iii) whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that net income level in the current calendar year; or
 - (iv) who, alone or with a spouse, beneficially owns net assets of at least \$5,000,000;
- (b) a person or company described in paragraphs (a) to (i) of the definition of “accredited investor” as defined in subsection 73.3(1) of the Act or section 1.1 of NI 45-106; or
- (c) a person or company described in paragraphs (m) to (w) of the definition of “accredited investor” as defined in section 1.1 of NI 45-106.

“Act” means the *Securities Act* (Ontario).

“Aggregate Nominal Value” has the meaning ascribed to that term in Staff Notice 21-333.

“App” means the web-based application that provide access to the Platform.

“Canadian AML and ATF Law” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

“CIPF” means the Canadian Investor Protection Fund.

“CIRO” means the Canadian Investment Regulatory Organization.

“Client” means a client of the Filer that has successfully opened a Client Account using the Filer’s Website or App to conduct trades on the Platform.

“Client Account” means an account with the Filer that allows a Client access to transact on the Platform to trade Crypto Assets via Crypto Contracts.

“Client Agreement” means the agreement governing all activities in Client Accounts, including with respect to all Crypto Assets purchased on, or transferred to, the Platform.

“Client Assets” includes all fiat, and all Crypto Assets that a Client purchases on, or transfers onto, the Platform.

“Crypto Asset” means anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token.

“Crypto Asset Statement” means a document written in plain language that the Filer creates and makes available to Clients, for each Crypto Asset, that provides Clients with the information set out in representation 30 of the Decision.

“Crypto Contract” means an instrument or contract between the Filer and a Client to purchase, sell, hold, stake, deposit, or withdraw Crypto Assets.

“CTP” means crypto asset trading platform.

“Custodian” means Coinbase Custody Trust Company LLC or any Acceptable Third-Party Custodian that the Filer may engage in the future.

“Dealer Platform” has the meaning ascribed to that term in Staff Notice 21-329.

“Decision” means all parts of this decision, including appendices.

“Eligible Crypto Investor” means

- (a) a person whose
 - (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 - (ii) net income before taxes exceeded \$75,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
 - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
- (b) an Accredited Crypto Investor.

“Form 31-103F1” means Form 31-103F1 *Calculation of Excess Working Capital*.

“International Standards on Insurance Engagements” means the International Standards on Assurance Engagements set by the International Auditing and Assurance Standards Board, as amended from time to time.

“Investment Limit” means an amount that is calculated on a net basis, is not less than \$0 CAD in the preceding twelve months, and in the case of a client that is:

- (a) not an Eligible Crypto Investor, does not exceed a net acquisition cost of \$30,000;

- (b) an Eligible Crypto Investor, but is not an Accredited Crypto Investor, does not exceed a net acquisition cost of \$100,000; and
- (c) an Accredited Crypto Investor, is not limited.

“IOSCO” means the International Organization of Securities Commissions.

“KYC” means know your client.

“KYC Process” means the Filer’s policies and procedures for reviewing whether it is appropriate for the Filer to open a Client Account for a potential client and the Filer’s policies and procedures for ongoing evaluation of whether it is appropriate for the Filer to allow a Client to continue to have access to a Client Account, including but not limited to:

- (a) applying applicable account opening KYC requirements as required under applicable legislation;
- (b) satisfying the identity verification requirements applicable to reporting entities under Canadian AML and ATF Law;
- (c) ensuring that a potential client holds an account with a Canadian financial institution;
- (d) ensuring that a potential client, whether trading on their own behalf or trading on behalf of a Canadian client that is a legal entity, is an individual that is a Canadian citizen or permanent resident, and is 18 years of age or older; and
- (e) making the suitability determination as required in section 13.3 of NI 31-103.

“KYP” means know your product.

“KYP Process” means the policies and procedures the Filer has established and applies, in accordance with NI 31-103, and includes the Filer’s:

- (a) review of Crypto Assets that includes, but is not limited to, publicly available information concerning:
 - (i) the creation, governance, usage, and design of the Crypto Asset, including the source code, security, and roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;
 - (ii) the supply, demand, maturity, utility, and liquidity of the Crypto Asset;
 - (iii) material technical risks associated with the Crypto Asset, including any code defects, security breaches, and other threats concerning the Crypto Asset and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and

- (iv) legal and regulatory risks associated with the Crypto Asset, including any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of the Crypto Asset;
- (b) determination as to whether a Crypto Asset, available through a Crypto Contract, is a security and/or derivative and is being offered in compliance with securities and derivatives laws, which include, but are not limited to:
 - (i) consideration of statements made by any regulators or securities regulatory authorities of the Jurisdictions, other regulators in the IOSCO member jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and,
 - (ii) if the Filer determines it to be necessary, obtaining legal advice as to whether the Crypto Asset is a security and/or derivative under securities legislation of the Jurisdictions;
- (c) review of Crypto Assets to determine whether to allow Clients on the Platform to enter into Crypto Contracts based on these Crypto Assets, initially and on an ongoing basis; and
- (d) review of Value-Referenced Crypto Assets and the issuers of Value-Referenced Crypto Assets to ensure they meet the criteria in paragraphs 1, 2, 5, and 6 of Appendix B, initially and on an ongoing basis.

“Liquidity Provider” means any CTP, marketplace, or other entity that the Filer currently uses or uses in the future to fulfill its obligations under Crypto Contracts.

“Location” means an address or wallet (or group of addresses or wallets) that is (are) subject to a distinct pre-set governance policy within the private key management solution employed by the Filer or the Custodians.

“Lock-up Period” means, in relation to Staking, any lock-up, unbonding, unstaking, or similar period imposed by the relevant Crypto Asset protocol, custodian, or Validator, where Crypto Assets that have been staked or are being un-staked will not be accessible to the client or will be accessible only after payment of additional fees or penalties or forfeiture of any rewards.

“MI 11-102” means Multilateral Instrument 11-102 *Passport System*.

“MI 96-101” means Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting*.

“Money Market Fund” has the meaning ascribed to that term in NI 81-102 or in Rule 12d1-1 of the United States *Investment Company Act of 1940*, as the case may be.

“MSC Rule 91-507” means Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.

“NI 14-101” means National Instrument 14-101 *Definitions*.

“NI 21-101” means National Instrument 21-101 *Marketplace Operation*.

“NI 31-103” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

“NI 81-102” means National Instrument 81-102 *Investment Funds*.

“OSC Rule 91-507” means Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.

“Outstanding Units of the Value-Referenced Crypto Asset” means units of the Value Referenced Crypto-Asset that have been minted and issued in exchange for funds less any units for which a request for redemption has been fulfilled.

“Permitted Client” has the meaning ascribed to that term in NI 31-103.

“Platform” means a proprietary and automated internet-based Dealer Platform, operated by the Filer, for the trading of Crypto Assets in Canada that enables Clients of the Filer to buy, sell, hold, deposit, stake and withdraw Crypto Assets by entering into Crypto Contracts with the Filer.

“Promoter” has the meaning ascribed to that term in Canadian securities legislation.

“Proprietary Token” means, with respect to a person or company, a Crypto Asset that is not a Value-Referenced Crypto Asset, and for which the person or company or an affiliate of the person or company, acted as the issuer (and mints or burns the Crypto Asset) or a Promoter.

“Publicly Accountable Enterprise” has the meaning ascribed to that term in Staff Notice 21-333.

“Qualified Custodian” has the meaning ascribed to that term in NI 31-103.

“Reference Fiat Currency” means the Canadian dollar or the United States dollar.

“Registered CTP” means a CTP that is registered as a restricted dealer or an investment dealer under securities legislation in one or more jurisdictions of Canada.

“Risk Statement” means a document provided to prospective clients or Clients that provides the information set out in representation 29(c) of the Decision.

“SOC report” means a Service Organization Controls report completed under the SOC 2 Type 1 or SOC 2 Type 2 standards.

“Specified Crypto Asset” means any of:

- (a) Bitcoin;
- (b) Ether;
- (c) Bitcoin Cash;
- (d) Litecoin;

- (e) Solana; or
- (f) a Specified Value-Referenced Crypto Asset.

“Specified Foreign Jurisdiction” means Australia, Brazil, any member country of the European Union, Hong Kong, Japan, the Republic of Korea, New Zealand, Singapore, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America, or any other jurisdiction that the Principal Regulator may advise.

“Specified Value-Referenced Crypto Asset” means a Value-Referenced Crypto Asset that meets the terms and conditions in Appendix B.

“Staff Notice 21-327” means CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets*.

“Staff Notice 21-329” means Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*.

“Staff Notice 21-333” means CSA Staff Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients*.

“Stakeable Crypto Assets” means (i) Crypto Assets of blockchains that use a proof-of-stake consensus mechanism and (ii) the staked Crypto Assets that are used to guarantee the legitimacy of new transactions the Validator adds to the blockchain.

“Staking” means the act of committing or locking Crypto Assets in smart contracts to permit the owner or the owner's agent to act as a Validator for a particular proof-of-stake consensus algorithm blockchain.

“Staking Services” means services where the Filer arranges to stake Crypto Assets and earn staking rewards for participating Clients.

“U.S. GAAP” has the meaning ascribed to that term in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

“U.S. PCAOB GAAS” has the meaning ascribed to that term in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

“Validator” means, in connection with a particular proof-of-stake consensus algorithm blockchain, an entity that operates one or more nodes that meet protocol requirements for a Crypto Asset and participates in consensus by broadcasting votes and committing new blocks to the blockchain.

“Value-Referenced Crypto Asset” means a Crypto Asset that is designed to maintain a stable value over time by referencing the value of a fiat currency or other value or right, or combination thereof.

“Value-Referenced Crypto Asset Holder” means a person or company with ownership or control or possession of a unit of a Value Referenced Crypto-Asset, including a CTP holding a unit of a Value Referenced Crypto-Asset pursuant to a Crypto Contract with a client.

“Website” means the website www.satstreet.com or such other website as may be used to host the Platform from time to time.

Appendix B
Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients

1. The Filer ensures that:
 - (a) the Value-Referenced Crypto Asset references, on a one-to-one basis, the value of a Reference Fiat Currency;
 - (b) the Value-Referenced Crypto Asset entitles a Value-Referenced Crypto Asset Holder who maintains an account with the issuer of the Value-Referenced Crypto Asset to a right of redemption, subject only to reasonable publicly disclosed conditions, on demand directly against the issuer of the Value-Referenced Crypto Asset or against the reserve of assets, for the Reference Fiat Currency on a one-to-one basis, less only any fee that is publicly disclosed by the issuer of the Value-Referenced Crypto Asset, and payment of the redemption proceeds within a reasonable period as disclosed by the issuer of the Value-Referenced Crypto Asset;
 - (c) the issuer of the Value-Referenced Crypto Asset maintains a reserve of assets that is:
 - (i) in the Reference Fiat Currency and is comprised of any of the following:
 1. cash;
 2. investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada or the government of the United States;
 3. securities issued by one or more Money Market Funds licensed, regulated, or authorized by a regulatory authority in Canada or the United States of America; or
 4. such other assets that the Principal Regulator and the regulator or securities regulatory authority in each Canadian jurisdiction where Clients of the Filer reside has consented to in writing;
 - (d) all of the assets that comprise the reserve of assets are:
 - (i) measured at fair value in accordance with Canadian GAAP for Publicly Accountable Enterprises or U.S. GAAP at the end of each day;
 - (ii) held with a Qualified Custodian;
 - (iii) held in an account clearly designated for the benefit of the Value-Referenced Crypto Asset Holders or in trust for the Value-Referenced Crypto Asset Holders;
 - (iv) held separate and apart from the assets of the issuer of the Value-Referenced Crypto Asset and its Affiliates and from the reserve of assets of any other

Crypto Asset, so that, to the best of the knowledge and belief of the Filer after taking steps that a reasonable person would consider appropriate, including consultation with experts such as legal counsel, no creditors of the issuer other than the Value-Referenced Crypto Asset Holders in their capacity as Value-Referenced Crypto Asset Holders, will have recourse to the reserve of assets, in particular in the event of insolvency; and

- (v) not encumbered or pledged as collateral at any time; and
 - (e) the fair value of the reserve of assets is at least equal to the Aggregate Nominal Value of all outstanding units of the Value-Referenced Crypto Asset at least once each day.
2. The issuer of the Value-Referenced Crypto Asset makes all of the following publicly available:
- (a) details of each type, class, or series of the Value-Referenced Crypto Asset, including the date the Value-Referenced Crypto Asset was launched and key features and risks of the Value-Referenced Crypto Asset;
 - (b) the quantity of all outstanding units of the Value-Referenced Crypto Asset and their Aggregate Nominal Value at least once each business day;
 - (c) the names and experience of the persons or companies involved in the issuance and management of the Value-Referenced Crypto Asset, including the issuer of the Value-Referenced Crypto Asset, any manager of the reserve of assets, including any individuals that make investment decisions in respect of the reserve of assets, and any custodian of the reserve of assets;
 - (d) the quantity of units of the Value-Referenced Crypto Asset held by the issuer of the Value-Referenced Crypto Asset or any of the persons or companies referred to in paragraph (c) and their nominal value at least once each business day;
 - (e) details of how a Value-Referenced Crypto Asset Holder can redeem the Value-Referenced Crypto Asset, including any possible restrictions on redemptions such as the requirement for a Value-Referenced Crypto Asset Holder to have an account with the issuer of the Value-Referenced Crypto Asset and any criteria to qualify to have an account;
 - (f) details of the rights of a Value-Referenced Crypto Asset Holder against the issuer of the Value-Referenced Crypto Asset and the reserve of assets, including in the event of insolvency or winding up;
 - (g) all fees charged by the issuer of the Value-Referenced Crypto Asset for distributing, trading, or redeeming the Value-Referenced Crypto Asset;
 - (h) whether Value-Referenced Crypto Asset Holders are entitled to any revenues generated by the reserve of assets;
 - (i) details of any instances of any of the following:

- (i) the issuer of the Value-Referenced Crypto Asset has suspended or halted redemptions for all Value-Referenced Crypto Asset Holders; and
 - (ii) the issuer of the Value-Referenced Crypto Asset has not been able to satisfy redemption rights at the price or in the time specified in its public policies;
- (j) within 45 days of the end of each month, an assurance report from a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America, and that meets the professional standards of that jurisdiction, that complies with all of the following:
- (i) provides reasonable assurance in respect of the assertion by management of the issuer of the Value-Referenced Crypto Asset that the issuer of the Value-Referenced Crypto Asset has met the requirements in paragraphs 1(c)-(e) as at the last business day of the preceding month and at least one randomly selected day during the preceding month;
 - (ii) the randomly selected day referred to in subparagraph (i) is selected by the public accountant and disclosed in the assurance report;
 - (iii) for each day referred to in subparagraph (i), management's assertion includes all of the following:
 - 1. details of the composition of the reserve of assets;
 - 2. the fair value of the reserve of assets in paragraph 1(d)(i); and
 - 3. the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b); and
 - (iv) the assurance report is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants;
- (k) starting with the first financial year ending after December 1, 2023, within 120 days of the financial year end of the issuer of the Value-Referenced Crypto Asset, annual financial statements of the issuer of the Value-Referenced Crypto Asset that meet the following requirements:
- (i) the annual financial statements include all of the following:
 - 1. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;
 - 2. a statement of financial position, signed by at least one director of the issuer of the Value-Referenced Crypto Asset, as at the end of the most recently completed financial year and the financial year

immediately preceding the most recently completed financial year, if any; and

3. notes to the financial statements;

(ii) the annual financial statements are prepared in accordance with one of the following accounting principles:

1. Canadian GAAP applicable to Publicly Accountable Enterprises; or
2. U.S. GAAP;

(iii) the statements are audited in accordance with one of the following auditing standards:

1. Canadian GAAS;
2. International Standards on Auditing; or
3. U.S. PCAOB GAAS; and

(iv) the statements are accompanied by an auditor's report that:

1. identifies the auditing standards used to conduct the audit;
2. is prepared and signed by a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America;
3. if the statements are audited in accordance with Canadian GAAS or International Standards on Auditing, expresses an unmodified opinion; and
4. if the statements are audited in accordance with U.S. PCAOB GAAS, expresses an unqualified opinion.

3. The Filer includes in each Crypto Asset Statement, all of the following:

- (a) a prominent statement that no securities regulatory authority or regulator in Canada has evaluated or endorsed the Crypto Contracts or any of the Crypto Assets made available through the platform;
- (b) a prominent statement that the Value-Referenced Crypto Asset is not the same as, and is riskier than, a deposit in a bank or holding cash with the Filer;
- (c) a prominent statement that although Value-Referenced Crypto Assets may be commonly referred to as "stablecoins," there is no guarantee that the Value-Referenced Crypto Asset will maintain a stable value when traded on secondary markets or that the reserve of assets will be adequate to satisfy all redemptions;

- (d) a prominent statement that, due to uncertainties in the application of bankruptcy and insolvency law, in the event of the insolvency of [Value-Referenced Crypto Asset issuer], there is a possibility that creditors of [Value-Referenced Crypto Asset issuer] would have rights to the reserve assets that could outrank a Value-Referenced Crypto Asset holder's rights, or otherwise interfere with a Value-Referenced Crypto Asset holder's ability to access the reserve of assets in the event of insolvency;
 - (e) a description of the Value-Referenced Crypto Asset and its issuer;
 - (f) a description of the due diligence performed by the Filer with respect to the Value-Referenced Crypto Asset;
 - (g) a brief description of the information in paragraph 2 of this Appendix and links to where the information in that paragraph is publicly available;
 - (h) a link to where on its Website the issuer of the Value-Referenced Crypto Asset will disclose any event that has or is likely to have a significant effect on the value of the Value-Referenced Crypto Asset or on the reserve of assets;
 - (i) a description of the circumstances where the secondary market trading value of the Value-Referenced Crypto Asset may deviate from par with the Reference Fiat Currency and details of any instances where the secondary market trading value of the Value-Referenced Crypto Asset has materially deviated from par with the Reference Fiat Currency during the last 12 months on the Filer's platform;
 - (j) a brief description of any risks to the Client resulting from the trading of a Value-Referenced Crypto Asset or a Crypto Contract in respect of a Value-Referenced Crypto Asset that may not have been distributed in compliance with securities laws;
 - (k) any other risks specific to the Value-Referenced Crypto Asset, including the risks arising from the fact that the Filer may not, and a Client does not, have a direct redemption right with the issuer of the Value-Referenced Crypto Asset;
 - (l) a direction to the Client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the platform;
 - (m) a statement that the statutory rights in section 130.1 of the Act and, if applicable, similar statutory rights under securities legislation of other Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in the Decision; and
 - (n) the date on which the information in the Crypto Asset Statement was last updated.
4. If the Filer uses the terms “stablecoin” or “stablecoins” in any information, communication, advertising or social media related to the Platform and targeted at or accessible by Canadian investors, the Filer will also include the following statement (or a link to the following statement when impractical to include):

“Although the term “stablecoin” is commonly used, there is no guarantee that the asset will maintain a stable value in relation to the value of the reference asset when traded on secondary markets or that the reserve of assets, if there is one, will be adequate to satisfy all redemptions.”

5. The issuer of the Value-Referenced Crypto Asset has filed an undertaking acceptable to the CSA in substantially the same form as set out in Appendix B of Staff Notice 21-333 and the undertaking is posted on the CSA website.
6. To the extent the undertaking referred to in paragraph 5 of this Appendix includes language that differs from paragraphs 1 or 2 of this Appendix, the Filer complies with paragraphs 1 and 2 of this Appendix as if they included the modified language from the undertaking.
7. The Filer applies its KYP Process with respect to the Value-Referenced Crypto Asset and its issuer.
8. The Filer continues to have, and follows, policies and procedures to facilitate halting or suspending deposits or purchases of the Value-Referenced Crypto Asset, or Crypto Contracts in respect of the Value-Referenced Crypto Asset, as quickly as is commercially reasonable, if the Value-Referenced Crypto Asset no longer satisfies the criteria in paragraphs 1, 2, 5, and 6 of this Appendix.

Appendix C Data Reporting

1. The Filer will deliver the following information to the Principal Regulator and each of the Coordinated Review Decision Makers in an agreed form and manner specified by the Principal Regulator and each of the Coordinated Review Decision Makers with respect to Clients residing in the Jurisdiction of such Coordinated Review Decision Maker, within 30 days of the end of each March, June, September, and December.
 - (a) aggregate reporting of activity conducted pursuant to the Platform's operations that will include the following:
 - (i) number of Client Accounts opened in each month in the quarter;
 - (ii) number of Client Accounts frozen or closed in each month in the quarter;
 - (iii) number of Client Account applications rejected by the Platform each month in the quarter as not being suitable based on the Filer's suitability determination;
 - (iv) number of trades each month in the quarter;
 - (v) average value of the trades in each month in the quarter;
 - (vi) number of Client Accounts with a net acquisition cost greater than \$30,000 of Crypto Assets at the end of each month in the quarter;
 - (vii) number of Client Accounts that in the preceding 12 months, excluding Specified Crypto Assets, exceeded a net acquisition cost of \$30,000 at the end of each month in the quarter;
 - (viii) number of Client Accounts at the end of each month in the quarter;
 - (ix) number of Client Accounts with no trades during the quarter;
 - (x) number of Client Accounts that have not been funded at the end of each month in the quarter;
 - (xi) number of Client Accounts that hold a positive amount of Crypto Assets at end of each month in the quarter;
 - (xii) number of client directed trades for each month in the quarter; and
 - (xiii) number of unique clients who executed a client-directed trade for each month during the quarter;
 - (b) the details of any Client complaints received by the Filer during the quarter and how such complaints were addressed;

- (c) a listing of all blockchain addresses, except for deposit addresses, that hold Crypto Assets on behalf of Clients, including all hot and cold wallets;
 - (d) the details of any fraudulent activity or cybersecurity incidents on the Platform during the quarter, any resulting harms and effects on clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activities or incidents from occurring in the future; and
 - (e) the details of the transaction volume per Liquidity Provider, per Crypto Asset during the quarter.
2. The Filer will deliver to the Principal Regulator and each of the Coordinated Review Decision Makers, in an agreed form and manner specified by the Principal Regulator and each of the Coordinated Review Decision Makers, a report that includes the anonymized account-level data for the Platform's operations for each Client residing in the Jurisdiction of such Coordinated Review Decision Maker, within 30 days of the end of each March, June, September, and December for data elements outlined in Appendix D.

APPENDIX D

DATA ELEMENT DEFINITIONS, FORMATS AND ALLOWABLE VALUES

Number	Data Element Name	Definition for Data Element¹	Format	Values	Example
Data Elements Related to each Unique Client					
1.	Unique Client Identifier	Alphanumeric code that uniquely identifies a customer.	Varchar(72)	An internal Client identifier code assigned by the CTP to the Client. The identifier must be unique to the Client.	ABC1234
2.	Unique Account Identifier	Alphanumeric code that uniquely identifies an account.	Varchar(72)	A unique internal identifier code which pertains to the customer's account. There may be more than one Unique Account Identifier linked to a Unique Client Identifier.	ABC1234
3.	Jurisdiction	The Province or Territory where the Client, head office or principal place of business is, or under which laws the Client is organized, or if an individual, their principal place of residence.	Varchar(5)	Jurisdiction where the Client is located using ISO 3166-2 - See the following link for more details on the ISO standard for Canadian jurisdictions codes. https://www.iso.org/obp/ui/#iso:code:3166:CA	CA-ON
Data Elements Related to each Unique Account					
4.	Account Open Date	Date the account was opened and approved to trade.	YYYY-MM-DD, based on UTC	Any valid date based on ISO 8601 date format	2022-10-27

¹ Note: Digital Token refers to either data associated with a Digital Token, or a Digital Token referenced in an investment contract.

Number	Data Element Name	Definition for Data Element ¹	Format	Values	Example
5.	Cumulative Realized Gains/Losses	Cumulative Realized Gains/Losses from purchases, sales, deposits, withdrawals and transfers in and out, since the account was opened as of the end of the reporting period.	Num(25,0)	Any value rounded to the nearest dollar in CAD. Use the market value at the time of transfers in, transfers out, deposits and withdrawals of the Digital Token to determine the cost basis or the realized gain or loss.	205333
6.	Unrealized Gains/Losses	Unrealized Gains/Losses from purchases, deposits and transfers in as of the end of the reporting period.	Num(25,0)	Any value rounded to the nearest dollar in CAD. Use the market value at the time of transfers in or deposits of the Digital Token to determine the cost basis.	-30944
7.	Digital Token Identifier	Alphanumeric code that uniquely identifies the Digital Token held in the account.	Char(9)	Digital Token Identifier as defined by ISO 24165. See the following link for more details on the ISO standard for Digital Token Identifiers. https://dtif.org/	4H95J0R2X
Data Elements Related to each Digital Token Identifier Held in each Account					
8.	Quantity Bought	Number of units of the Digital Token bought in the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	4358.326
9.	Number of Buy Transactions	Number of transactions associated with the Quantity Bought during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	400

Number	Data Element Name	Definition for Data Element¹	Format	Values	Example
10.	Quantity Sold	Number of units of the Digital Token sold in the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	125
11.	Number of Sell Transactions	Number of transactions associated with the Quantity Sold during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	3325
12.	Quantity Transferred In	Number of units of the Digital Token transferred into the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	10.928606
13.	Number of Transactions from Transfers In	Number of transactions associated with the quantity transferred into the account during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	3
14.	Quantity Transferred Out	Number of units of the Digital Token transferred out of the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	603
15.	Number of Transactions from Transfers Out	Number of transactions associated with the quantity transferred out of the account during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	45
16.	Quantity Held	Number of units of the Digital Token held in the account as of the end of the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	3641.25461

Number	Data Element Name	Definition for Data Element ¹	Format	Values	Example
17.	Value of Digital Token Held	Value of the Digital Token held as of the end of the reporting period.	Num(25,0)	Any value greater than or equal to zero rounded to the nearest dollar in CAD. Use the unit price of the Digital Token as of the last business day of the reporting period multiplied by the quantity held as reported in (16).	45177788
18.	Client Limit	The Client Limit established on each account.	Num(25,2)	Any value greater than or equal to zero rounded to the nearest dollar in CAD, or if a percentage, in decimal format.	0.50
19.	Client Limit Type	The type of limit as reported in (18).	Char(3)	AMT (amount) or PER (percent).	PER

APPENDIX E

STAKING TERMS AND CONDITIONS

1. The Staking Services are offered in relation to the Stakeable Crypto Assets that are subject to a Crypto Contract between the Filer and a client.
2. Unless the Principal Regulator provides its prior written consent, the Filer will offer clients the Staking Services only for (i) Crypto Assets of blockchains that use a proof of stake consensus mechanism and (ii) the staked Crypto Assets that are used to guarantee the legitimacy of new transactions the Validator adds to the blockchain (i.e., Stakeable Crypto Assets).
3. The Filer is proficient and knowledgeable about staking Stakeable Crypto Assets.
4. The Filer itself does not act as a Validator. The Filer has entered into written agreements with third parties to stake Stakeable Crypto Assets and each such third party is proficient and experienced in staking Stakeable Crypto Assets.
5. As part of its KYP Policy, the Filer reviews the Stakeable Crypto Assets made available to clients for staking and staking protocols related to those Stakeable Crypto Assets prior to offering those Stakeable Crypto Assets as part of the Staking Services. The Filer's review includes the following:
 - (a) the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (b) the operation of the proof-of-stake blockchain for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (c) the staking protocols for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (d) the risks of loss of the staked Stakeable Crypto Assets, including from software bugs and hacks of the protocol;
 - (e) the Validators engaged by the Filer or the Filer's Custodian, including, but not limited to, information about:
 - (i) the persons or entities that manage and direct the operations of the Validator,
 - (ii) the Validator's reputation and use by others,
 - (iii) the amount of Stakeable Crypto Assets the Validator has staked on its own nodes,
 - (iv) the measures in place by the Validator to operate the nodes securely and reliably,

- (v) the financial status of the Validator,
 - (vi) the performance history of the Validator, including but not limited to the amount of downtime of the Validator, past history of “double signing” and “double attestation/voting”,
 - (vii) any losses of Stakeable Crypto Assets related to the Validator’s actions or inactions, including losses resulting from slashing, jailing or other penalties incurred by the Validator, and
 - (viii) any guarantees offered by the Validator against losses including losses resulting from slashing or other penalties and any insurance obtained by the Validator that may cover this risk.
6. The Filer has policies and procedures to make a suitability determination for a client, except for permitted clients who have requested in writing that the Filer not make suitability determinations for their accounts, that includes consideration of the Staking Services to be made available to that client.
 7. The Filer applies the suitability policies and procedures to evaluate whether offering the Staking Services is suitable for a client, except for permitted clients who have requested in writing that the Filer not make suitability determinations for their accounts, before providing access to an account that makes available the Staking Services and on an ongoing basis.
 8. If, after making a suitability determination, the Filer determines that providing the Staking Services is not suitable for the client, the Filer will include prominent messaging to the client that this is the case and the Filer will not make available the Staking Services to the client.
 9. The Filer only stakes the Stakeable Crypto Assets of those clients who have agreed to the Staking Services and have allocated Stakeable Crypto Assets to be staked. Where a client no longer wishes to stake all or a portion of the allocated Stakeable Crypto Assets, subject to any Lock-Up Periods (as defined below) or any terms of the Staking Services that permit the client to remove Stakeable Crypto Assets from the Staking Services prior to the expiry of any Lock-Up Periods, the Filer ceases to stake those Stakeable Crypto Assets.
 10. Before the first time a client allocates any Stakeable Crypto Assets to be staked, the Filer delivers to the client the Risk Statement that includes the risks with respect to staking and the Staking Services described in condition 11 below, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
 11. The Filer clearly explains in the Risk Statement the risks with respect to staking and the Staking Services in plain language, which includes:
 - (a) the details of the Staking Services and the role of all third parties involved;

- (b) the due diligence performed by the Filer with respect to the proof-of-stake consensus protocol for each Crypto Asset for which the Filer provides the Staking Services;
 - (c) the details of the Validators that will be used for the Staking Services and the due diligence performed by the Filer with respect to the Validators;
 - (d) the details of whether and how the custody of staked Stakeable Crypto Assets differs from Crypto Assets held on behalf of the Filer's clients that are not engaged in staking;
 - (e) the general risks related to staking and any risks arising from the arrangements used by the Filer to offer the Staking Services (e.g., reliance on third parties; risk of loss due to technical errors or bugs in the protocol; hacks or theft from the crypto assets being held in hot wallets, etc.) and how any losses will be allocated to clients;
 - (f) whether the Filer will reimburse clients for any Stakeable Crypto Assets lost due to slashing or other penalties imposed due to Validator error, action or inactivity or how any losses will be allocated to clients;
 - (g) whether any of the staked Stakeable Crypto Assets are subject to any Lock-up Periods; and
 - (h) how rewards are calculated on the staked Stakeable Crypto Assets, including any fees charged by the Filer or any third party, how rewards are paid out to clients, and any associated risks.
12. Immediately before each time that a client allocates Stakeable Crypto Assets to be staked under the Staking Services, the Filer requires the client to acknowledge the risks of staking Stakeable Crypto Assets as may be applicable to the particular Staking Services or each particular Stakeable Crypto Asset, including, but not limited to:
- (a) that the staked Stakeable Crypto Asset may be subject to a Lock-up Period and, consequently, the client may not be able to sell or withdraw their Stakeable Crypto Asset for a predetermined or unknown period of time, with details of any known period, if applicable;
 - (b) that given the volatility of Crypto Assets, the value of a client's staked Stakeable Crypto Asset when they are able to sell or withdraw, and the value of any Stakeable Crypto Asset earned through staking, may be significantly less than the current value;
 - (c) how rewards will be calculated and paid out to clients and any risks inherent in the calculation and payout of any rewards;
 - (d) that there is no guarantee that the client will receive any rewards on the staked Stakeable Crypto Asset, and that past rewards are not indicative of expected future rewards;

- (e) whether rewards may be changed at the discretion of the Filer;
 - (f) unless the Filer guarantees any Stakeable Crypto Assets lost to slashing, that the client may lose all or a portion of the client's staked Stakeable Crypto Assets if the Validator does not perform as required by the network;
 - (g) if the Filer offers a guarantee to prevent loss of any Stakeable Crypto Assets arising from the Staking Services, including due to slashing, any limits on that guarantee and requirements for a client to claim under the guarantee; and
 - (h) that additional risks can be found in the Risk Statement and Crypto Asset Statement, including the names and other information regarding the Validators and information regarding Lock-up Periods and rewards, with a link to the Risk Statement and Crypto Asset Statement.
13. Immediately before each time a client buys or deposits Stakeable Crypto Assets that are automatically staked pursuant to an existing agreement by the client to the Staking Services, the Filer provides prominent disclosure to the client that the Stakeable Crypto Asset it is about to buy or deposit will be automatically staked.
 14. The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Staking Services and/or Stakeable Crypto Assets.
 15. In the event of any update to the Risk Statement, for each existing client that has agreed to the Staking Services, the Filer will promptly notify the client of the update and deliver to them a copy of the updated Risk Statement.
 16. In the event of any update to a Crypto Asset Statement, for each existing client that has agreed to the Staking Services in respect of the Stakeable Crypto Asset for which the Crypto Asset Statement was updated, the Filer will promptly notify the client of the update and deliver to the client a copy of the updated Crypto Asset Statement.
 17. The Filer and the Custodian remain in possession, custody and control of the staked Stakeable Crypto Assets at all times.
 18. The Filer holds the staked Stakeable Crypto Assets in trust or for the benefit of its clients in one or more omnibus staking wallets in the name of the Filer for the benefit of the Filer's clients with the Custodian and the staked Stakeable Crypto Assets are held separate and distinct from (i) the assets of the Filer, the Custodian and the Custodian's other clients; and (ii) the Crypto Assets held for its clients that have not agreed to staking those specific Crypto Assets.
 19. The Filer has established policies and procedures that manage and mitigate custodial risks for staked Stakeable Crypto Assets, including but not limited to, an effective system of controls and supervision to safeguard the staked Stakeable Crypto Assets.

20. If the Filer provides a guarantee to clients from some or all of the risks related to the Staking Services, the Filer has established, and will maintain and apply, policies and procedures to address any risks arising from such guarantee.
21. In the event of bankruptcy or insolvency of the Filer, the Filer will assume and will not pass to clients any losses arising from slashing or other penalties arising from the performance or non-performance of the Validator.
22. The Filer monitors its Validators for downtime, jailing and slashing events and takes any appropriate action to protect Stakeable Crypto Assets staked by clients.
23. The Filer has established and applies policies and procedures to address how staking rewards, fees and losses will be calculated and allocated to clients that have staked Stakeable Crypto Assets under the Staking Services.
24. The Filer regularly and promptly determines the amount of staking rewards earned by each client that has staked Stakeable Crypto Assets under the Staking Services and distributes each client's staking rewards to the client promptly after they are made available to the Filer.
25. The Filer clearly discloses the fees charged by the Filer for the Staking Services and provides a clear calculation of the rewards earned by each client that agrees to the Staking Services.