



News & Events



For Immediate Release

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Canadian securities regulators provide additional guidance on securities law implications for offerings of tokens

Montréal – The Canadian Securities Administrators (CSA) today published CSA Staff Notice 46-308 *Securities Law Implications for Offerings of Tokens* (/en/SecuritiesLaw_csa_20180611_46-308_securities-law-implications-for-offerings-of-tokens.htm), which provides additional guidance on the applicability of securities laws to offerings of coins or tokens, including ones that are commonly referred to as “utility tokens.”

“Since publishing initial guidance, we have engaged with numerous businesses considering token offerings and have found that most of these offerings involve securities,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “Our notice sets out additional guidance based on situations we have seen to date and common inquiries we have received from businesses and their advisors.”

CSA Staff Notice 46-308 outlines specific situations that may have an implication on the presence of one or more of the elements of an investment contract in the context of an offering of coins or tokens.

This notice supplements the CSA’s August 2017 publication of CSA Staff Notice 46-307 *Cryptocurrency Offerings* (/en/SecuritiesLaw_csa_20170824_cryptocurrency-offerings.htm), which outlines how securities law requirements may apply to initial coin offerings, initial token offerings, cryptocurrency investment funds and the cryptocurrency platforms trading these products.

Any business planning to raise capital through an offering of coins or tokens should consider whether it involves the distribution of a security. In order to avoid costly regulatory surprises, businesses are encouraged to consult qualified securities legal counsel about the potential

application of, and possible approaches required to comply with, securities legislation. Businesses should also contact their local securities regulatory authority to discuss possible flexible approaches to complying with securities laws, including time-limited exemptive relief.

The CSA Regulatory Sandbox (https://www.securities-administrators.ca/industry_resources.aspx?id=1588) is an initiative of the CSA to support financial technology (fintech) businesses seeking to offer innovative products, services and applications in Canada. The CSA has granted, through the CSA Regulatory Sandbox, exemptive relief from certain securities law requirements to firms in the context of offerings of coins or tokens that involve the distribution of securities, subject to conditions to ensure adequate investor protection.

CSA staff monitor cryptocurrency offerings activity and will continue to take action against businesses that do not comply with securities laws.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

- 30 -

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