

April 1, 2025

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO (the Jurisdiction)
AND ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK, NEWFOUNDLAND
AND LABRADOR, NORTHWEST TERRITORIES, NOVA SCOTIA, NUNAVUT, PRINCE
EDWARD ISLAND, QUÉBEC, SASKATCHEWAN AND YUKON**

AND

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

AND

**IN THE MATTER OF
PAYWARD CANADA INC. (the Filer)**

AND

**IN THE MATTER OF
PAYWARD, INC.**

DECISION

Background

As set out in Canadian Securities Administrators (**CSA**) Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets (Staff Notice 21-327)* and joint CSA / Investment Industry Regulatory Organization of Canada (**IIROC**) Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements (Staff Notice 21-329)*, securities legislation applies to crypto asset trading platforms (**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 (**Crypto Contract**).

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

The Filer operates a platform that permits clients to enter into Crypto Contracts with the Filer to buy, sell, stake and hold in custody assets commonly considered a crypto asset, digital or virtual currency, or digital or virtual token (each a **Crypto Asset**, collectively, the **Crypto Assets**). The Filer has applied for registration as a restricted dealer in accordance with Staff Notice 21-329 in

each province and territory of Canada. 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.

While registered as a restricted dealer, the Filer intends to apply for registration as an investment dealer, to seek membership with the Canadian Investment Regulatory Organization (**CIRO**, formerly IIROC), and to seek approval to operate an alternative trading system (**ATS**). This decision (**Decision**) has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Applicable Jurisdictions (as defined below) will not consider this Decision as constituting a precedent for other filers.

Relief Requested

The securities regulatory authority or regulator in Ontario (the **Principal Regulator**) has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Principal Regulator (the **Legislation**) exempting the Filer from the prospectus requirement of the Legislation in respect of the Filer entering into Crypto Contracts with clients to deposit, purchase, hold, stake, withdraw and sell Crypto Assets (the **Prospectus Relief**).

The securities regulatory authority or regulator in each of the jurisdictions referred to in Appendix A (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:

- (a) certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**);
- (b) except in British Columbia, New Brunswick, Nova Scotia and Saskatchewan, relief from the whole of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**), National Instrument 23-101 *Trading Rules*, and National Instrument 23-103 *Electronic Trading and Direct Access to Marketplaces* (collectively, the **Marketplace Relief**, and together with the Trade Reporting Relief, the **Coordinated Review Relief**).

The Prospectus Relief and the Coordinated Review Relief are referred to as the **Requested Relief**.

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

- (a) the Ontario Securities Commission (the **OSC**) is the Principal Regulator for this Application,
- (b) in respect of the Prospectus Relief, the Filer has provided notice that, in the jurisdictions where required, subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Non-Principal Jurisdictions**, together with the Jurisdiction, the **Applicable Jurisdictions**),
- (c) the Decision is the decision of the Principal Regulator, and

- (d) In respect of the Requested Relief other than the Prospectus Relief, the Decision evidences the decision of each Coordinated Review Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and securities legislation have the same meaning if used in this Decision, unless otherwise defined in this Decision.

For the purposes of this Decision, the following terms have the following meanings:

- (a) **“Acceptable Third-party Custodian”** means an entity that:
- (i) is one of the following:
 1. a Canadian custodian or Canadian financial institution;
 2. 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 NI 81-102;
 3. 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;
 4. a foreign custodian for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s); or
 5. an entity that does not meet the criteria for a qualified custodian and for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s);
 - (ii) is functionally independent of the Filer within the meaning of NI 31-103;
 - (iii) has obtained audited financial statements within the last twelve months, which:
 1. 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,
 2. are accompanied by an auditor’s report that expresses an unqualified opinion, and
 3. unless otherwise agreed to by the Principal Regulator, discloses on its 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

- (iv) has obtained a Systems and Organization Controls (**SOC**) 2 Type 1 or SOC 2 Type 2 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 Applicable Jurisdiction(s).
- (b) **“Accredited Crypto Investor”** means
 - (i) an individual
 1. 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
 2. 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
 3. 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
 4. who, alone or with a spouse, beneficially owns net assets of at least \$5,000,000;
 - (ii) 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 *Securities Act* (Ontario) or section 1.1 of NI 45-106; or
 - (iii) 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.
- (c) **“AML”** means anti-money laundering.
- (d) **“Bonded Staking Service”** has the meaning as set out in representation 45.
- (e) **“Canadian AML/ATF Law”** means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and related regulations.
- (f) **“Canadian custodian”** has the meaning ascribed to that term in NI 31-103.
- (g) **“Canadian financial institution”** has the meaning ascribed to that term in NI 45-106.
- (h) **“Crypto Asset Statement”** means the statement described in representation I.69(c)(v)
- (i) **“Eligible Crypto Investor”** means

- (i) a person whose
 1. net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 2. 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
 3. 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
- (ii) an Accredited Crypto Investor.
- (j) **“Flexible Staking Service”** has the meaning as set out in representation 46.
- (k) **“foreign custodian”** has the meaning ascribed to that term in NI 31-103.
- (l) **“Form 21-101F2”** means Form 21-101F2 *Information Statement Alternative Trading System*.
- (m) **“Form 31-103F1”** means Form 31-103F1 *Calculation of Excess Working Capital*.
- (n) **“Liquidity Provider”** means a crypto asset trading platform or marketplace or other entity that the Filer uses to fulfill its obligations under Crypto Contracts.
- (o) **“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.
- (p) **“Marketplace Services”** means services provided by a “marketplace” as defined in NI 21-101 and, in Ontario, subsection 1(1) of the *Securities Act* (Ontario).
- (q) **“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*.
- (r) **“NI 81-102”** means National Instrument 81-102 *Investment Funds*.
- (s) **“permitted client”** has the meaning ascribed to that term in NI 31-103.
- (t) **“Prohibited Use”** means the violations of the restrictions relating to the use of the Platform as described in representation 69(d)(xiii).
- (u) **“qualified custodian”** has the meaning ascribed to that term in NI 31-103.
- (v) **“Risk Statement”** means the statement of risks described in representation 69(c);

- (w) “**Specified Crypto Asset**” means the crypto assets, digital or virtual currencies, and digital or virtual tokens listed in Appendix B to this Decision.
- (x) “**Specified Foreign Jurisdiction**” means any of the following: 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 and the United States of America, and any other jurisdiction that the Principal Regulator may advise.
- (y) “**Staking**” means the act of committing or locking Crypto Assets in smart contracts to permit the owner or the owner’s delegate to act as a Validator for a particular proof-of-stake consensus algorithm blockchain.
- (z) “**Staking Affiliates**” means Payward Commercial, Ltd., Staked Cayman, Ltd. and any future Payward Group affiliate which may provide Staking Services.
- (aa) “**Staking Services**” means the Bonded Staking Service and the Flexible Staking Service.
- (bb) “**Validator**” in connection with a particular proof-of-stake consensus algorithm blockchain, means an entity that operates one or more nodes that meet protocol requirements for a Crypto Asset and that participates in consensus by broadcasting votes and committing new blocks to the blockchain.
- (cc) “**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 any other value or right, or combination thereof.

In this Decision, a person or company is an 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 governed under the laws of the Province of Ontario with its principal and head office located in Toronto, Ontario.
2. The Filer is a wholly-owned subsidiary of Payward, Inc. (**Payward**), a Delaware corporation. Payward operates an international digital currency exchange and custody platform for the spot trading of Crypto Assets (**Kraken Global Platform**).
3. Payward, together with the Filer and other direct and indirect subsidiaries of Payward (collectively, **Payward Group**), operate globally under the business name “**Kraken**”.

4. The Filer and Payward do not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.
5. The Filer is registered as a money service business under regulations made under Canadian AML/ATF Law.
6. The Filer's personnel include product, engineering and design professionals, as well as qualified compliance, legal and financial professionals. These professionals bring a significant level of experience in crypto and financial services businesses. All of the Filer's personnel undergo a rigorous multi-stage interview process, and all personnel have and any new personnel will have passed a criminal background check.
7. The Filer is not in default of securities legislation in any jurisdiction in Canada, except in respect of the Filer's trading of Crypto Contracts prior to the date of this Decision.

The Platform

8. Payward is the operator of the Kraken Global Platform outside of Canada. The Filer operates a proprietary and automated internet-based platform that facilitates entering into Crypto Contracts and the buying, selling, holding, deposit, withdrawal and staking of Crypto Assets by Canadian residents by providing Canadian residents access to the Kraken Global Platform in Canada (the **Platform**). Any person or company resident in Canada that wishes to use the Kraken Global Platform must do so through the Platform offered by the Filer.
9. The Filer's role under the Crypto Contracts is to buy, sell or stake Crypto Assets and to provide custodial services for all Crypto Assets held in accounts on the Platform. The Filer also offers a money exchange service, allowing clients to exchange fiat currency.
10. To use the Platform, each client must open an account (a **Client Account**) using the Filer's website or mobile application. Client Accounts are governed by terms of service (**Terms of Service**) that are accepted by clients at the time of account opening. The Terms of Service govern all activities in Client Accounts, including with respect to all Crypto Assets purchased on, or transferred to, the Platform (**Client Assets**). While clients are entitled to transfer Client Assets out of their Client Accounts immediately after purchase, many clients choose to leave their Client Assets in their Client Accounts.
11. Under the Terms of Service, the Filer maintains certain controls over Client Accounts to ensure compliance with applicable law and provide secure custody of Client Assets.
12. The Terms of Service are governed by the laws of the province of Ontario, and state that the client's Crypto Assets will be held in trust for and for the benefit of the client.
13. The Filer's trading of Crypto Contracts is consistent with activities described in Staff Notice 21-327 and constitutes the trading of securities and/or derivatives.
14. The Filer does not and will not offer discretionary investment management services relating to Crypto Assets.
15. The Filer is not and will not be a member firm of CIPF and the Crypto Assets custodied on the Platform do not qualify for CIPF coverage. The Risk Statement includes disclosure

that there is no CIPF coverage for the Crypto Assets and clients must acknowledge that they have received, read, and understood the Risk Statement before opening an account with the Filer.

16. The Filer will also periodically prepare and make available to its clients educational materials and other informational updates about trading on the Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

Custody of Client Assets

17. The Filer has retained the services of two Acceptable Third-party Custodians (the **Custodians** and each a **Custodian**) to hold not less than 80% of the total value of Crypto Assets held on behalf of clients:
 - (a) Anchorage Digital Bank (**ADB**), and
 - (b) BitGo Trust Company Inc. (**Bitgo Trust**).
18. The Filer holds Crypto Assets (i) in an account clearly designated for the benefit of clients or in trust for clients, (ii) separate and apart from the assets of non-Canadian clients, and (iii) separate and apart from its own assets and from the assets of any custody service provider.
19. The Filer ensures that the Custodians hold the Filer's client Crypto Assets in a designated trust account or in an account designated for the benefit of the Filer's clients. Such account is held and designated in such a fashion as to preserve the nature of the trust and to ensure the ability to trace, by equitable or other means, the assets so held in the event of bankruptcy, insolvency, restructuring, or similar activity of the Filer or the Custodians. The terms of the custodian agreement between the Filer and each Custodian clearly identify that the Crypto Assets are held in trust for the benefit of the Filer's clients and specify the actions the Custodian will take in the event of the insolvency of the Filer. If a Custodian holds the Crypto Assets of the Filer or its affiliates, the Custodians will hold those Crypto Assets in a separate account from those Crypto Assets held in trust for the benefit of the Filer's clients.
20. ADB is a national trust bank chartered by the Office of the Comptroller of the Currency (**OCC**) in the United States. ADB received its federal banking charter in January 2021. ADB offers digital asset custody and settlement solutions, among other services, to institutional clients, pursuant to the terms of its operating agreement with the OCC (the **Operating Agreement**).
21. The Filer has assessed whether each Custodian meets the definition of an Acceptable Third-party Custodian. Other than the equity requirement for a foreign custodian, ADB satisfies the requirements of an Acceptable Third-party Custodian. As such, the Filer has sought consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdictions to designate ADB as an Acceptable Third-party Custodian.

22. The Filer represents the following, based solely on information provided to the Filer by ADB:

- (a) Pursuant to its Operating Agreement, ADB is subject to close oversight by the OCC to ensure that it meets stringent compliance requirements, including the Basic Capital Requirement (as defined below).
- (b) As a federally chartered trust bank, ADB is a member of the Federal Reserve and has full fiduciary powers under the U.S. Code of Federal Regulations, Title 12 Part 9 governing fiduciary activities of national banks.

ADB is one of the types of entities that can serve as a “qualified custodian” under the U.S. *Investment Advisers Act* of 1940 (the **Advisers Act**) in its status as a bank defined in section 202(a)(2) of the Advisers Act, subject to other requirements.

- (c) As a federally chartered trust bank, ADB is deemed a “good control location” pursuant to the U.S. *Securities Exchange Act* of 1934 so long as, among other things, ADB has acknowledged that the client securities are not subject to any right, charge, security interest, lien or claim of any kind in favour of the ADB or any person claiming through ADB and the securities are in the custody or control of ADB.
- (d) ADB is a wholly owned subsidiary of Anchor Labs, Inc. (**Anchor Labs**), a Delaware corporation incorporated on October 27, 2017.
- (e) Pursuant to the Operating Agreement, ADB is required to maintain capital at all times (the **Basic Capital Requirement**) at least equal to the greater of: (a) the amount required to be “well-capitalized” under the standards applicable to national banking associations; (b) USD 7,000,000 in Tier 1 capital; or (c) such other higher amount as the OCC may require pursuant to the exercise of its regulatory authority or in connection with any action on any application, notice, or other request made by ADB.
- (f) ADB maintains at all times a liquidity buffer equivalent to 6-months of operating expenses.
- (g) ADB has entered into a “*capital and liquidity support agreement*” with Anchor Labs and the OCC and a “*capital assurance and liquidity maintenance agreement*” with Anchor Labs that set forth ADB’s right and obligation to seek and obtain all necessary capital and liquidity support from Anchor Labs and Anchor Labs’ obligation to provide ADB with such support. These agreements require Anchor Labs to provide ADB with all financial support necessary to ensure the maintenance of capital and liquidity in accordance with the Basic Capital Requirement and additional requirements set out in the Operating Agreement.
- (h) ADB is continuing to grow its business and, while past performance is not a guarantee of future performance, and solely based on the assumption that ADB’s growth for the next three (3) years is the same as ADB’s growth in 2024, ADB may meet the equity requirement for a foreign custodian within three (3) years of the date of the Decision.

- (i) Anchor Labs has equity, as reported on its most recent audited financial statements, in excess of \$100,000,000, and will hold cash and cash equivalents in an amount sufficient to satisfy its obligations under the Parental Guarantee (as defined below) during any period when ADB's most recent audited financial statements indicate that ADB does not have equity of at least \$100,000,000.
- 23. BitGo Trust is licensed as a trust company with the South Dakota Division of Banking.
- 24. The Custodians operate custody accounts for the Filer to use for the purpose of securely custodying clients' Crypto Assets. The Crypto Assets that the Custodians hold in trust for the clients of the Filer are held in designated omnibus accounts in trust in the name of the Filer for the benefit of the Filer's clients and are held separate and apart from the assets of the Filer, the Filer's affiliates, the Custodians, and the assets of other clients of the Custodians.
- 25. The Filer has conducted due diligence on the Custodians, including, among other things, assessing each Custodian's policies and procedures for holding Crypto Assets and a review of each Custodian's SOC 2 Type 2 audit reports. The Filer has not identified any material concerns from its due diligence on the Custodians.
- 26. Each of the Custodians maintains an appropriate level of insurance for Crypto Assets held by the Custodians. The Filer has assessed the Custodians' insurance policies and has determined, based on information that is publicly available and on information provided by the Custodians and considering the controls of the Custodians' business, that the amount of insurance is appropriate.
- 27. Each 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. Each Custodian has established and applies written disaster recovery and business continuity plans.
- 28. 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.
- 29. The Filer has also established and maintains and applies policies and procedures to ensure that:
 - (a) Each Custodian holds all Crypto Assets for clients of the Filer in trust in a designated trust account in the name of the Filer for the benefit of the Filer's clients, separate and apart from the assets of the Filer's non-Canadian clients, and separate and distinct from the assets of the Filer, the Filer's affiliates and all of the Custodians' other clients.

- (b) Each Custodian maintains an appropriate level of insurance for Crypto Assets held by the Custodian. The Filer has assessed each Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by each Custodian and considering the controls of the Custodian's business, that the amount of insurance is appropriate.
 - (c) The Custodians have established, and apply, 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 Custodians have, established and apply written disaster recovery and business continuity plans.
30. The Filer establishes, and maintains and applies, policies and procedures that are reasonably designed to ensure that each Custodian's records related to Crypto Assets that the Custodians holds in trust for clients of the Filer are accurate and complete.
31. Where the Filer holds clients' Crypto Assets for operational purposes, it does so in trust for the benefit of its clients, and separate and distinct from the assets held for its own assets.
32. The Filer is proficient and experienced in holding Crypto Assets and has established and applied policies and procedures that manage and mitigate custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets and a mechanism for the return of the Crypto Assets to clients in the event of bankruptcy or insolvency of the Filer. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities, and business continuity plans.

Know-Your-Product (KYP) Policy

33. The Filer has established and applies policies and procedures to review the Crypto Assets and to determine whether to allow clients on the Platform to enter into Crypto Contracts to buy, sell, stake or hold the Crypto Asset on the Platform in accordance with the know your product (provisions of NI 31-103 (**KYP Policy**)). Such review includes, but is not limited to, publicly-available information concerning:
- (a) the creation, governance, usage and design of the Crypto Asset, including the source code, security, roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;
 - (b) the supply, demand, maturity, utility and liquidity of the Crypto Asset;
 - (c) 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
 - (d) 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.

34. The Filer does not allow clients to buy or deposit, or to enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets that do not satisfy the conditions set out in Appendix F.
35. Except for the trading of Value-Referenced Crypto Assets described in representation I.34, the Filer only offers and only allows clients to enter into Crypto Contracts to buy, sell, stake and hold Crypto Assets that are not a security and/or a derivative.
36. The Filer does not allow clients to enter into a Crypto Contract to buy, sell and, if applicable, stake Crypto Assets unless the Filer has taken steps to:
 - (a) assess the relevant aspects of the Crypto Asset pursuant to the KYP Policy described in representation 33 to determine whether it is appropriate for its clients;
 - (b) except for permitted clients who have requested in writing that the Filer not make suitability determinations for their accounts, determine that entering into the Crypto Contract to purchase, sell and, if applicable, stake Crypto Assets is suitable for the client;
 - (c) approve the Crypto Asset, and the Crypto Contracts to buy, sell and, if applicable, stake such Crypto Asset, to be made available to clients; and
 - (d) monitor the Crypto Asset for significant changes and review its approval under 36(c) where a significant change occurs.
37. As set out in the Filer's KYP Policy, the Filer has established and applies policies and procedures to determine whether a Crypto Asset available to be traded 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:
 - (a) consideration of statements made by any regulators or securities regulatory authorities of the Applicable Jurisdictions, other regulators of the International Organization of Securities Commissions, 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
 - (b) 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 Applicable Jurisdictions.
38. The Filer monitors ongoing developments related to Crypto Assets available on the Platform that may cause a Crypto Asset's legal status as a security and/or derivative or the assessment conducted by the Filer described in representations 33 to 37 above to change.
39. The Filer acknowledges that any determination made by the Filer as set out in representations 33 to 38 above do not prejudice the ability of any of the regulators or securities regulatory authorities of any province or territory of Canada to determine that a Crypto Asset that a client may enter into a Crypto Contract to buy, sell, stake, or hold is a security and/or derivative.

40. 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 their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on the Platform.

Staking Services

41. The Filer offers Staking Services to its clients through its Staking Affiliates, which operate blockchain validator nodes. The Filer is proficient and knowledgeable about staking Crypto Assets. The Filer or its Custodians remain in possession, custody and control of the staked Crypto Assets at all times.
42. Clients who choose to stake their assets with the Filer receive a share of staking rewards generated from the staking activity.
43. To stake Crypto Assets, a client may use the Filer's website or mobile application to instruct the Filer to stake a specified amount of Crypto Assets eligible for staking that are held by the client on the Platform.
44. The Filer offers two types of Staking Services: Bonded Staking Service and Flexible Staking Service.
45. When offering bonded staking, the Filer commits the full amount of Crypto Assets that a client selects and requests to stake on-chain to the relevant blockchain protocol (the **Bonded Staking Service**). As a result, when a client unstakes, the client will not be able to access their unstaked Crypto Assets until the relevant Lock-Up Period has elapsed.
46. When offering flexible staking, the client will request to stake a certain amount of Crypto Assets. From that amount, the Filer stakes on-chain a portion of the Crypto Assets that its clients have requested to stake, and holds the remaining portion of such Crypto Assets unstaked within the omnibus staking wallet for the relevant Crypto Asset (the **Flexible Staking Service**). The Filer holds a portion of such Crypto Assets to facilitate the immediate return of the Crypto Asset to a client upon a request to unstake their Crypto Assets despite any Lock-Up Period for the Crypto Asset (i.e., the client is able to receive their unstaked Crypto Assets back without waiting for the end of the Lock-Up Period). The Flexible Staking Service is only available for Crypto Assets that are subject to Lock-up Periods.
47. When offering the Flexible Staking Service:
 - (a) the Filer determines the percentage of Client Assets in staking wallets that is staked on-chain, which varies by asset and is reassessed weekly based on the asset's Lock-Up Period and the concentration of client staking balances by notional value. This process allows the Filer to maintain sufficient liquidity to allow clients to instantly unstake their balances. The liquidity risk borne by the Filer is also reflected in a lower reward rate for clients using the Flexible Staking Service as compared to the reward rate under the Bonded Staking Service;
 - (b) the Filer or one of its affiliates provides the liquidity necessary for the Filer to return the Crypto Assets to the clients such that the clients may sell or withdraw Crypto Assets prior to the expiry of Lock-up Periods in accordance with its liquidity

management policies and procedures, namely: first, from the Filer's client staking wallet for each Crypto Asset; should Filer's client staking wallet have insufficient unstaked Crypto Assets, from the Filer's or its affiliate's own inventory of Crypto Assets; and should the Filer's client staking wallet and the Filer and its affiliate not have sufficient inventory, with prior notification to clients, by delaying the release of unstaked Crypto Assets for the duration of the Lock-Up Period as agreed to with clients in the Terms of Service; and

- (c) the Filer offers a feature which allows clients to automatically stake additional Crypto Assets of the type that are already staked, upon being purchased by the client. The client can enable or disable this feature at any time. For Crypto Assets which are automatically staked, the Filer requires clients to acknowledge having read and accepted the Risk Statement, which includes the risks of staking, and acknowledge the Crypto Asset will be automatically staked after each purchase or deposit.
48. The Filer discloses in the Terms of Service the following differences between the Bonded Staking Service and the Flexible Staking Service so that clients can make an informed decision regarding their preferred staking program:
- (a) indicative reward rates for both the Bonded Staking Service and the Flexible Staking Service for each Crypto Asset;
 - (b) that the maximum amount of rewards that can be earned by clients using the Flexible Staking Service is 50% of rewards paid by the relevant proof-of-stake protocol;
 - (c) that the Bonded Staking Service stakes all of the assets that a client has elected to stake on-chain to the relevant blockchain protocol, and therefore a client will not be able to access their staked assets until after the applicable Lock-Up Period has elapsed based on the blockchain protocol;
 - (d) that the Flexible Staking Service stakes only a portion of the client's staked Crypto Assets on-chain and this proportion may change as requests for unstaking are made and the remainder is held for the purpose of maintaining a sufficient amount of Crypto Assets to satisfy unstaking requests from all clients using the Flexible Staking Service; and
 - (e) that in respect of the Flexible Staking Service, if a client unstakes during a period when an insufficient amount of the relevant Crypto Asset is available to satisfy all unstaking requests from clients, the Filer has discretion to release remaining unstaked assets after the relevant Lock-Up Period has elapsed.
49. Prior to the client obtaining Staking Services from the Filer, the Filer will disclose the following to the client:
- (a) The details of the Staking Services and the role of all Staking Affiliates or other 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) 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 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 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 the staked Crypto Assets are subject to any Lock-up Periods; and
 - (h) how rewards are calculated on the staked Crypto Assets, including any fees charged by the Filer or any Staking Affiliate or third party, how rewards are paid out to clients, and any associated risks.
50. Immediately before each time a client allocates Crypto Assets to be staked, the Filer requires the client to acknowledge the risks of staking Crypto Assets as may be applicable to the particular Staking Service or Crypto Asset, including, but not limited to:
- (a) that the staked Crypto Assets may be subject to a Lock-up Period and, consequently, the client may not be able to sell or withdraw their Crypto Assets 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 Crypto Assets when they are able to sell or withdraw, and the value of any Crypto Assets 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 Crypto Assets, 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 Crypto Assets lost to slashing, that the client may lose a portion of the client's staked 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 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.
- 51. The client may at any time use the Filer's website or mobile application to instruct the Filer to unstake a specified amount of Crypto Assets that the client had previously staked. Whether a Lock-up Period applies will depend on whether the Crypto Assets were staked under the Bonded Staking Service or the Flexible Staking Service.
- 52. When staking Crypto Assets held by a Custodian, the Filer instructs the Custodian to delegate the designated Crypto Assets to validator nodes operated by Staking Affiliates. When unstaking Crypto Assets held by a Custodian, the Filer instructs the Custodian to unstake the designated Crypto Assets. In respect of Crypto Assets that are staked by clients under the Bonded Staking Service, after the expiry of any Lock-up Periods that may prevent the assets from being used, the unstaked Crypto Assets may be transferred or withdrawn by the Filer's clients. Unless there is insufficient liquidity, Crypto Assets that are staked by clients under the Flexible Staking Service may be transferred or withdrawn by the Filer's clients prior to the expiry of any Lock-up Period.
- 53. For staking Crypto Assets held in segregated wallets by the Filer on behalf of clients, the Filer sends instructions to stake or unstake Crypto Assets directly to the Staking Affiliates. When unstaking, in respect of Crypto Assets that are staked by clients under the Bonded Staking Service, the designated assets are available to the Filer's clients after expiry of any applicable Lock-up Periods. Unless there is insufficient liquidity, Crypto Assets that are staked by clients under the Flexible Staking Service may be transferred or withdrawn by the Filer's clients prior to the expiry of any Lock-up Period.
- 54. Certain Crypto Assets are subject to an activation or bonding period after being staked, during which time the Crypto Assets do not earn any staking rewards. A client will not receive staking rewards in respect of any of their staked Crypto Assets that are still subject to bonding periods. Similarly, in respect of Crypto Assets that are staked by clients under the Bonded Staking Service or in respect of Crypto Assets that are staked by clients under the Flexible Staking Service and there is insufficient liquidity, a client will not receive staking rewards in respect of Crypto Assets that have been unstaked by the client but are still subject to Lock-up or unbonding Periods.
- 55. Staking rewards are issued periodically and automatically by the blockchain protocol of the Crypto Asset and received directly into the designated wallets held on behalf of the client. Other than any Validator Commission (defined below in representation 58) that may be received by a Validator node under the rules of the blockchain protocol, Staking Affiliates do not receive or otherwise have control over staking rewards earned by clients.
- 56. 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. Staking reward distributions are shown on the Filer's website and mobile application and on clients' account statements.
- 57. Staking rewards are typically determined by the relevant blockchain protocol for a specific time period (an **Epoch**). The Filer does not promise or guarantee its clients a specific staking reward rate for any Crypto Asset. The Filer does not exercise any discretion to

change the rate of rewards issued by the blockchain protocol of each Crypto Asset. When staking rewards are received each Epoch, the Filer promptly determines: (i) the amount of staking rewards earned by each client that had staked Crypto Assets under the Staking Services and credits each client's account accordingly; and (ii) the total amount of the fee payable by clients using the Staking Services and transfers an amount of Crypto Assets equal to the fee to a separate wallet exclusively holding Crypto Assets belonging to the Filer.

58. In accordance with the consensus protocol for certain Crypto Assets, a Validator may receive a percentage of the staking rewards earned by Crypto Assets staked with the Validator (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. Where applicable, the Staking Affiliates retain 100% of the Validator Commission, and the Filer calculates the reward payout to each client from the amount remaining after deduction of the Validator Commission.
59. For Crypto Assets that do not have Validator Commissions, the Filer pays a fee to the Staking Affiliates for activating and operating nodes for the Filer's clients using the Staking Services. The Custodians may also collect a fee from the Staking Affiliates. These fees are included in the fee paid by clients to the Filer in connection with the Staking Services.
60. To mitigate the risk of slashing or jailing to clients, the Filer may, where feasible, arrange to stake Crypto Assets across multiple validator nodes operated by Staking Affiliates.
61. The Filer monitors the validator nodes operated by its Staking Affiliates for, among other things, downtime, jailing, and slashing events and takes any appropriate action to protect Crypto Assets staked by clients.
62. The Filer has established and applies policies and procedures that include a review of Crypto Assets made available to clients for Staking and staking protocols related to those Crypto Assets prior to offering the Crypto Assets as part of the Staking Services. The Filer's review includes, at a minimum, the following:
 - (a) the Crypto Assets that the Filer proposes to offer for Staking;
 - (b) the operation of the proof-of-stake blockchain for the Crypto Assets that the Filer proposes to offer for Staking;
 - (c) the staking protocols for the Crypto Assets that the Filer proposes to offer for Staking;
 - (d) the risk of loss of the staked Crypto Assets, including from software bugs and hacks of the protocol;
 - (e) due diligence with respect to the Validators operated by the Staking Affiliates or third parties, including but not limited to, information about:
 - (i) the persons or entities that manage and direct the operations of the Validator,

- (ii) publicly known information about the Validator's reputation and use by others,
 - (iii) the approximate amount of 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 and past history of double signing or double attestation or voting,
 - (vii) any losses of 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.
63. The Filer's policies and procedures to assess suitability for a client include consideration of the Staking Services to be made available to that client.
64. The Filer will hold the staked Crypto Assets in trust for or for the benefit of its clients in one or more wallets in the name of the Filer for the benefit of the Filer's clients with the Custodians separate and distinct from (i) the assets of the Filer, the Custodians and the Custodians' other clients; and (ii) the Crypto Assets held for its clients that have not agreed to staking those specific Crypto Assets.
65. The Filer has established policies and procedures that manage and mitigate custodial risks for staked Crypto Assets, including but not limited to, an effective system of controls and supervision to safeguard the staked Crypto Assets.

Account Opening

66. Subject to the Filer determining that it is suitable for an account to be opened, the Filer currently makes the Platform available to any person or company which is resident in Canada and successfully completes the Filer's know-your-client (**KYC**) process which satisfies the identity verification requirements applicable to reporting entities under Canadian AML/ATF Law. Each client must (a) be domiciled in Canada; and (b) for each individual who is authorized to give instructions for a client, be 18 years of age or older.
67. The Filer uses technology 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.

68. 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.
69. As part of the account opening process:
- (a) the Filer collects KYC information to verify the identity of the client in accordance with Canadian AML/ATF Law;
 - (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 assessment for each client except for permitted clients who have requested in writing that the Filer not make suitability determinations for their accounts;
 - (c) the Filer provides a prospective client with a separate statement of risks (the **Risk Statement**) that clearly explains the following in plain language:
 - (i) the Crypto Contracts;
 - (ii) risks associated with the Crypto Contracts;
 - (iii) prominently, a 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;
 - (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 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 derivative;
 - (v) that the Filer has prepared a plain language description of each Crypto Asset and of the risks of the Crypto Assets made available through the Platform, with instructions as to where on the Platform the client may obtain the descriptions (each, a **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(s);

- (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) the Filer is not a member of CIPF and the Crypto Contracts and Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection;
 - (x) a statement that the statutory rights in section 130.1 of the *Securities Act* (Ontario), and if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision; and
 - (xi) the date on which the information was last updated.
- (d) the Filer will require clients to agree to the Filer's Terms of Service, which is publicly available on the Filer's website, and wherein it will require or disclose (either directly in the Filer's Terms of Service or in other agreements incorporated therein by reference):
- (i) access criteria, including how access is granted, denied, suspended, or terminated and whether there are differences between clients in access and trading;
 - (ii) risks related to the operation of and trading on the Platform, including loss and cyber-risk;
 - (iii) the trading hours for the Platform and notice that access to the Platform may be interrupted under certain circumstances, including for service or during times of significant volatility or volume;
 - (iv) procedures for funding buys and for withdrawing funds held by a client in its account with the Platform;
 - (v) all fees charged and any compensation provided to the Filer or any affiliate, including foreign exchange rates, spreads, etc.;
 - (vi) how orders are entered, handled, and interact including:
 - 1. the circumstances where orders trade with the Filer acting as principal, including any compensation provided;
 - 2. where entered into the order book, the types of orders, and how orders are matched and executed;
 - (vii) policies and procedures relating to error trades, cancellations, modifications and dispute resolution;

- (viii) a list of all crypto assets and products available for trading on the Platform, along with the associated Crypto Asset Statements;
- (ix) the process for payment and settlement of transactions;
- (x) how the Filer safeguards Client Assets, including the extent to which the Filer self-custodies Client Assets, along with the identity of any Acceptable Third-party Custodians relied on by the platform to hold Client Assets;
- (xi) that the Filer does not have access arrangements with any third-party services providers other than custodians identified in 69(d)(x);
- (xii) requirements governing trading, including prevention of manipulation and other market abuse;
- (xiii) that a client must comply with restrictions relating to its use of the Platform, including complying with the trading requirements set out in the Terms of Service and applicable securities laws;
- (xiv) that the Filer does not have the power or authority to restrict a client's access to any other marketplace for crypto assets and the Terms of Service do not prohibit, condition or otherwise limit, directly or indirectly, clients of the Filer from effecting transactions on any other marketplace;
- (xv) that the potential consequences for a client's Prohibited Use may include:
 - 1. withdrawing the client's right to make any further trades on the Platform,
 - 2. requiring the client to liquidate its Crypto Asset holdings on the Platform in an orderly fashion,
 - 3. when all Crypto Assets have been sold, requiring that the client provide the Filer with wire transfer instructions (to a Canadian financial institution) so that the Filer can return its funds and close its account, and
 - 4. reporting the client's trading activity to relevant securities and law enforcement authorities;
- (xvi) conflicts of interest and the policies and procedures to manage or avoid them; and
- (xvii) if applicable, the Filer's referral arrangements disclosure (unless included in the Filer's conflicts policies and procedures).

70. In order for a prospective client to open and operate an account with the Filer, the Filer will deliver the Risk Statement to the client and will obtain an electronic acknowledgement from the prospective client confirming that the prospective client has received, read and understood the Risk Statement. Such acknowledgement will be prominent and separate

from other acknowledgements provided by the prospective client as part of the account opening process.

71. The Filer has policies and procedures for updating 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 Crypto Contracts, the Staking Services, Crypto Assets generally, or a specific Crypto Asset, as the case may be. In the event the Risk Statement is updated, existing clients of the Filer are promptly notified and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, existing clients of the Filer are promptly notified through website and mobile application disclosures, with links provided to the updated Crypto Asset Statement.
72. For clients with pre-existing Client Accounts with the Filer at the time of this Decision, the Filer will deliver to the client the Risk Statement and will require the client to provide electronic acknowledgment of having received, read and understood the Risk Statement, at the earlier of (a) before placing their next trade or deposit of Crypto Assets on the Platform and (b) the next time they log in to their account with the Filer. The Risk Statement must be prominent and separate from other disclosures given to the client at that time, and the acknowledgement must be separate from other acknowledgements by the client at that time.
73. A copy of the Risk Statement acknowledged by a client in accordance with representation 70 or 72 will be electronically delivered to the client and will be made available to the client in the same place as the client's other statements on the Platform. The latest version of the Risk Statement will be continuously and easily available to clients on the Platform and upon request.
74. The Filer will make available to prospective clients a link to a separate Crypto Asset Statement on the Filer's website or mobile application for each Crypto Asset offered on the Platform, which will also be available on the Platform. Before a client enters into a Crypto Contract to buy a Crypto Asset, the Filer provides instructions for the client to read the Crypto Asset Statement for the Crypto Asset, which includes a link to the Crypto Asset Statement on the Filer's website or mobile application.
75. Each Crypto Asset Statement clearly explains or includes in plain language the following:
 - (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 description of the Crypto Asset, including the background of the team 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) 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 and Crypto Assets made available through the Platform;

- (f) a statement that the statutory rights in section 130.1 of the *Securities Act* (Ontario), and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision; and
 - (g) the date on which the information was last updated.
76. In the event of any update to the Risk Statement, for each existing client that has engaged the Staking Services, the Filer promptly notifies the client of the update and delivers to them a copy of the updated Risk Statement.
77. In the event of any update to a Crypto Asset Statement, for each existing client that has engaged the Staking Services in respect of the Crypto Asset for which the Crypto Asset Statement was updated, the Filer promptly notifies the client of the update and delivers to them a copy of the updated Crypto Asset Statement.

The Marketplace

78. The Platform brings together buyers and sellers of Crypto Assets using established, non-discretionary methods under which orders interact with each other, and the buyers and sellers agree to the terms of the trade. In certain Applicable Jurisdictions, the Platform constitutes an ATS under applicable securities legislation while in others, it constitutes an exchange under applicable securities legislation.
79. Trading pairs available on the Platform include Crypto Asset-for-fiat, Crypto Asset-for-Crypto Asset, and fiat-for-fiat.
80. All transactions entered by the client to buy and sell Crypto Assets through the Filer are placed on the Platform through the Filer's website or mobile application. Clients are able to submit buy and sell orders 24 hours a day, seven days a week.
81. Clients may place buy and sell orders using either the Platform's pro feature (the **Pro Feature**) or instant buy/sell feature (the **Instant Buy/Sell Feature**).
82. Each transaction a client undertakes on the Platform results in a bilateral contract between the client and the Filer.
83. The Filer fills client orders by accessing the global central limit order book on the Kraken Global Platform.
84. The Filer offers the Pro Feature by displaying the buy and sell orders available on the Kraken Global Platform order book on the Platform, and allowing clients to enter limit or market buy and sell orders for execution by the Filer, on an agency basis, on behalf of the client (**Pro Orders**).
85. The Filer offers the Instant Buy/Sell Feature by allowing clients to enter a market order with the specified trading pair and quantity after receiving a quote from the Filer that provides indicative trade terms and fees associated with the prospective order. Orders placed using the Instant Buy/Sell Feature are filled by the Filer on a principal basis.

86. The Filer charges transaction fees for the execution of both agency trades placed by clients using the Pro Feature and principal trades placed by clients using the Instant Buy/Sell Feature.
87. All transaction fees are clearly disclosed on the Platform, and clients can verify pricing for Crypto Assets on the Platform against publicly available pricing information on other CTPs.
88. In addition to transaction fees, the Filer charges deposit and withdrawal fees for Crypto Assets and fiat currency consistent with the fees disclosed on the Platform.
89. 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.
90. Clients are charged a withdrawal fee when transferring Crypto Assets out of their Client Account to a blockchain address specified by the client. The withdrawal fee is a flat fee for all Crypto Assets and fiat withdrawals and is disclosed on the Platform under "Fees." The total withdrawal fee payable in respect of a withdrawal is disclosed to the client prior to confirmation of the withdrawal.
91. 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.
92. Clients can transfer fiat currency out of their Client Accounts by e-transfer, electronic funds transfer or bank wire, subject to a withdrawal fee disclosed on the Platform under "Fees" and incorporated by reference into Terms of Service. Part of the withdrawal fee covers fees charged by the Filer's payment processor to process the withdrawal transaction. The total withdrawal fee payable in respect of a fiat currency withdrawal is disclosed to the client prior to confirmation of the withdrawal.
93. Clients have access to a complete record of all transactions in their Client Account, including all transfers in of fiat or Crypto Assets, all purchases, sales and withdrawals, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.
94. The Filer establishes, maintains and ensures compliance with policies and procedures for addressing and escalating complaints internally or to the regulators, as applicable, and governing the cancellation, variation or correction of trades executed through the Platform.

Order and Trade Information

95. The Filer establishes, maintains, and applies policies and procedures relating to confidentiality, information containment and the supervision of trading in Crypto Contracts and Crypto Assets by individuals acting on behalf of the Filer and to maintain material non-public information about Crypto Contracts and Crypto Assets in confidence.
96. The Filer establishes, maintains, and applies policies and procedures to safeguard the confidentiality of client information, including information relating to their trading activities.

97. The Filer provides for an appropriate level of transparency regarding the orders and trades on the Platform, including that:
- (a) The Filer displays on its website a Canadian dollar price chart for each Crypto Asset on which members of the public can view historic pricing information over a daily, weekly, one month and one year period or over the entire available price history of the Crypto Asset; and
 - (b) Clients using the Platform can view the 50 latest trades (streaming) and 50 order book price points (25 buy and 25 sell) allowing clients to make informed investment and trading decisions.
98. The Filer discloses information reasonably necessary to enable a person or company to understand the marketplace operations or services, including the information listed in representations 69(d) and 78 to 94.

Market Integrity

99. The Filer has taken reasonable steps to ensure that it operates a fair and orderly marketplace for Crypto Contracts, including the establishment of price and volume thresholds for orders entered on the Platform.
100. The Filer does not expect trading on the Platform to have a material impact on the global market for any Crypto Asset available through the Platform.
101. The Filer does not provide a client with access to the Platform unless it has the ability to terminate all or a portion of a client's access, if required.
102. The Filer has the ability to cancel, vary or correct trades and make public, fair and appropriate policies governing the cancellation, variation or correction of trades on the Platform, including in relation to trades where the Filer executes the trade on a principal basis.
103. The Filer has established, maintains and ensures compliance with policies and procedures and maintains staff knowledge and expertise, and systems to monitor for and investigate potential instances of trading on the Platform that does not comply with applicable securities legislation (including prohibitions against market manipulation, insider trading and other abusive trading prohibitions) or any trading requirements set out in the Terms of Service, and has appropriate provisions and mechanisms for escalation of identified issues of non-compliance, including referral to the applicable securities regulatory authority where appropriate, to allow the Filer to take any resulting action considered appropriate to promote a fair and orderly market and address potential breaches of applicable securities legislation relating to trading on the Platform, which may include halting trading or limiting a client's activities on the Platform.
104. The policies and procedures referred to in the preceding paragraph include policies and procedures to track, review and take appropriate action in the context of complaints and reports from clients of potential instances of abusive trading on the Platform.
105. The Filer currently conducts surveillance of the Platform, which includes both automated and manual processes, for detecting abusive trading (including wash trading) and

fraudulent activity. The Filer anticipates continuing development of its market surveillance software after becoming registered as a restricted dealer and commencing discussions with CIRO.

106. The Filer does not, and will not, offer margin, credit or otherwise offer leverage to clients, and will not offer derivatives based on Crypto Assets, other than Crypto Contracts. The Filer does not allow clients to enter into a short position with respect to any Crypto Asset.
107. Orders placed by clients using the Instant Buy/Sell Feature are filled by the Filer on a principal basis. The Instant Buy/Sell Feature involves the Filer providing a quote to the client with indicative trade terms and fees associated with the prospective order.
108. The Filer executes Pro Orders on behalf of clients on an agency basis and they are settled to the client's account immediately upon execution. The Pro Feature involves the operation by the Filer of an order book displaying buy and sell orders available on the Kraken Global Platform order book that facilitates the matching of client orders.
109. The Filer provides information to each client regarding the status of the client's orders and resulting trades. The Filer provides sufficient information to facilitate clients' trading decisions. The Filer also provides information to clients to allow them to understand how orders are handled and executed, how trades are priced and any associated fees applied by the Filer in the context of a trade.
110. The Filer clears and settles trades on the Platform in the manner described below under "Clearing and Settlement" and by recording appropriate transfers between segregated client wallets held by the Filer, the Filer's Custodians and the Filer's cash custodians.
111. The Platform does not enable short selling, as the Platform does not implement a sell order unless the client holds the requisite Crypto Assets with the Filer.
112. The Filer has established and will maintain and apply effective policies and procedures to prevent fraud and market manipulation in connection with the Platform, including through policies and procedures to monitor for and investigate potential instances of abusive trading. Certain features of the Platform also help to limit the opportunities for fraud or market manipulation. These features include:
 - (a) limiting the use of the Platform to approved clients;
 - (b) only allowing orders to be entered by authorized users;
 - (c) not displaying orders entered on the Platform or the Kraken Global Platform to other clients;
 - (d) using price-time priority to price trades via the Kraken Global Platform;
 - (e) hiding trade details for transactions executed between the Filer and a client from all of its other clients and from public view; and
 - (f) prohibiting the crossing of trades between accounts of the same client.

Clearing and Settlement

113. In Ontario, the Filer will not operate a "clearing agency" or a "clearing house" as the terms are defined or referred to in securities or commodities futures legislation.
114. After a trade has been executed on behalf of a client by the Filer, the client's account on the Platform is immediately debited by the amount of the fiat or Crypto Asset sold, and credited by the amount of the fiat or Crypto Asset purchased by the client (less any fees) on a delivery versus payment basis. This settlement process may occur between two client accounts on the Platform, or between one client account on the Platform and a client account in another jurisdiction operated by a Payward Group affiliate. Upon completion of this settlement process, the updated balances in the accounts on both sides of the trade are available to the respective clients.
115. An internal ledger of the Filer (the **Ledger**) records all of the transactions executed via the Platform. In order for a client to execute an order, their account must be pre-funded with the applicable asset (fiat currency or Crypto Asset). When a client's order is executed through the Platform, the Ledger is updated in real-time. Because all assets are already verified as being available from both the buyer and the seller prior to order execution, all Crypto Contracts are settled as between the Filer and each client immediately after the order is filled. Execution occurs on the Platform and settlement is immediate and recorded in the Ledger.
116. Each day, the Filer's net asset balances of each Crypto Asset and fiat currency are updated to reflect the day's transactions in the Ledger. The Filer then rebalances (a) client Crypto Assets held with the Custodians, and (b) client cash positions held at the Filer's cash custodians, to match its Ledger balances.
117. The Filer has risk management controls in place to minimize the risk that clearing and settlement of trades will not be in compliance with the Filer's rules, policies and procedures. Importantly, all Crypto Assets and fiat currency which underlie the Crypto Contracts traded by the Filer's clients are in the custody and control of the Custodians, the Filer's cash custodians or the Filer at all times.

Conflicts of Interest

118. The Filer establishes, maintains, and applies policies and procedures to identify existing material conflicts of interest, and material conflicts of interest that the Filer in its reasonable opinion would expect to arise, between the Filer, including each individual acting on behalf of the Filer, and its clients.
119. The Filer addresses existing or potential conflicts of interest identified in representation 118 in the best interests of the client. If a client, acting reasonably, would expect to be informed of a conflict of interest identified in representation 118, the Filer will disclose, in a timely manner, the nature and extent of the conflict of interest to a client whose interest conflicts with the interest identified.
120. The Filer identifies and addresses material conflicts of interest arising from the operation of the marketplace and the related services it provides, including conflicts between the interests of its owners, its commercial interests and the responsibilities and sound

functioning of the Marketplace Services and, if applicable, any clearing and settlement services.

Books and Records

121. The Filer keeps books and records and other documents to accurately record its business activities, financial affairs and client transactions, and to demonstrate the Filer's compliance with applicable requirements of securities legislation, including but not limited to:
- (a) a record of all clients and prospective clients granted or denied access to the Platform;
 - (b) daily trading summaries of all Crypto Assets traded, with transaction volumes and values;
 - (c) records of all orders and trades, including the price, volume, times when the orders are entered, matched, cancelled or rejected, and the identifier of the client that entered the order or that was counterparty to the trade; and
 - (d) records of assets held on behalf of clients, including the location of such assets, with such assets regularly reconciled to the records of the Acceptable Third-party Custodians or to the assets held by the Filer.

Marketplace Filings

122. In certain jurisdictions, the Kraken Global Platform is a "marketplace" as that term is defined in NI 21-101 and in Ontario, subsection 1(1) of the *Securities Act* (Ontario). Because Canadian clients can only access the Kraken Global Platform through the Platform as clients of the Filer, the Filer is considered to be operating a marketplace in Canada.

Systems and Internal Controls

123. The Filer maintains, updates, and tests a business continuity plan, including emergency procedures, and a plan for disaster recovery that provides for the timely recovery of operations and fulfillment of its obligations with respect to the Platform, including in the event of a wide-scale or major disruption.
124. The Filer establishes, maintains, and applies policies, procedures, and controls to manage risks, including systemic risk, legal risk, credit risk, liquidity risk, general business risk, custody and investment risk and operational risk.
125. Without limiting the foregoing, the Filer:
- (a) has effective information technology controls, including (without limitation) controls for systems operations, security, problem management, network support, and systems software support;
 - (b) has effective security controls to prevent, detect, and respond to security threats and cyber-attack on its systems that support trading and settlement services;

- (c) has effective business continuity and disaster recovery plans;
 - (d) in accordance with prudent business practice, and on a reasonably frequent basis (at least annually) it:
 - (i) makes reasonable current and future systems capacity estimates,
 - (ii) conducts capacity stress tests to determine the ability of its order entry and execution systems to process transactions in an accurate, timely, and efficient manner,
 - (iii) tests its business continuity and disaster recovery plans, and
 - (iv) reviews system vulnerability and its cloud-hosted environment to mitigate internal and external cyber threats; and
 - (e) continuously monitors and maintains internal controls over their systems, including systems that support order entry and execution.
126. The Filer has policies and procedures and internal controls in place to identify and prevent fraudulent transactions. These policies and procedures:
- (a) ensure the Filer is complying with:
 - (i) the *United Nations Act (Canada)*,
 - (ii) the *Special Economic Measures Act (Canada)*, and
 - (iii) the *Justice for Victims of Corrupt Foreign Officials Act (Canada)*.
 - (b) identify and prohibit users from engaging in activity with designated individuals and entities, such as terrorists and narcotics traffickers, as well as some countries, which have been specially designated by applicable government and regulatory agencies.
 - (c) along with internal controls, ensure compliance with Canadian AML/ATF Law. Money laundering and terrorist financing refers to the use of the financial system to disguise proceeds of illicit activity, like funding the financial support of terrorism.

Capital Requirements

127. The Filer will exclude from the excess working capital calculation all the 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 will result in the exclusion of all the Crypto Assets inventory held by the Filer from Form 31-103F1 (Schedule 1, line 9).

Payward, Inc.

128. Payward does not offer margin, credit or otherwise offer leverage to any resident of Canada and does not offer Crypto Contracts or derivatives based on Crypto Assets to any resident of Canada. Payward does not allow clients to enter into a short position with respect to any Crypto Asset.
129. Payward has established and maintains and applies effective policies and procedures to prevent fraud and market manipulation in connection with the Kraken Global Platform, including through policies and procedures to monitor for and investigate potential instances of abusive trading. These policies and procedures:
- (a) Ensure Payward is complying with
 - (i) Sanctions laws and regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control
 - (ii) Other applicable sanctions laws and regulations in the jurisdictions in which Payward operates, including:
 1. The *United Nations Act* (Canada)
 2. The *Special Economic Measures Act* (Canada), and
 3. the *Justice for Victims of Corrupt Foreign Officials Act* (Canada).
 - (b) identify and prohibit users from engaging in activity with designated individuals and entities, such as terrorists and narcotics traffickers, as well as some countries, which have been specially designated by applicable government and regulatory agencies.
 - (c) along with internal controls, ensure compliance with Canadian anti-money laundering and terrorist financing legislation (including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada)). Money laundering and terrorist financing refers to the use of the financial system to disguise proceeds of illicit activity, like funding the financial support of terrorism.
130. Payward keeps, and has established and maintains policies that address the maintenance of, books and records and other documents to accurately record its business activities, financial affairs and client transactions, including, but not limited to:
- (a) Records of all trades, including the product, quotes, executed price, volume, time when the order is entered, matched, canceled, or rejected, and
 - (b) The identifier of the authorized user that entered the order.
131. Payward has agreed to establish and maintain policies that address and escalate complaints and that govern the cancellation, variation and correction of trades executed on the Kraken Global Platform that may affect a Canadian client.

132. Payward maintains, updates, and tests a business continuity plan, including emergency procedures, and a plan for disaster recovery that provides for the timely recovery of operations and fulfillment of its obligations with respect to the Kraken Global Platform, including in the event of a wide-scale or major disruption.
133. Payward establishes, maintains, and applies policies, procedures, and controls to manage risks, including systemic risk, legal risk, credit risk, liquidity risk, general business risk, custody and investment risk, and operational risk.
134. Payward has and applies risk management policies and procedures and internal controls in place to minimize the risk that clearing and settlement of trades between Payward and the Filer will not be in compliance with the Filer's rules, policies and procedures as set out in representations 114 to 117 above.
135. Payward maintains and applies effective internal controls over systems that support the Kraken Global Platform, including internal controls to ensure that its systems function properly and have adequate capacity and security.
136. Payward maintains and applies effective information technology controls to support the Kraken Global Platform, including controls relating to operations, information security, cyber resilience, change management, network support and system software support.
137. Payward is not in default of securities legislation in any jurisdiction in Canada except in respect of accepting orders routed by Payward Canada to the Kraken Global Platform prior to the date of this Decision.

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 of the Coordinated Review Decision Makers is satisfied that the Decision in respect of the Marketplace Relief and Trade Reporting Relief, as applicable, satisfies the test set out in the securities legislation of its jurisdiction for the relevant regulator or securities regulatory authority to make the Decision in respect of the Marketplace Relief and 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 of its jurisdiction is that the Marketplace Relief and Trade Reporting Relief 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, and any other terms, conditions, restrictions, or requirements imposed by a securities regulatory authority or regulator on the Filer.
- B. The Filer is registered as a restricted dealer or investment dealer in the Jurisdiction and the Non-Principal Jurisdiction(s) in which the Filer's clients are resident.

- C. In each of the Applicable Jurisdictions where the Platform constitutes an exchange under applicable securities legislation, the Filer will seek an exemption from the obligation to be recognized as an exchange within one month of the date of this Decision.
- D. 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.
- E. At no time will the Filer be liable for any debt of an affiliate or affiliates that could have a material negative effect on the Filer.
- F. The Filer is not permitted to and does not pledge, re-hypothecate or otherwise use any Crypto Assets held on behalf of its clients.
- G. 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 custodians that meets the definition of an Acceptable Third-party Custodian, 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 Non-Principal Jurisdictions to hold at least 80% of the total value of clients' Crypto Assets with an entity that does not meet certain criteria of an Acceptable Third-party Custodian.
- H. Before the Filer holds Crypto Assets with a custodian referred to in condition G, the Filer will take reasonable steps to verify that the custodian:
 - (i) has appropriate insurance to cover the loss of Crypto Assets held at the custodian;
 - (ii) 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;
 - (iii) will hold the Crypto Assets for its clients (i) in an account clearly designated for the benefit of its clients or in trust for its clients, (ii) separate and apart from its own assets and from the assets of any custodial service provider, and (iii) separate and apart from the assets of non-Canadians; and
 - (iv) meets each of the requirements to be an Acceptable Third-party Custodian, except for those criteria in respect of which the custodian does not meet and the Principal Regulator and the regulator or securities regulatory authority of the Non-Principal Jurisdictions have provided prior written approval for use of the custodian.
- I. During any period when the Filer holds Crypto Assets with ADB and ADB's most recent audited financial statements indicate that ADB does not have equity of at least \$100,000,000, the Filer will take reasonable steps to verify the following:

(i) Anchor Labs has provided to ADB a guarantee in the amount of \$100,000,000 that will be made available to ADB in connection with ADB's custodial obligations (the **Parental Guarantee**);

(ii) ADB has entered into an agreement with Anchor Labs in which Anchor Labs agrees to the following:

1. to hold cash and cash equivalents in an amount sufficient to satisfy its obligations under the Parental Guarantee;
2. to report regularly and not less frequently than at each quarterly board meeting to ADB on the amount of cash and cash equivalents maintained by Anchor Labs;
3. to promptly notify ADB if the amount of cash and cash equivalents maintained by Anchor Labs falls below the amount sufficient to satisfy its obligations under the Parental Guarantee; and
4. to make available to the Principal Regulator, promptly upon request of the Principal Regulator and in the form and manner as may be reasonably requested, books and records regarding the activities and financial circumstances of ADB, Anchor Labs and their subsidiaries and affiliates.

(iii) ADB has policies and procedures in place

1. to monitor the cash and cash equivalents maintained by Anchor Labs;
2. to notify the Filer and the Principal Regulator within 2 business days of any of the following:
 - A) the Parental Guarantee no longer being in effect; or
 - B) Anchor Labs no longer having cash and cash equivalents in an amount sufficient to satisfy the Parental Guarantee; and
3. to promptly notify the Principal Regulator if ADB no longer forecasts that it will meet the equity requirement for a foreign custodian within three (3) years of the date of the Decision in accordance with representation 22(h).

J. The Filer will cease to use ADB if the Parental Guarantee is no longer in effect or Anchor Labs no longer has cash or cash equivalents in an amount sufficient to satisfy its obligations under the Parental Guarantee. In such case, the Filer will identify a suitable alternative custody provider that meets the definition of an Acceptable Third-party Custodian to hold the Crypto Assets.

K. 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, the South Dakota Division of Banking or the Office of the

Comptroller of the Currency, makes a determination that the Filer's custodian is not permitted by that regulatory authority to hold clients' Crypto Assets. In such case, the Filer will identify a suitable alternative custody provider that meets the definition of an Acceptable Third-party Custodian to hold the Crypto Assets.

- L. For the Crypto Assets held by the Filer on behalf of its clients, the Filer:
 - (i) will hold the Crypto Assets for its clients in trust for the benefit of its clients, and separate and apart from the assets of the Filer;
 - (ii) will ensure there is appropriate insurance to cover the loss of Crypto Assets held by the Filer; and
 - (iii) will have established 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. Before each prospective client opens an account, 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.
- N. For clients with pre-existing accounts with the Filer at the time 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 (i) before placing their next trade or deposit of Crypto Assets on the Platform and (ii) the next time they log in to their account with the Filer.
- O. The Risk Statement delivered as set out in conditions M and N to new clients or clients with pre-existing accounts on the date of this Decision will be prominent and separate from other disclosures given to the client at the time the Risk Statement is delivered, and the acknowledgement will be separate from other acknowledgements given by the client at that time.
- P. A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the website and in the mobile app. The latest version of the Risk Statement will be continuously and easily available to clients on the website and in the mobile app.
- Q. 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, which will include a link to the Crypto Asset Statement on the Filer's website or mobile application and includes the information set out in representation 75.
- R. Existing clients at the time of the Decision will be provided with links to the Crypto Asset Statements. The Crypto Asset Statements will be accessible by all clients on the Filer's website or mobile application.
- S. 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 Crypto Contracts and/or Crypto Asset, and,

- (i) 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
 - (ii) in the event of any update to a Crypto Asset Statement, will promptly notify clients through in-App and website disclosures, with links provided to the updated Crypto Asset Statement.
- T. Prior to the Filer delivering a Risk Statement to a client, the Filer will deliver, or will have previously delivered, a copy of the Risk Statement delivered to the client to the Principal Regulator.
- U. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets, that a client, other than clients resident in Alberta, British Columbia, Manitoba, Québec, and Saskatchewan, may enter into Crypto Contracts to purchase and sell on the Platform (calculated on a net basis and is an amount not less than \$0) in the preceding 12 months:
 - (i) in the case of a client that is not an Eligible Crypto Investor, does not exceed a net acquisition cost of \$30,000;
 - (ii) in the case of a client that is an Eligible Crypto Investor, but is not an Accredited Crypto Investor does not exceed a net acquisition cost of \$100,000; and
 - (iii) in the case of an Accredited Crypto Investor, is not limited.
- V. In the jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under securities legislation of that jurisdiction.
- W. The Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:
 - (i) change of or use of a new custodian; and
 - (ii) material changes to the Filer's ownership, its business operations, including its systems, or its business model.
- X. The Filer will provide at least 45 days advance notice to the Principal Regulator for any material or significant changes to the Form 21-101F2 information filed as described in condition PP, except in relation to changes to Exhibit L – Fees, in which case the Filer will provide at least 15 days' advance notice. Such notice will take the form of an amendment to Form 21-101F2 describing the change. The Filer will not implement a material or significant change unless the amendment describing such change has been delivered within the prescribed timeframe.
- Y. The Filer will evaluate Crypto Assets as set out in representations 33 to 38.
- Z. The Filer will only trade with clients Crypto Assets or Crypto Contracts in relation to Crypto Assets that are:
 - (i) not securities or derivatives or

- (ii) Value-Referenced Crypto Assets provided that the Filer does not allow clients to buy or deposit, or enter into Crypto Contracts or buy or deposit, Value-Referenced Crypto Assets that do not satisfy the terms and conditions set out in Appendix F.
- AA. The Filer will not engage, without the prior written consent of the Principal Regulator, 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.
- BB. The Filer will not trade Crypto Assets or Crypto Contracts in relation to Crypto Assets with a client in an Applicable Jurisdiction, where the Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of a publicly announced order, judgment, decree, sanction, fine or administrative penalty imposed by, or has entered into a publicly announced 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 AML 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 or analogous conduct.
- CC. 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 or with the prior written consent of the Principal Regulator, the Filer will promptly stop trading Crypto Contracts where the underlying is a Crypto Asset if (i) the Filer determines it to be, (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada or the foreign jurisdiction with which the Crypto Asset has the most significant connection determines it to be or (iii) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be, (a) a security and/or a derivative or (b) a Value-Referenced Crypto Asset that does not satisfy the conditions set out in condition Z.
- DD. The Filer will exclude from the excess working capital calculation all the Crypto Assets it holds for which there is no offsetting by a corresponding current liability, as described in representation 127.

Financial Viability

- EE. The Filer will maintain sufficient financial resources for the proper operation of the marketplace and the clearing or settlement services, and for the performance of these functions in furtherance of its compliance with these terms and conditions.
- FF. The Filer will notify the Principal Regulator immediately upon becoming aware that the Filer does not or may not have sufficient financial resources in accordance with the requirements of condition EE.

Trading Limits

- GG. The Filer will not submit orders on a proprietary basis, other than in connection with offsetting trades relating to client orders that are executed on a principal basis, or as it

otherwise deems appropriate for the delivery of its services. For clarity, at no time shall the Filer trade against its clients for speculative purposes.

Marketplace Activities – Fair Access

- HH. The Filer will not unreasonably prohibit, condition or limit access of clients to the Platform.
- II. The Filer will ensure that Payward does not unreasonably prohibit, condition or limit access of clients to the Platform.
- JJ. Any person or company resident in Canada must access the Kraken Global Platform, including for Marketplace Services and the clearing or settlement services, through the Platform.
- KK. The Filer will ensure that Payward does not permit unreasonable discrimination with respect to the Filer's clients in relation to the Kraken Global Platform.

Marketplace Activities – Market Integrity

- LL. The Filer will take reasonable steps to ensure its operations do not interfere with fair and orderly markets in relation to the Platform.
- MM. The Filer will not provide access to the Platform unless it has the ability to terminate all or a portion of a client's access, if required.
- NN. The Filer will maintain accurate records of all of its trade monitoring and complaint handling activities in relation to the Platform, and of the reasons for actions taken or not taken. The Filer will make such records available to the Principal Regulator upon request.
- OO. The Filer must monitor each client's compliance with restrictions relating to its use of the Platform, including complying with the trading requirements set out in the Terms of Service and applicable securities laws, avoiding Prohibited Uses or breaches of securities law and reporting, as appropriate, to the applicable securities regulatory authority or regulator.
- PP. The Filer will file within 120 days of the Decision date with the Principal Regulator completed exhibits to the Form 21-101F2 for each of the following:
 - (a) Exhibit E – Operations of the Marketplace;
 - (b) Exhibit F – Outsourcing;
 - (c) Exhibit G – Systems and Contingency Planning;
 - (d) Exhibit H – Custody of Assets;
 - (e) Exhibit I – Securities;
 - (f) Exhibit J – Access to Services; and
 - (g) Exhibit L – Fees.

Marketplace Activities - Conflicts of Interest

- QQ. When the Filer or an affiliate trades with the Filer's clients on a principal basis, the Filer will ensure that its clients receive fair and reasonable prices.
- RR. The Filer will annually review compliance with the policies and procedures that identify and manage conflicts of interest described in representations 118 to 120 and will document in each review any deficiencies that were identified and how those deficiencies were remedied.

Marketplace Activities – Transparency of Operations and of Order and Trade Information

- SS. The Filer will maintain public disclosure of the information outlined in representation 69(d) in a manner that reasonably enables a person or company to understand the marketplace operations or services.
- TT. For orders and trades entered into and executed on the Platform, the Filer will make available to clients an appropriate level of information regarding those orders and trades in real-time to facilitate clients' investment and trading decisions, as described in representation 97.
- UU. The Filer will make publicly available on its website, on a timely basis, an appropriate level of information about trades that have occurred on the Platform, as described in representation 97.

Marketplace Activities – Confidentiality

- VV. The Filer will not release a client's order or trade information to a person or company, other than the client, a securities regulatory authority or a regulation services provider unless:
- (i) the client has consented in writing to the release of the information;
 - (ii) the release is made under applicable law; or
 - (iii) the information has been publicly disclosed by another person or company and the disclosure was lawful.
- WW. Despite condition VV, the Filer may release a client's order and trade information to Payward provided the Filer has a written agreement with Payward in which Payward agrees not to release the Filer's client's order and trade information unless permitted under condition VV.

Notification to Principal Regulator

- XX. The Filer will promptly notify the Principal Regulator and indicate what steps have been taken by the Filer to address the situation should any of the following occur:
- (i) any failure or breach of systems of controls or supervision that has a material impact on the Filer, including when they
 1. involve the Filer's business;

2. involve the services or business of an affiliate of the Filer;
 3. Involve the Acceptable Third-party Custodian;
 4. are cybersecurity breaches of the Filer, an affiliate of the Filer, or services that impact the Filer; or
 5. are a malfunction, delay, or security breach of the systems or controls relating to the operation of the marketplace or clearing or settlement functions.
- (ii) any amount of specified Crypto Assets are identified as lost;
- (iii) any investigations of, or regulatory action against, the Filer, or an affiliate of the Filer, by a regulatory authority in any jurisdiction in which it operates which may impact the operations of the Filer;
- (iv) details of any litigation instituted against the Filer, or an affiliate of the Filer, which may impact the operations of the Filer;
- (v) notification that the Filer, or an affiliate of the Filer, has instituted a petition for a judgment of bankruptcy, insolvency, or similar relief, or to wind up or liquidate the Filer, or an affiliate of the Filer, or has a proceeding for any such petition instituted against it; and
- (vi) the appointment of a receiver or the making of any voluntary arrangement with a creditors.

Books and Records

- YY. The Filer will keep books, records and other documents reasonably necessary for the proper recording of its business and to demonstrate the Filer's compliance with the Legislation and the conditions of this Decision, including, but not limited to, records of all orders and trades, including the product, price, volume, time when the order is entered, matched, cancelled or rejected, any reference pricing used to assign prices to trades, and the identifier of any authorized user that entered the order.
- ZZ. The Filer will maintain the aforementioned books, records and other documents in electronic form and promptly provide them in the format and at the time requested by the Principal Regulator pursuant to the Legislation. Such books, records and other documents will be maintained by the Filer for a minimum of seven years.

Systems and internal controls

- AAA. The Filer will maintain effective internal controls over systems that support the Platform including internal controls to ensure that its systems function properly and have adequate capacity and security.
- BBB. The Filer will maintain effective information technology controls to support the Platform including controls relating to operations, information security, cyber resilience, change management, network support and system software support.

CCC. The Filer will maintain, update and test a business continuity plan, including emergency procedures, and a plan for disaster recovery that provides for the timely recovery of operations and fulfilment of its obligations with respect to the Platform including in the event of a wide-scale or major disruption.

Clearing and Settlement Activities

DDD. For any clearing or settlement activity conducted by the Filer, the Filer will:

- (i) maintain adequate procedures and processes to ensure the provision of accurate and reliable settlement services in connection with Crypto Assets;
- (ii) maintain appropriate risk management policies and procedures and internal controls to minimize the risk that settlement will not take place as expected;
- (iii) limit the provision of clearing and settlement services to Crypto Assets and fiat currency which underlie the Crypto Contracts traded on the Platform; and
- (iv) limit the provision of clearing and settlement services to clients of the Filer, and, to the extent applicable, other Payward Group entities in relation to trades executed on the Platform.

Staking

EEE. The Filer will comply with the terms and conditions in Appendix C in respect of the Staking Services.

FFF. The Filer will cease to offer the Flexible Staking Service to any new Client Accounts opened on or after the Decision date and to any existing clients that have not engaged in the Flexible Staking Service.

GGG. The Filer will present further information regarding the Flexible Staking Service to the securities regulatory authorities or regulators in Applicable Jurisdictions. Unless otherwise agreed to in writing by the Principal Regulator, the Filer will cease to offer the Flexible Staking Service to all Client Accounts by 120 days after the date of this Decision.

Reporting

HHH. The Filer will deliver the reporting as set out in Appendix D.

III. The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following aggregated quarterly information relating to trading activity on the Platform within 30 days of the end of each March, June, September and December:

- (i) total number of trades and total traded value on a by pair basis, with each such reported value further broken out by the proportion of trades and traded value

that were a result of trades between two clients compared to trades between a client and the Filer or affiliate of the Filer.

- (ii) total number of executed client orders and total value of executed client orders on a by pair basis, with each such reported value further broken out by the proportion of executed market orders compared to executed limit orders.

JJJ. The Filer will provide to the Principal Regulator quarterly summary statistics on its trade monitoring and complaint handling activities in relation to the Platform, including the following: the number of instances of improper trading activity identified, by category, and the proportion of each such category that arose from client complaints or reports;

- (i) the number of instances in (i) that were further investigated or reviewed, by category;
- (ii) the number of investigations in (ii), by category, that were closed with no action;
- (iii) a summary of each investigation in (iii) that was escalated for action to be taken, including a description of the action taken in each case; and
- (iv) a summary of the status of any open investigations.

KKK. The Filer will provide certain reporting in respect of the preceding calendar quarter to its 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:

- (i) the total number of clients to which the Filer provides the Staking Services, broken down by Bonded Staking Service and Flexible Staking Service;
- (ii) the Crypto Assets for which the Staking Services are offered, broken down by Bonded Staking Service and Flexible Staking Service;
- (iii) for each Crypto Asset that may be staked:
 1. the amount of Crypto Assets staked,
 2. the amount of each such Crypto Assets staked that is subject to a Lockup Period and the length of the Lock-up Period;
 3. the amount of Crypto Assets that clients have requested to unstake; and
 4. the amount of rewards earned by the Filer and the clients for the Crypto Assets staked under the Staking Services;
- (iv) the names of any third parties used to conduct the Staking Services;
- (v) any instance of slashing, jailing or other penalties being imposed for validator error,
- (vi) the details of why these penalties were imposed;

- (vii) in respect of the Flexible Staking Service, a detailed description of all instances in which a client requested to unstake their Crypto Assets and was subject to the Lock-up Period; and
- (viii) any reporting regarding the Filer's liquidity management as requested by the Principal Regulator.

LLL. The Filer will deliver to the Principal Regulator, within 30 days of the end of each March, June, September and December, either:

- (i) 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
- (ii) a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.

MMM. In addition to any other reporting required by the Legislation, the Filer will provide, on a timely basis, any report, data, document or information that the Filer has available or would be reasonably expected to have available to the Principal Regulator, including any information about the Filer's Acceptable Third-party Custodian(s) and the Crypto Assets held by the Filer's Acceptable Third-party 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, in a format acceptable to the Principal Regulator. Unless otherwise prohibited under applicable law, the Filer will share with the Principal Regulator information relating to regulatory and enforcement matters that will materially impact its business.

NNN. Upon request, the Filer will provide the Principal Regulator and the securities regulators or securities regulatory authorities of each of the Non-Principal Jurisdictions with aggregated and/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.

Terms and Conditions Applicable to Payward

OOO. Payward will maintain:

- (i) effective internal controls over systems that support the Platform including internal controls to ensure that its systems function properly and have adequate capacity and security;
- (ii) effective information technology controls to support the Platform including controls relating to operations, information security, cyber resilience, change management, network support and system software support;
- (iii) a business continuity plan, including emergency procedures, and a plan for disaster recovery that provides for the timely recovery of operations and fulfilment of its obligations with respect to the Platform including in the event of a wide-scale or major disruption; and

- (iv) appropriate risk management policies and procedures and internal controls in place to minimize the risk that settlement will not take place as expected.

PPP. Payward will facilitate the allocation of sufficient financial and non-financial resources for the operations of the Filer to ensure the Filer can carry out its functions in a manner that is consistent with securities legislation and the Decision.

QQQ. Payward will notify the Principal Regulator immediately upon:

- (i) becoming aware that it is or will be unable to allocate sufficient financial or other resources to the Filer as required under condition PPP; or
- (ii) becoming aware that any of the marketplace provisions are or will not be complied with.

RRR. Payward will keep books, records and other documents reasonably necessary for the proper recording of its business and to demonstrate compliance with the conditions of this Decision, including: (i) records relating to the Filer and the Platform, (ii) records which could reasonably have an impact on Canadian investors or the Canadian capital markets, and (iii) records of all orders and trades made by the Filer on the Kraken Global Platform, including the product, quotes, executed price, volume, time when the order is entered, matched, cancelled or rejected, and the identifier of any authorized user that entered the order, in electronic form and for a minimum of seven years. Payward will promptly provide them in the format and at the time requested by the Principal Regulator.

SSS. Payward will ensure that all conditions provided herein are complied with. To the extent investor protection concerns arise in respect of the Filer or the Platform, Payward will, acting reasonably and in good faith, engage in discussions with the Principal Regulator or the Coordinated Review Decision Maker raising it to address the concern. Payward will, subject to applicable law, promptly provide to the Principal Regulator, on request, any and all data, information, and analyses in its custody or control related to the business and operations of:

- (i) the Filer and the Platform; or
- (ii) Payward and the Kraken Global Platform, which could reasonably have an impact on Canadian investors or the Canadian capital markets without limitations, redactions, restrictions, or conditions, in the format and at the time requested by the Principal Regulator, provided that nothing in this section will be construed to abrogate solicitor-client privilege or any similar doctrines that may apply to communications with and work product produced by counsel.

TTT. Except for the services provided by the Filer to any person or company resident in Canada, Payward acknowledges that neither Payward nor any of its affiliates is permitted to provide, or allow access to, any services governed by securities legislation, whether offered by Payward or any of its affiliates, to any person or company resident in an Applicable Jurisdiction, without the approval of the securities regulatory authority or regulator in such Applicable Jurisdiction.

UUU. The Filer will not be liable for the financial obligations of Payward or any other entity in the Payward Group.

VVV. Payward will perform trading services for the Filer only upon instructions from the Filer.

Changes and Expiration of Decision

WWW. The Filer will promptly make any changes to its business practices or policies and procedures that may be required to address investor protection concerns that may be identified by the Filer or by the Principal Regulator arising from the operation of the Platform.

XXX. The Filer will disclose to clients that the Filer is registered as a restricted dealer in the Applicable Jurisdictions subject to specific terms and conditions that are the subject of a specific order and as such may not be subject to all requirements otherwise applicable to an investment dealer and CRO member, including those that apply to marketplaces and to trading on marketplaces.

YYY. The Filer will, if it intends to operate the Platform in Ontario and Québec after the expiry of the Decision, take the following steps:

- (i) submit an application to the OSC and the Autorité des marchés financiers (**AMF**) to become registered as an investment dealer no later than 6 months after the date of the Decision;
- (ii) submit an application with CRO to become a dealer member no later than 6 months after the date of the Decision;
- (iii) work actively and diligently with the OSC, AMF and CRO to transition the Platform to investment dealer registration and obtain CRO membership.

ZZZ. This Decision shall expire upon the date that is two years from the date of this Decision.

AAAA. This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.

“Michelle Alexander”

Michelle Alexander
Manager, Trading and Markets
Ontario Securities Commission

File No: 2023/0137

Appendix A

LOCAL TRADE REPORTING RULES

In this Decision,

- a) the "**Local Trade Reporting Rules**" means each of the following:
- (i) Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**);
 - (ii) Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**); and
 - (iii) Part 3, Data Reporting of Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon (**MI 96-101**).

Appendix B

SPECIFIED CRYPTO ASSETS

- Bitcoin
- Ether
- Litecoin
- Bitcoin cash
- A Value-Referenced Crypto Asset that complies with condition Z.

Appendix C

STAKING TERMS AND CONDITIONS

1. The Staking Services are offered in relation to the Stakeable Crypto Assets (as defined in condition 2) that are subject to a Crypto Contract between the Filer and a client.
2. Unless the Principal Regulator has provided its prior written consent, the Filer offers 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 (**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 its Staking Affiliates to stake Stakeable Crypto Assets and each such Staking Affiliate is proficient and experienced in staking Stakeable Crypto Assets.
5. The Filer's KYP Policy includes a review of 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 Acceptable Third-party Custodians, 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, or double 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 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 paragraph 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 include, at a minimum:
 - a) the details of the Staking Services and the role of all Staking Affiliates or other 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, unbonding, unstaking, or similar periods imposed by the Stakeable Crypto Asset protocol, Acceptable Third-party Custodian or Validator, where such Stakeable Crypto Assets will not be accessible to the client or will be accessible only after payment of additional fees or penalties or forfeiture of any rewards; 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 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 Acceptable Third-party Custodians remain in possession, custody and control of the staked Stakeable Crypto Assets at all times.
 18. The Filer holds the staked Stakeable Crypto Assets for its clients in one or more wallets in the name of the Filer for the benefit of the Filer's clients with the Acceptable Third-party Custodians, and the staked Stakeable Crypto Assets are held separate and distinct from (i) the assets of the Filer, the Acceptable Third-party Custodians and the Acceptable Third-party Custodians' 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. In connection with the Flexible Staking Service in which the Filer permits clients to remove Stakeable Crypto Assets from the Staking Services prior to the expiry of any Lock-up Period, the Filer has established and applies appropriate liquidity management policies and procedures to fulfill withdrawal requests made, which include using its and its affiliates own Stakeable Crypto Assets that it holds in inventory or ceasing to allow clients to sell or withdraw prior to the expiry of any Lock-up Period. The Filer holds clients' Stakeable

Crypto Assets in trust for its clients and will not use Stakeable Crypto Assets of those clients who have not agreed to the Staking Services for fulfilling such withdrawal requests.

21. 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.
22. 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.
23. The Filer monitors its Validators for downtime, jailing, and slashing events and takes any appropriate action to protect Stakeable Crypto Assets staked by clients.
24. 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.
25. 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.
26. 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.

Appendix D

Data Reporting

1. Commencing with the quarter ending June 30, 2023, 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 Applicable 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 each month in the quarter;
 - (ii) number of client accounts frozen or closed each month in the quarter;
 - (iii) number of client accounts applications rejected by the Platform each month in the quarter as not being suitable;
 - (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; and
 - (xi) number of client accounts that hold a positive amount of Crypto Assets at end of each month in the quarter.
 - b) the details of any client complaints received by the Filer during the calendar 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 calendar 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 Applicable 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 E.

Appendix E

Data Element Definitions, Formats and Allowable Values

Number	Data Element Name	Definition for Data Element ¹	Format	Values	Example
Data Elements Related to each Unique Client					
1	Unique Client Identifier	Alphanumeric code that uniquely identifies a client.	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 client'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

Number	Data Element Name	Definition for Data Element¹	Format	Values	Example
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
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

Number	Data Element Name	Definition for Data Element¹	Format	Values	Example
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
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

Appendix F

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

- 1) The Filer establishes that all of the following conditions are met:
 - a) The Value-Referenced Crypto Asset references, on a one-for-one basis, the value of a single fiat currency (the “reference fiat currency”).
 - b) The reference fiat currency is the Canadian dollar or United States dollar.
 - c) 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.
 - d) 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 of the Filer and the regulator or securities regulatory authority in each Canadian jurisdiction where clients of the Filer reside has consented to in writing;
 - e) 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
 - f) 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;

- (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)(d)-(f) 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 subparagraph (1)(e)(i);
 3. the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b);
 - (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 issuer of the Value-Referenced Crypto Asset's financial year end, annual financial statements of the issuer of the Value-Referenced Crypto Asset that comply with all of the following:
 - (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;
 3. notes to the financial statements;

- (ii) the statements are prepared in accordance with one of the following accounting principles:
 - 1. Canadian GAAP applicable to publicly accountable enterprises;
 - 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;
 - 3. U.S. PCAOB GAAS;
- (iv) the statements are accompanied by an auditor's report that,
 - 1. if (iii)(1) or (2) applies, expresses an unmodified opinion,
 - 2. if (iii)(3) applies, expresses an unqualified opinion,
 - 3. identifies the auditing standards used to conduct the audit, and
 - 4. 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) The Crypto Asset Statement includes 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 section (2) and links to where the information in that section 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 *Securities Act* (Ontario) and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision;
 - n) the date on which the information was last updated.
- 4) If the Filer uses the term "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 in substantially the same form as set out in Appendix B of CSA Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients* (**CSA SN 21-333**) and the undertaking is posted on the CSA website.

- 6) To the extent the undertaking referred to in section (5) of this Appendix includes language that differs from sections (1) or (2) of this Appendix, the Filer complies with sections (1) and (2) of this Appendix as if they included the modified language from the undertaking.
- 7) The KYP Policy of the Filer requires the Filer to assess whether the Value-Referenced Crypto Asset or the issuer of the Value-Referenced Crypto Asset satisfies the criteria in sections (1), (2), (5) and (6) of this Appendix on an ongoing basis.
- 8) The Filer has 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 sections (1), (2), (5) and (6) of this Appendix.
- 9) In this Appendix, terms have the meanings set out in Appendix D of CSA SN 21-333.