

**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  
Newton Crypto Ltd.  
(the Filer)**

**Decision**

**Background**

As set out in 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 anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token (a **Crypto Asset**) because the user's contractual right to the Crypto Asset may itself constitute a security and/or a derivative (a **Crypto Contract**).

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

The Filer is currently registered in the category of restricted dealer in all provinces and territories of Canada. In connection with its registration as a restricted dealer, the Filer previously applied for and received exemptive relief in a decision dated August 15, 2022 on terms substantially similar to this decision (the **Decision**). The Filer has also applied for exemptive relief providing for additional terms and conditions in relation to the Filer's application for the provision of staking services.

Under the terms and conditions of the decision *In the Matter of Newton Crypto Ltd.* dated August 15, 2022 (the **Prior Decision**), the Filer has operated, and continues to operate, on an interim basis, a platform (the **Platform**) that permits clients resident in Canada to enter into Crypto Contracts to purchase, hold, sell, deposit and withdraw Crypto Assets, and has applied for exemptive relief with respect to the provision of staking services on the Platform.

The exemptive relief granted under the Prior Decision expires on August 15, 2024, and required the Filer to submit an application to its Principal Regulator and the Autorité des marchés financiers (**AMF**) to become registered as an investment dealer no later than August 15, 2023, and to submit an application with the Canadian Investment Regulatory Organization (**CIRO**), formerly the Investment Industry Regulatory Organization of Canada, to become a dealer member by August 15, 2023.

Since early 2023, the Filer has been working with CIRO to confirm all documents and information which are required to be included in its membership application, and liaising with various service providers to complete all requirements. The Filer has not yet completed all requirements necessary for the CIRO membership application; however, the Filer expects to do so within the next six to twelve months.

The Filer has submitted an application to extend its existing exemptive relief in order to continue to operate the Platform on an interim basis, and to incorporate the terms and conditions related to the Filer's provision of staking services and the Filer's offering of Crypto Contracts based on Value-Referenced Crypto Assets (as defined below) into this Decision.

This 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 the Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) extending the time-limited exemption of the Filer from:

- (a) the prospectus requirements under the Legislation in respect of the Filer entering into Crypto Contracts with clients to purchase, hold, sell, deposit, withdraw and stake Crypto Assets (the **Prospectus Relief**); and
- (b) the requirement in section 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), before it opens an account, takes investment action for a client, or makes a recommendation or exercises discretion to take investment action, to determine on a reasonable basis that the action is suitable for the client (the **Suitability Relief**).

The securities regulatory authority or regulator in the Jurisdiction and each of the other jurisdictions referred to in Appendix A (collectively, the **Coordinated Review Decision Makers**)

have 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 certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**, and together with the Prospectus Relief and the Suitability Relief, the **Requested Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for the Application (the **Principal Regulator**);
- (b) in respect of the Prospectus Relief and the Suitability 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**, and, together with the Jurisdiction, the **Applicable Jurisdictions**); and
- (c) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

## Interpretation

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

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

- (a) “Acceptable Third-party Custodian” means an entity that:
  - a. is one of the following:
    - i. a Canadian custodian or Canadian financial institution, as those terms are defined in NI 31-103;
    - ii. a custodian qualified to act as a custodian or sub-custodian for assets held in Canada pursuant to section 6.2 [*Entities Qualified to Act as Custodian or Sub-Custodian for Assets Held in Canada*] of National Instrument 81-102 *Investment Funds*;
    - iii. a custodian that meets the definition of an “acceptable securities location” in accordance with the Investment Dealer and Partially Consolidated Rules and Form 1 of CIRO;
    - iv. a foreign custodian (as defined in NI 31-103) for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s);  
or

- v. an entity that does not meet the criteria for a qualified custodian (as defined in NI 31-103) and for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s);
  - b. is functionally independent of the Filer within the meaning of NI 31-103;
  - c. has obtained audited financial statements within the last twelve months which
    - i. are audited by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction and that meets the professional standards of that jurisdiction;
    - ii. are accompanied by an auditor's report that expresses an unqualified opinion; and
    - iii. unless otherwise agreed to by the Principal Regulator, discloses on their statement of financial position or in the notes of the audited financial statements the amount of liabilities that it owes to its clients for holding their assets, and the amount of assets held by the custodian to meet its obligations to those custody clients, broken down by asset; and
  - d. has obtained a 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) "Act" means the *Securities Act* (Ontario).
  - (c) "App" means the iOS and Android application that provides access to the Platform.
  - (d) "CIPF" means the Canadian Investor Protection Fund.
  - (e) "Crypto Asset Statement" means the statement described in representation 30(e)(v).
  - (f) "IOSCO" means the International Organization of Securities Commissions.
  - (g) "Promoter" has the meaning ascribed to that term in Canadian securities legislation.
  - (h) "Proprietary Token" means, with respect to a person or company, a Crypto Asset that is not a Value-Referenced Crypto Asset, and for which the person or company or an affiliate of the person or company acted as the issuer (and mints or burns the Crypto Asset) or a promoter.
  - (i) "Specified Crypto Asset" means the Crypto Assets listed in Appendix B to this Decision.
  - (j) "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, the United States of America, and any other jurisdiction that the Principal Regulator may advise.

- (k) “Staking” means the act of committing or locking Crypto Assets in smart contracts to permit the owner or the owner’s agent to act as a Validator for a particular proof-of-stake consensus algorithm blockchain.
- (l) “Validator” means, in connection with a particular proof of stake consensus algorithm blockchain, an entity that operates one or more nodes that meet protocol requirements for a Crypto Asset and participates in consensus by broadcasting votes and committing new blocks to the blockchain.
- (m) “Value-Referenced Crypto Asset” or “VRCA” means a Crypto Asset that is designed to maintain a stable value over time by referencing the value of a fiat currency or other value or right, or combination thereof.
- (n) “Website” means the website [www.newton.co](http://www.newton.co) or such other website as may be used to host the Platform from time to time.

In this Decision, a person or company is an affiliate (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 incorporated under the federal laws of Canada with its principal and head office in Toronto, Ontario.
2. The Filer operates under the business name of “Newton”.
3. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.
4. The Filer is registered as a dealer in the category of restricted dealer with the Applicable Jurisdictions.

5. The Filer is registered as a money services business (**MSB**) under regulations made under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (**Canadian AML/ATF Law**).
6. The Filer's personnel consist of software engineers, compliance professionals and client support representatives who each have experience operating in a regulated financial services environment as an MSB and expertise in blockchain technology. All of the Filer's personnel have passed criminal records checks and new personnel joining the Filer after August 15, 2022 will have passed criminal records and credit checks. The Filer does not have any dealing representatives.
7. Except for not submitting an application to (i) its Principal Regulator and the AMF to become registered as an investment dealer, and (ii) CIRO to become a dealer member, the Filer is not in default of securities legislation of any jurisdictions of Canada.
8. The Filer has been actively and diligently working with CIRO to submit its application to become a dealer member.
9. The Filer has been advised by CIRO that the following items are required to be included in the Filer's membership application:
  - (a) the Filer's SOC 1, Type 1 report and SOC 2, Type 1 "readiness" report;
  - (b) the Filer's audited CIRO Form 1, the time period for which has not yet been finalized by CIRO;
  - (c) auditor's comfort letter regarding the Filer's books and records; and
  - (d) updating the Filer's policies and procedures, if necessary, to reflect comments received during the SOC 1 or SOC 2 readiness phase or from CIRO.

The Filer has engaged auditors to complete the required audits and prepare the reports for submission to CIRO; however, the auditors have indicated that each process will take within the range of one to three months to complete, and the auditors have not yet had capacity to commence the engagements. In addition, the Filer is in the process of implementing certain changes to its accounting system which will be necessary for CIRO membership, which will take several months to complete.

### **Newton Crypto**

10. The Filer operates under the business name of "Newton". The Filer operates the Platform for the trading of crypto assets in Canada that enables clients of the Filer to buy, sell, hold, deposit, withdraw and stake Crypto Assets through the Filer.
11. To use the Platform, each client must open an account (a **Client Account**) using the Filer's Website or App. Client Accounts are governed by the Filer's terms of use (the **Newton**

**TOU**) that are accepted by clients at the time of account opening. The Newton TOU governs 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 certain Client Assets out of their Client Accounts immediately after purchase, clients may choose to leave their Client Assets in their Client Accounts.

12. The Filer's role under the Crypto Contract is to facilitate the buying, selling, and staking of Crypto Assets and to provide custodial services for all Crypto Assets held in Client Accounts.
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 may buy, sell, borrow, stake or hold Crypto Assets in its inventory for operational purposes, such as payment of network/transaction fees required to transfer Crypto Assets and testing, or to provide staking liquidity for the Staking Services (as defined below in representation 79). Otherwise, the Filer does not and will not hold any proprietary positions in Crypto Assets for itself and it does not take a long or short position in a Crypto Asset with any party, including clients. The Filer does not allow Clients to enter into a short position with respect to any Crypto Asset.
15. The Filer does not have any authority to act on a discretionary basis on behalf of clients and will not offer or provide discretionary investment management services relating to Crypto Assets.
16. The Filer is not a member firm of CIPF and the Crypto Assets custodied do not qualify for CIPF coverage.
17. The Risk Statement (defined below) 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.

### **OTC Trading**

18. Newton OTC Inc. (**Newton OTC**), an Affiliate of the Filer, operates an over-the-counter (**OTC**) crypto asset desk for orders of a minimum size of C\$30,000. Crypto Assets purchased from Newton OTC are "immediately delivered", as described in Staff Notice 21-327, to the blockchain wallet address specified by the purchaser which is not under the ownership, possession or control of Newton OTC or the Filer.

Newton OTC will only sell Crypto Assets that the Filer has reasonably determined are not securities or derivatives following the procedures set out in representations 19 to 23 of this Decision. The Filer and Newton OTC acknowledge that any determination made by the Filer as set out in representations 19 to 23 of this Decision does 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 Newton OTC may sell is a security and/or derivative.

### **Crypto Assets Made Available Through the Platform**

19. The Filer has established and applies policies and procedures to review Crypto Assets and to determine whether to allow clients on its Platform to enter into Crypto Contracts to buy, sell, stake or hold the Crypto Assets on its Platform in accordance with the know-your-product (**KYP**) 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 and 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.
20. The Filer only offers and only allows clients the ability to enter into Crypto Contracts based on Crypto Assets that (a) are not each themselves a security and/or a derivative, or (b) are Value-Referenced Crypto Assets, in accordance with condition E of this Decision.
21. The Filer does not allow clients to enter into a Crypto Contract to buy, sell or stake Crypto Assets unless the Filer has taken steps to:
  - (a) assess the relevant aspects of each Crypto Asset pursuant to the KYP Policy and, as described in representation 19, to determine whether it is appropriate for its clients;
  - (b) approve the Crypto Asset, and Crypto Contracts to buy, sell and stake such Crypto Asset, to be made available to clients; and
  - (c) monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.
22. The Filer is not engaged, and will not engage without the prior written consent of the Principal Regulator, in trades that are part of, or designed to facilitate, the design, creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers or Affiliates or associates of such persons.



23. As set out in the KYP Policy, the Filer determines whether a Crypto Asset available to be bought or sold 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 in the IOSCO member jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and
  - (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.
24. The Filer monitors ongoing developments related to the Crypto Assets available on its Platform that may cause a Crypto Asset's status as a security and/or derivative or the assessment conducted by the Filer pursuant to its KYP Policy and as described in representations 19 to 23 above to change.
25. The Filer acknowledges that any determination made by the Filer as set out in representations 19 to 23 of this Decision does 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 and sell is a security and/or derivative.
26. The Filer has established and applies policies and procedures to promptly stop the trading of any Crypto Asset available on its Platform and to allow clients to liquidate in an orderly manner their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on its Platform.

### **Know-Your-Client and Account Appropriateness Assessment**

27. Each client must open a Client Account using the Website or App to access the Platform.
28. The Filer has adopted eligibility criteria for the onboarding of all clients. All clients on the Platform must successfully complete 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 who is an individual, and each individual who is authorized to give instructions for a Canadian client that is a legal entity, must be: a Canadian citizen or permanent resident; and 18 years or older.
29. The Filer does not provide recommendations or advice to clients or conduct a trade-by-trade suitability determination for clients, but rather performs account appropriateness assessments and applies Client Limits (as defined in representation 30(d) below).
30. As part of the account-opening process:

- (a) The Filer complies with the applicable KYC account-opening requirements under applicable legislation and under Canadian AML/ATF Laws by collecting KYC information which satisfies the identity verification requirements applicable to reporting entities.
- (b) The Filer assesses “account appropriateness.” Specifically, prior to opening a Client Account, the Filer uses electronic questionnaires to collect information that the Filer will use to determine whether and to what extent it is appropriate for a prospective client to enter into Crypto Contracts with the Filer to buy, sell and/or stake Crypto Assets. The account appropriateness assessment conducted by the Filer considers the following factors (the **Account Appropriateness Factors**):
  - (i) the client’s experience and knowledge in investing in Crypto Assets;
  - (ii) the client’s financial assets and income;
  - (iii) the client’s risk tolerance; and
  - (iv) the Crypto Assets approved to be made available to a client on the Platform.
- (c) The Account Appropriateness Factors are used by the Filer to evaluate whether and to what extent entering into Crypto Contracts with the Filer is appropriate for a prospective Client before the opening of a Client Account. After completion of the account appropriateness assessment, a prospective client receives appropriate messaging about using the Platform to enter into Crypto Contracts, which, in circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate 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 a Client Account.
- (d) The Filer has adopted and applies policies and procedures to conduct an assessment to establish appropriate limits on the losses that a client that is not a “permitted client” (as defined in NI 31-103) can incur, what limits will apply to such client based on the Account Appropriateness Factors (the **Client Limit**), and what steps the Filer will take when the client approaches or exceeds their Client Limit. After completion of the assessment, the Filer will implement controls to monitor and apply the Client Limit.
- (e) The Filer provides a prospective client with a separate statement of risk (the **Risk Statement**) that clearly explains the following in plain language:
  - (i) the Crypto Contracts;
  - (ii) the risks associated with the Crypto Contracts;

- (iii) a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed the Crypto Contracts or the Crypto Assets made available through the Platform;
- (iv) the due diligence performed by the Filer before making a Crypto Asset available through the Platform, including the due diligence performed by the Filer to assess whether the Crypto Asset is a security and/or 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 Asset 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;
- (viii) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the client arising from the Filer having access to the Crypto Assets in that manner,
- (ix) that the Filer is not a member of CIPF and the Crypto Contracts issued by the Filer and the 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 Act, 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.

31. In order for a prospective client to open and operate a Client Account with the Filer, the Filer obtains 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.

32. A copy of the Risk Statement acknowledged by a client is made available to the client in the same place as the client's other statements on the Platform. The most recent Risk Statement is available on the Platform.
33. The Filer applies written 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, crypto assets generally, or a specific Crypto Asset, as the case may be. In the event the Risk Statement is updated, clients of the Filer will be promptly notified of the update and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, clients of the Filer will be promptly notified, with links to the updated Crypto Asset Statement.
34. 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 will include a link to the Crypto Asset Statement on the Website or App.
35. Each Crypto Asset Statement includes:
  - (a) a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed the Crypto Contracts or any Crypto Assets made available through the Platform;
  - (b) a description of the Crypto Asset, including the background of the creation of the Crypto Asset, including the background of the developer(s) that first 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 the Crypto Assets made available through the Platform;
  - (f) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of 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.
36. The Filer monitors Client Accounts after opening to identify activity inconsistent with the client's account, the account appropriateness assessment and Crypto Asset assessment. If

warranted, the client may receive further messaging about the Platform and the Crypto Assets, specific risk warnings and/or receive direct outreach from the Filer about their activity. The Filer monitors compliance with the Client Limits established by the Filer as described in representation 30(d). If warranted, the client will receive warnings when their Client Account is approaching its Client Limit, which will include information on steps the client may take to prevent the client from incurring further losses.

37. The Filer also prepares and makes available to its clients, on an ongoing basis and in response to emerging issues in Crypto Assets, educational materials and other informational updates about trading on the Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

### **Platform Operations**

38. All Crypto Contracts entered into by clients to buy and sell Crypto Assets are placed with the Filer through the Website or App.
39. Clients are able to submit orders, either in units of the applicable Crypto Asset or in fiat currency, 24 hours a day, 7 days a week. Clients are able to deposit and withdraw certain Crypto Assets and Canadian dollars, 24 hours a day, 7 days a week (or where applicable, for fiat currency, during banking hours).
40. The Filer establishes, maintains and ensures compliance with policies and procedures that identify and manage conflicts of interest arising from the operation of the Platform and its related services, including conflicts between the interests of its owners, its commercial interests and the responsibilities and sound functioning of the Platform and related services.
41. The Filer relies upon multiple crypto asset trading firms (**Liquidity Providers**) to act as sellers of Crypto Assets that may be purchased by the Filer for its clients. Liquidity Providers also buy any Crypto Assets from the Filer that clients wish to sell.
42. One of the Filer's significant Liquidity Providers is DV Chain (Canada) Inc. (**DV Chain Canada**), a subsidiary of DVX CM, which is a significant shareholder of the Filer.
  - (a) DV Chain Canada is a corporation incorporated in Canada under the laws of the Province of Ontario with its principal and head office in Toronto, Ontario.
  - (b) DV Chain Canada is an over-the-counter liquidity provider that trades Crypto Assets on a proprietary basis, as principal, with institutional counterparties in Canada.
  - (c) The Filer has verified that DV Chain Canada is not in default under securities laws in the Jurisdictions.
43. The Filer evaluates the prices obtained from its Liquidity Providers on an ongoing basis against global benchmarks to provide fair and reasonable pricing to its clients.

44. The Filer has taken or will take reasonable steps to verify that each Liquidity Provider is appropriately registered and/or licensed to trade in the Crypto Assets in their home jurisdiction, or that their activities do not require registration in their home jurisdiction, and that they are not in default of securities legislation in the Applicable Jurisdictions. The Filer will cease using a Liquidity Provider upon the direction of the Principal Regulator when the Principal Regulator has concerns relating to the Liquidity Provider
45. The Filer has verified that each Liquidity Provider has effective policies and procedures to address concerns relating to fair price, fraud and market manipulation.
46. A Crypto Contract is a bilateral contract between the client and the Filer. Accordingly, the Filer is the counterparty to all trades entered by the client on the Platform. For each client transaction, the Filer will be a counterparty to a corresponding Crypto Asset buy or sell transaction with a Liquidity Provider. For each buy or sell transaction initiated by a client, the Filer buys or sells Crypto Assets with Liquidity Providers.
47. After an order has been placed by a client, the Filer obtains a price for the Crypto Asset from a Liquidity Provider, after which the Filer incorporates a fee to compensate the Filer, and presents this total cost to the client. If the client is agreeable, the client confirms that it wishes to proceed and the client's market order at the quoted price will be filled on the Platform. If the client does not accept the quoted price within the time indicated in the displayed countdown timer, the quoted price will be refreshed based on new pricing from the Liquidity Provider, the timer will be reset, and the client will be able to transact against the new price for the time indicated in the timer. The quoted price will continue to be refreshed when the timer counts down to zero unless the client transacts against the quoted price. The countdown timer will be approximately five to ten seconds, subject to each Liquidity Provider's specific requirements. The Filer confirms the transaction with the Liquidity Providers and records in its books and records the particulars of the trade.
48. Clients can enter orders to the Platform in two ways: (i) a market order which specifies the desired trading pair and quantity; (ii) a limit order (including for clarity stop orders) which specifies the desired trading pair, quantity and price at which the client wishes to transact. Clients can also enter a recurring buy which allows a client to specify the desired trading pair, quantity, and frequency, and automatically enters a market order at the set frequency.
49. When a client enters a limit order, the Platform will not process the trade until such future time as when the price from the Liquidity Provider plus the 'spread' meets the price entered by the client, then the client's order will automatically be executed.
50. For each client limit order, the limit order may be partially or completely filled if the client's specified limit price is met. If the market price plus the 'spread' does not meet the price specified in the limit order, the limit order remains open in the Client Account until it is cancelled by the client or filled. If the order remains open for 90 days, the order is automatically canceled by the system. Clients are given notification of the cancellation and may re-create the order if they wish. If a limit order is partially filled, the rest of the order

remains open in the Client Account. Open limit orders entered by clients are displayed on the Platform; however, they are not available to trade against other client orders.

### **Pre-trade Controls and Settlement**

51. The Filer does not allow clients to enter into a Crypto Contract to buy, sell or stake Crypto Assets unless the Filer has taken steps:
  - (a) to review the Crypto Asset, including the information specified in representation 19;
  - (b) to approve the Crypto Asset, and Crypto Contracts to buy and sell such Crypto Asset, to be made available to clients; and
  - (c) as set out in representation 24, to monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.
52. The Filer's books and records record all of the trades executed on the Platform. No order will be accepted by the Filer unless there are sufficient cash or Crypto Assets available in the Client Account to complete the trade.
53. The Filer does not, and will not, extend margin, credit or other forms of leverage to clients in connection with trading Crypto Assets on the Platform, and will not offer derivatives based on Crypto Assets to clients other than Crypto Contracts.
54. The Filer promptly, and no later than two business days after the trade, settles transactions with the Liquidity Providers on a net basis. Where there are net purchases of Crypto Assets with a Liquidity Provider, the Filer arranges for cash to be transferred to the Liquidity Provider and Crypto Assets to be sent by the Liquidity Provider to the Filer. Where there are net sales of Crypto Assets, the Filer arranges for Crypto Assets to be sent from the Filer to the Liquidity Provider in exchange for cash received by the Filer from the Liquidity Provider.
55. All fees earned by the Filer are clearly disclosed on the Newton Platform, and the Filer's Clients can check the quoted prices for Crypto Assets on the Newton Platform against the prices available on other registered CTPs in Canada.
56. Clients receive electronic trade confirmations and monthly statements setting out the details of the transaction history in their Client Account. Clients are able to view their transaction history and account balances in real time by accessing their Client Account using the Website or App.
57. In addition to the Risk Statement, the Crypto Asset Statement, the account appropriateness assessment described in representations 30 to 37, the KYP assessments described in representations 19 to 24, the Client Limits described in representations 30(d) and 36, and the ongoing education initiatives described in representations 30 to 37, the Filer also

monitors client activity, and contacts clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading a Crypto Contract is not appropriate for the client, or that additional education is required. The outcome of this engagement with a client may result, in some cases, in a decision by the Filer to close a client's account.

### **Custody of Crypto Assets**

58. The Filer holds clients' Crypto Assets (i) in blockchain wallets or accounts clearly designated for the benefit of clients or in trust for clients, and (ii) separate and apart from its own assets (including crypto assets held in inventory by the Filer for operational purposes) and from the assets of any custodial service provider. The Filer is not permitted to pledge, re-hypothecate or otherwise use any Crypto Assets owned by its clients.
59. The Filer is proficient and experienced in holding Crypto Assets and has established and applies policies and procedures that manage and mitigate custodial risks, including an effective system of controls and supervision to safeguard Crypto Assets. The Filer also maintains appropriate policies and procedures related to information technology security, cyber-resilience, disaster recovery capabilities and business continuity plans.
60. The Filer has expertise in and has developed anti-fraud and anti-money laundering monitoring systems, for both fiat and Crypto Assets, to reduce the likelihood of fraud, money laundering, or client error in sending or receiving Crypto Assets to incorrect wallet addresses.
61. The Filer has and will retain the services of third-party custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of clients. The Filer primarily uses Coinbase Custody Trust Company LLC as custodian (the **Custodian**) and will use other custodians as necessary after reasonable due diligence. Up to 20% of the Filer's total Client Crypto Assets may be held online in hot wallets secured by Fireblocks LLC (**Fireblocks**).
62. The Filer maintains its own hot wallets to hold limited amounts of Crypto Assets that will be used to facilitate client deposit and withdrawal requests and to facilitate trade settlement with Liquidity Providers. However, the majority of Crypto Assets are held with the Custodian.
63. The Custodian is licensed as a limited purpose trust company with the New York Department of Financial Services (**NYDFS**).
64. The Custodian has completed a Service Organization Controls (**SOC**) report under the SOC 1 – Type 2 and SOC 2 – Type 2 standards from a leading global audit firm.
65. The Filer has conducted due diligence on the Custodian, including, among others, the Custodian's policies and procedures for holding Crypto Assets and a review of the Custodian's SOC 2 – Type 2 examination reports. The Filer has not identified any material concerns. The Filer has also assessed whether the Custodian meets the definition of an Acceptable Third-party Custodian.



66. The Custodian operates a custody account for the Filer to use for the purpose of holding the clients' Crypto Assets in trust for clients of the Filer.
67. Those Crypto Assets that the Custodian holds in trust for clients of the Filer are held in segregated omnibus accounts in the name of the Filer in trust for or for the benefit of the Filer's clients and are held separate and distinct from the assets of the Filer, the Filer's Affiliates, the Custodian and the Custodian's other clients.
68. The Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents. The Custodian has established and applies written disaster recovery and business continuity plans.
69. The Filer has assessed the risks and benefits of using the Custodian and has determined that in comparison to a Canadian custodian (as that term is defined in NI 31-103), it is more prudent and beneficial to use the Custodian, a U.S. custodian, to hold the Crypto Assets the Custodian supports with the Custodian than using a Canadian custodian.
70. All client cash that is being held by the Filer is and will be held by a Canadian financial institution in a designated trust account, in the name of the Filer in trust for clients of the Filer and separate and apart from the Filer's fiat currency balances.
71. Coinbase Global Inc., the parent company of the Custodian, maintains US\$320 million of insurance (per-incident and overall) which covers losses of assets held by the Custodian, on behalf of its clients due to third-party hacks, copying or theft of private keys, insider theft or dishonest acts by the Custodian employees or executives and loss of keys. The Filer has assessed the Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by the Custodian and considering the scope of the Custodian's business, that the amount of insurance is appropriate.
72. The Filer confirms on a daily basis that clients' Crypto Assets held with the Custodian and held by the Filer reconcile with the Filer's books and records to ensure that all clients' Crypto Assets are accounted for. Clients' Crypto Assets held in trust for their benefit in hot wallets and with the Custodian are deemed to be the clients' Crypto Assets in case of the insolvency and/or bankruptcy of the Filer or of the Custodian.
73. Clients are permitted to transfer into their Client Account with the Filer, Crypto Assets they obtained outside the Platform or withdraw from their Client Account with the Filer, Crypto Assets they have purchased pursuant to their Crypto Contracts with the Filer or previously deposited with the Filer. The Filer may not support transfers for all Crypto Assets. Upon request by a client, the Filer will promptly deliver possession and/or control of the Crypto Assets purchased under a Crypto Contract to a blockchain address specified by the client, subject to first satisfying all applicable legal and regulatory requirements, including anti-money laundering requirements and anti-fraud controls.

74. The Filer licenses software from Fireblocks which includes a crypto asset wallet that stores private and public keys and interacts with various blockchains to send and receive crypto assets and monitor balances. Fireblocks uses secure multiparty computation to share signing responsibility for a particular blockchain address among multiple independent persons.
75. Fireblocks has obtained a SOC report under the SOC 2 – Type 2 standards from a leading global audit firm. The Filer has reviewed a copy of the SOC 2 – Type 2 audit report prepared by the auditors of Fireblocks, and has not identified any material concerns.
76. Fireblocks has insurance coverage in the amount of US\$30 million in aggregate which, in the event of theft of crypto assets from hot wallets secured by Fireblocks due to an external cyber breach of Fireblocks’ software or any malicious or intentional misbehaviour or fraud committed by employees, will be distributed among applicable Fireblocks customers, which could include the Filer, pursuant to an insurance settlement agreement.
77. The Filer has licensed software from Digital Assets Services Limited (trading as Coincover) (**Coincover**) to provide additional security for keys to Crypto Assets held by the Filer using Fireblocks, including key pair creation, key pair storage, device access recovery and account access recovery. Coincover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority. Unless otherwise approved by the Principal Regulator, Newton will maintain CoinCover security coverage.
78. The insurance obtained by the Filer includes coverage for loss or theft of the Crypto Assets, in accordance with the terms of the Filer’s insurance policy and the Filer has assessed the insurance coverage to be sufficient to cover the loss of Crypto Assets, whether held directly by the Filer or indirectly through the Custodian.

### **Staking Services**

79. The Filer will also offer staking services to its clients resident in each of the provinces and territories of Canada by which the Filer arranges to stake Crypto Assets and earn staking rewards for participating clients (the **Staking Services**).
80. Unless the Principal Regulator provides its prior written consent, the Filer will offer clients the Staking Services only for (i) Crypto Assets of blockchains that use a proof of stake consensus mechanism and (ii) the staked Crypto Assets that are used to guarantee the legitimacy of new transactions the Validator adds to the blockchain (**Stakeable Crypto Assets**).
81. The Filer is proficient and knowledgeable about staking Stakeable Crypto Assets.
82. The Filer itself does not act as a Validator, unless the Principal Regulator has provided its prior written consent. The Filer has entered into written agreements with the Custodian and/or with third party Validators to provide services in respect of staking Stakeable Crypto Assets. The Custodian and Validators are proficient and experienced in staking Stakeable Crypto Assets.

83. Before engaging a Validator, the Filer conducts due diligence on the Validator, with consideration for the Validator's management, infrastructure and internal control documentation, security measures and procedures, reputation of operating nodes, use by others, measures to operate nodes securely and reliably, amount of crypto assets staked by the Validator on its own nodes, quality of work, including any slashing incidents or penalties, financial status and insurance, and registration, licensing or other compliance under applicable laws, particularly securities laws. Where the Filer engages the Custodian to provide staking services, the Filer conducts due diligence on how the Custodian provides the staking services and selects the Validators.
84. The Filer will offer the Staking Services in respect of the Ethereum and Cardano blockchains. The Filer may offer the Staking Services in respect of other Stakeable Crypto Assets in the future.
85. The Filer, as part of its KYP Policy, reviews the Stakeable Crypto Assets made available to clients for staking and staking protocols related to those Stakeable Crypto Assets prior to offering those Stakeable Crypto Assets as part of the Staking Services. The Filer's review includes the following:
  - (a) the Stakeable Crypto Assets that the Filer proposes to offer for staking;
  - (b) the operation of the proof-of-stake blockchain for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
  - (c) the staking protocols for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
  - (d) the risks of loss of the staked Stakeable Crypto Assets, including from software bugs and hacks of the protocol;
  - (e) the Validators engaged by the Filer or the Filer's Custodian, including, but not limited to, information about:
    - (i) the persons or entities that manage and direct the operations of the Validator,
    - (ii) the Validator's reputation and use by others,
    - (iii) the amount of Crypto Assets the Validator has staked on its own nodes,
    - (iv) the measures in place by the Validator to operate the nodes securely and reliably,
    - (v) the financial status of the Validator,
    - (vi) the performance history of the Validator, including but not limited to the amount of downtime of the Validator, past history of "double signing" and "double attestation/voting",

- (vii) any losses of Stakeable Crypto Assets related to the Validator's actions or inactions, including losses resulting from slashing, jailing or other penalties incurred by the Validator, and
  - (viii) any guarantees offered by the Validator against losses including losses resulting from slashing or other penalties and any insurance obtained by the Validator that may cover this risk.
- 86. The Filer, as part of its account appropriateness assessment, evaluates whether offering the Staking Services is appropriate for a client before providing access to an account that makes available the Staking Services and, on an ongoing basis, at least once in each 12-month period.
- 87. If, after completion of an account appropriateness assessment, the Filer determines that providing the Staking Services is not appropriate 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.
- 88. The Filer only stakes the Stakeable Crypto Assets of those clients who have agreed to the Staking Services and have allocated Stakeable Crypto Assets to be staked. Where a client no longer wishes to stake all or a portion of the allocated Stakeable Crypto Assets, subject to any Lock-Up Periods (as defined below) or any terms of the Staking Services that permit the client to remove Stakeable Crypto Assets from the Staking Services prior to the expiry of any Lock-Up Periods, the Filer ceases to stake those Stakeable Crypto Assets.
- 89. 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 representation 90 below, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
- 90. The Filer clearly explains in the Risk Statement the risks with respect to staking and the Staking Services in plain language, which includes:
  - (a) the details of the Staking Services and the role of all third parties involved;
  - (b) the due diligence performed by the Filer with respect to the proof-of-stake consensus protocol for each Stakeable 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 Stakeable 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 Crypto Asset protocol, custodian or Validator, where such 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 (**Lock-up Periods**); and
  - (h) how rewards are calculated on the staked Stakeable Crypto Assets, including any fees charged by the Filer or any third party, how rewards are paid out to clients, and any associated risks.
91. 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.
92. The Staking Services are currently only available by using the App. The Filer may make the Staking Services available through the Website in the future.
  93. To stake Stakeable Crypto Assets, a client may use the App to instruct the Filer to stake a specified amount of Stakeable Crypto Assets held by the client on the Platform.
  94. For certain Stakeable Crypto Assets, the Filer also allows clients to automatically stake those Stakeable Crypto Assets when purchasing more of the asset. If a client turns on this “auto-stake” feature, Stakeable Crypto Assets are automatically staked upon being purchased by the client. The client can disable this feature at any time.
  95. Immediately before each time a client buys Stakeable Crypto Assets that are automatically staked, the Filer provides prominent disclosure to the client that the Stakeable Crypto Asset the client is about to buy will be automatically staked.
  96. Subject to any Lock-up Periods that may apply, the client may at any time use the App to instruct the Filer to unstake a specified amount of Stakeable Crypto Assets that the client had previously staked.
  97. The Filer stakes and unstakes Crypto Assets on an omnibus basis by calculating the total amount of a Stakeable Crypto Asset that clients wish to stake or unstake and adjusting the amount actually staked to reconcile with the net amount that clients have, in total, instructed the Filer to stake or unstake.
  98. The Filer holds the staked Stakeable Crypto Assets in trust for or for the benefit of its clients in one or more omnibus Locations (as defined below) in the name of the Filer for the benefit of the Filer’s clients with the Custodian separate and distinct from (i) the assets of the Filer, the Custodian and the Custodian’s other clients; and (ii) the Crypto Assets held for its clients that have not agreed to staking those specific Crypto Assets. A **Location** is an address or wallet (or group of addresses or wallets) that is (are) subject to a distinct pre-set governance policy within the private key management solution employed by the Filer or the Custodians. For greater certainty, the Filer (or the Custodians) will not stake customer Crypto Assets from the same Location in which it holds unstaked customer Crypto Assets
  99. To stake clients’ Stakeable Crypto Assets, the Filer instructs a Custodian to transfer Stakeable Crypto Assets to an omnibus Location and to sign a blockchain transaction confirming that assets in that wallet are to be staked with a Validator.

100. Similarly, when unstaking Stakeable Crypto Assets, the Filer instructs a Custodian to sign a blockchain transaction confirming that assets in a staking Location are no longer staked. After expiry of any Lock-up Periods that may prevent the assets from being transferred, the Filer instructs the Custodian to transfer the unstaked assets from the staking Location to cold storage wallets holding unstaked Stakeable Crypto Assets.
101. The Filer and the Custodian remain in possession, custody and control of the staked Stakeable Crypto Assets at all times. At all times, the Custodian continues to hold the private keys or other cryptographic key material required to stake or un stake clients' Stakeable Crypto Assets or to access staking rewards. Custody, possession and control of staked Stakeable Crypto Assets are not transferred to Validators or any other third parties in connection with the Staking Services.
102. 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.
103. Staking rewards are issued periodically and automatically by the blockchain protocol of the Stakeable Crypto Asset and received directly into the staking wallets with the Custodian. Other than any "validator commission" that may be received by a Validator under the rules of the blockchain protocol, Validators do not receive or otherwise have control over staking rewards earned by clients.
104. Staking rewards are typically issued for a specific time period, often referred to as an "epoch". For each "epoch", the Filer promptly determines the amount of staking rewards earned by each client that had staked Stakeable Crypto Assets under the Staking Services.
105. When staking rewards for a Stakeable Crypto Asset are received into staking wallets, the Filer promptly calculates the amount of the staking reward earned by each client using the Staking Services in respect of that asset and credits each client's account accordingly. Staking reward distributions are shown in the App and on clients' account statements.
106. For certain Stakeable Crypto Assets, staking rewards are automatically staked by the blockchain protocol to compound rewards. Clients must un stake some or all of these rewards if they wish to sell or transfer them.
107. Where staking rewards are not compounded by the blockchain protocol, the Filer instructs the Custodian to transfer staking rewards from the staking wallets to other omnibus wallets holding client Crypto Assets.
108. Certain Stakeable Crypto Assets are subject to a so-called "warm-up" or "bonding" period after being staked, during which time the Stakeable Crypto Assets do not earn any staking rewards. A client will not receive staking rewards in respect of any of their staked Stakeable Crypto Assets that are still subject to "warm-up" periods.
109. Similarly, a client will not receive staking rewards in respect of Stakeable Crypto Assets that have been unstaked by the client but are still subject to Lock-up Periods.

110. The Filer does not promise or guarantee its clients a specific staking reward rate for any Stakeable Crypto Asset. The Filer does not exercise any discretion to change reward rates.
111. The Filer may show in the App or Website the current estimated reward rate for Stakeable Crypto Assets. This estimated reward rate is based on data derived from the blockchain for the Stakeable Crypto Asset and adjusted for any applicable validator commission or fees payable to the Filer.
112. The Filer charges a fee to clients using Staking Services based on a percentage of the client's staking rewards. The Filer clearly discloses the fees charged by the Filer for the Staking Services and provides a clear calculation of the rewards earned by each client that agrees to the Staking Services.
113. When staking rewards are received into staking wallets each epoch, the Filer promptly calculates the total amount of the fee payable by clients using the Staking Services for that epoch and transfers an amount of Stakeable Crypto Assets equal to the fee to a separate wallet exclusively holding Crypto Assets belonging to the Filer.
114. For certain Stakeable Crypto Assets, a Validator can, as part of the blockchain consensus protocol, set a percentage of the staking rewards earned by Stakeable Crypto Assets staked with the Validator to be received by the Validator. This is typically referred to as the "validator commission". The validator commission is deducted automatically by the underlying blockchain protocol from staking rewards and transferred by the protocol directly to the Validator. Where a "validator commission" applies, the Filer clearly discloses the existence and amount of the validator commission to clients using the Staking Services.
115. Under the commercial agreements between the Filer and Validators, Validators may pay some of the validator commission to the Filer for arranging the staking of clients' Stakeable Crypto Assets with the Validators. The Filer discloses to clients that it receives a share of validator commissions. Further, the Filer has adopted policies and procedures for the selection of Validators and staking of clients' Stakeable Crypto Assets to Validators to ensure that these decisions are based on factors other than the Filer's financial considerations under these commercial agreements.
116. For Stakeable Crypto Assets that do not have "validator commissions", the Filer pays a fee to the Validator and/or a Custodian for activating and operating nodes for the Filer's clients using the Staking Services. This fee is included in the fee paid by clients to the Filer in connection with the Staking Services.
117. Certain proof of stake blockchain protocols impose penalties where a validator fails to comply with protocol rules. This penalty is often referred to as "slashing" or "jailing". If a Validator is "slashed" or "jailed", a percentage of the tokens staked with that Validator and/or a percentage of staking rewards earned by clients staking to that Validator is permanently lost and/or the Validator will not be selected to participate in transaction validation and any Stakeable Crypto Assets staked with that Validator will not be eligible to earn staking rewards. Accordingly, if a Validator fails to comply with protocol rules, a



percentage of Crypto Assets staked or earned by the Filer's clients may be lost (i.e., the balance of the staking wallet will be reduced automatically by the blockchain protocol) and/or the Filer's clients will not earn staking rewards for a period of time.

118. For certain Stakeable Crypto Assets, the Filer may agree to reimburse clients for slashing penalties. The Client Account Agreement clearly provides for the circumstances the Filer will provide this reimbursement in respect of a Stakeable Crypto Asset. The availability of any reimbursement, and any conditions or limits on the reimbursement, are also described in the Risk Statement or the relevant Crypto Asset Statement.
119. To mitigate the risk of slashing or jailing to clients, the Filer may, where feasible, arrange to stake Stakeable Crypto Assets across multiple Validators, so that any penalty resulting from the actions or inaction of a specific Validator does not affect all staked Crypto Assets and the Filer can, if appropriate, re-stake with alternative Validators.
120. In addition, the Filer monitors its Validators for, among other things, downtime, jailing and slashing events and takes any appropriate action to protect Stakeable Crypto Assets staked by clients.
121. For certain Stakeable Crypto Assets that are subject to Lock-up Periods, the Filer may provide clients using the Staking Services with the ability to sell or withdraw assets immediately after unstaking the assets, even though the newly unstaked assets are subject to a Lock-up Period and cannot yet be transferred from the staking wallet.
122. Where the Filer provides this service in connection with a Stakeable Crypto Asset, the Filer provides the liquidity necessary for clients to sell or withdraw Crypto Assets prior to the expiry of Lock-up Periods from the Filer's own inventory of Stakeable Crypto Assets in accordance with its liquidity management policies and procedures. When the Lock-up Period applicable to a clients' unstaked Crypto Assets expires, the Filer returns the now freely transferable assets to its inventory.
123. Where the Filer does not provide this liquidity for a Stakeable Crypto Asset, a client that unstakes Stakeable Crypto Assets must wait until the applicable Lock-up Period expires before the client can sell or transfer those assets.

### **Capital Requirements**

124. The Filer will exclude from the excess working capital calculation all the Crypto Assets, including Proprietary Tokens and all Value-Referenced 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, including Proprietary Tokens inventory and all of the Value-Referenced Crypto Assets inventory, held by the Filer from Form 31-103F1 (Schedule 1, line 9).

### **Marketplace and Clearing Agency**

125. The Filer does not and will not operate a “marketplace” as that term is defined in National Instrument 21-101 *Marketplace Operation* (NI 21-101) and in Ontario, subsection 1(1) of the Act.
126. The Filer does not and will not operate a “clearing agency” or a “clearing house” as the terms are defined or referred to in securities legislation. Any clearing or settlement activity conducted by the Filer is incidental to the Filer engaging in the business of a CTP. Any activities of the Filer that may be considered the activities of a clearing agency or clearing house are related to the Filer arranging or providing for settlement of obligations resulting from agreements entered into on a bilateral basis and without a central counterparty.

### **Decision**

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

The Decision of the Principal Regulator under the Legislation is that the Prior CSA Decision is revoked and the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation in its jurisdiction is that the Trade Reporting Relief, as applicable, is granted, provided that and for so long as the Filer complies with the following terms and conditions:

- 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 Jurisdiction, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under securities legislation, including the Legislation, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.
- B. The Filer is registered as a restricted dealer or investment dealer in the Jurisdiction and the jurisdiction in which the client is resident.
- C. The Filer will continue to work actively and diligently with the OSC, AMF and CIRO to transition the Filer’s registration to investment dealer registration and obtain CIRO membership.
- D. The Filer, and any employee, agent or other representatives of the Filer, will not provide recommendations or advice to any client or prospective client on the Platform.
- E. The Filer will only trade in Crypto Assets or Crypto Contracts based on Crypto Assets that (i) are not securities or derivatives, or (ii) are Value-Referenced Crypto Assets, provided that:

- (a) by December 29, 2023, the Filer will no longer allow clients to buy or deposit, or enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets that do not satisfy the conditions set out in section 1 of Appendix C;
  - (b) by April 30, 2024, the Filer will no longer allow clients to buy or deposit Value-Referenced Crypto Assets, that do not comply with the terms and conditions set out in Appendix C.
- F. The Filer will not operate a “marketplace” as the term is defined in NI 21-101 and in Ontario, in subsection 1(1) of the Act or a “clearing agency” or “clearing house” as the terms are defined or referred to in securities legislation.
- G. The Filer has and will continue to confirm that it is not liable for the debt of an Affiliate or Affiliates that could have a material negative effect on the Filer. The Filer will notify the Principal Regulator, promptly, of any material breach or failure of the Filer's or its Affiliate's system of controls or supervision that could have a material impact on the Filer. If a breach or failure does occur, the Filer will notify the Principal Regulator of what steps have been taken to address such breach or failure.
- H. 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 other Jurisdictions to hold at least 80% of the total value of the Crypto Assets with an entity that does not meet certain criteria of an Acceptable Third-party Custodian .
- I. Before the Filer holds Crypto Assets with an Acceptable Third-party Custodian, the Filer will take reasonable steps to verify that the custodian:
  - (a) will hold the Crypto Assets for the Filer’s clients (i) in an account clearly designated for the benefit of the Filer’s clients or in trust for the Filer’s clients, (ii) separate and apart from the assets of the Filer, the Filer’s Affiliates, and the custodian’s other clients, and (iii) separate and apart from the custodian’s own assets and from the assets of any custodial service provider;
  - (b) has appropriate insurance to cover the loss of Crypto Assets held at the custodian;
  - (c) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian; and

- (d) 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 other Jurisdictions have provided prior written approval for use of the custodian.
  
- J. The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association, the New York State Department of Financial Services or any other regulatory authority applicable to a custodian of the Filer makes a determination that (i) the custodian is not permitted by that regulatory authority to hold client Crypto Assets, or (ii) if there is a change in the status of the custodian as a regulated financial institution. In such a 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. For the Crypto Assets held by the Filer, the Filer will:
  - (a) hold the Crypto Assets for the benefit of and in trust for its clients, and separate and distinct from the assets of the Filer;
  - (b) ensure there is appropriate insurance to cover the loss of Crypto Assets held by the Filer; and
  - (c) 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.
  
- L. The Filer will only use Liquidity Providers that it has verified are registered and/or licensed, to the extent required in their respective home jurisdictions, to execute trades in the Crypto Assets and are not in default of securities legislation in any of the Applicable Jurisdictions, and will promptly stop using a Liquidity Provider if (i) the Filer is made aware that the Liquidity Provider is, or (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada has determined it to be, not in compliance with securities legislation.
  
- M. The Filer will evaluate the price obtained from its Liquidity Providers on an ongoing basis against global benchmarks and will provide fair and reasonable prices to its clients.
  
- N. The Filer will assess liquidity risk and concentration risk posed by its Liquidity Providers. The liquidity and concentration risks assessment will consider trading volume data (as provided in paragraph 1(e) of Appendix E) and complete a historical analysis of each Liquidity Provider and a relative analysis between the Liquidity

Providers. Consideration should be given to whether the Liquidity Provider has issued its own Proprietary Tokens and to consider limiting reliance on those Liquidity Providers.

- O. Before each prospective client opens a Client 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.
- P. The Risk Statement delivered as set out in condition O will be prominent and separate from other disclosures given to the client as part of the account opening process, and the acknowledgement will be separate from other acknowledgements by the client as part of the account opening process.
- Q. 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 Platform.
- R. 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 Website and in the App and includes the information set out in representation 35.
- 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 Assets and:
  - (a) in the event of any update to the Risk Statement, will promptly notify each existing client of the update and deliver to them a copy of the updated Risk Statement; and
  - (b) in the event of any update to a Crypto Asset Statement, will promptly notify clients through App and Website disclosures with links 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. For each client, the Filer will perform an appropriateness assessment as described in representation 30 prior to opening a Client Account, on an ongoing basis and at least every twelve months.
- V. The Filer has established and will apply and monitor the Client Limits as set out in representation 30(d).
- W. The Filer will monitor client activity and contact clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading a

Crypto Contract is not appropriate for the client, or that additional education is required.

- X. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets, that a client, except those clients resident in Alberta, British Columbia, Manitoba and Québec, may purchase and sell on the Platform (calculated on a net basis and is an amount not less than \$0) in the preceding 12 months does not exceed a net acquisition cost of \$30,000.
- Y. 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.
- Z. The Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:
  - (a) change of or use of a new custodian; and
  - (b) material changes to the Filer's ownership, its business operations, including its systems, or its business model.
- AA. The Filer will notify the Principal Regulator, promptly, of any material breach or failure of its or its custodian's system of controls or supervision, and what steps have been taken by the Filer to address each such breach or failure. The loss of any amount of Crypto Assets will be considered a material breach or failure.
- BB. The Filer will only trade Crypto Assets or Crypto Contracts based on Crypto Assets that are not in and of themselves securities or derivatives.
- CC. The Filer will evaluate Crypto Assets as set out in representations 19 to 24.
- DD. The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a client in an Applicable Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Applicable Jurisdiction, where the Crypto Assets were issued by or on behalf of a person or company that is or has in the last five years been the subject of an order, judgment, decree, sanction, fine, or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of 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 conduct.
- EE. Except to allow clients to liquidate their positions in an orderly manner in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by

the client, the Filer will promptly stop trading Crypto Contracts where the underlying asset is a Crypto Asset that (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, (i) a security and/or derivative, or (ii) a Value-Referenced Crypto Asset that does not satisfy the conditions set out in condition E.

- FF. The Filer will not engage in trades that are part of, or designed to facilitate, the creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers or Affiliates or associates of such persons.
- GG. The Filer will exclude from the excess working capital calculation all the Crypto Assets, including Proprietary Tokens and all Value-Referenced Crypto Assets, it holds for which there is no offsetting by a corresponding current liability, as described in representation 124.

### *Staking*

- HH. The Filer will comply with the terms and conditions in Appendix D in respect of the Staking Services.

### *Reporting*

- II. The Filer will deliver the reporting as set out in Appendix E.
- JJ. Within 7 calendar days from the end of each month, the Filer will deliver to the regulator or securities regulatory authority in each of the Applicable Jurisdictions, a report of all Client Accounts for which the Client Limits established pursuant to representation 30(d) were exceeded during that month.
- KK. 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:
  - (a) the total number of clients to which the Filer provides the Staking Services;
  - (b) the Crypto Assets for which the Staking Services are offered;
  - (c) for each Crypto Asset that may be staked:
    - (i) the amount of Crypto Assets staked,
    - (ii) the amount of each such Crypto Assets staked that is subject to a Lock-up Period and the length of the Lock-up Period,
    - (iii) the amount of Crypto Assets that clients have requested to unstake, and
    - (iv) the amount of rewards earned by the Filer and the clients for the

Crypto Assets staked under the Staking Services;

- (d) the names of any third parties used to conduct the Staking Services;
  - (e) any instance of slashing, jailing or other penalties being imposed for validator error and the details of why these penalties were imposed; and
  - (f) any reporting regarding the Filer's liquidity management as requested by the Principal Regulator.
- LL. 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.
- MM. In addition to any other reporting required by the Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's custodian(s) and the Crypto Assets held by the Filer's custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the conditions in the Decision, in a format acceptable to the Principal Regulator.
- NN. 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.
- OO. 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.

*Time Limited Relief*

- PP. The Filer will, if it intends to operate the Platform in Ontario and Québec after the expiry of the Decision, take the following steps:
- (a) submit an application to the Principal Regulator and the Autorité des marchés financiers (AMF) to become registered as an investment dealer no later than 12 months after the date of the Decision;



- (b) submit an application with CIRO to become a dealer member no later than 12 months after the date of the Decision;
- (c) work actively and diligently with the OSC, AMF and CIRO to transition the Platform to investment dealer registration and obtain CIRO membership.

QQ. This Decision shall expire on the date that is 12 months after the date of the Decision.

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

In respect of the Prospectus Relief:

Dated:

<i>“David Surat”</i>
David Surat
Manager, Corporate Finance
Ontario Securities Commission

In respect of the Suitability Relief:

Dated:

<i>“Debra Foubert”</i>
Debra Foubert
Director, Compliance and Registrant Regulation
Ontario Securities Commission

In respect of the Trade Reporting Relief:

Dated:

<i>“Kevin Fine”</i>
Kevin Fine
Director, Derivatives
Ontario Securities Commission

**APPENDIX A**  
**LOCAL TRADE REPORTING RULES**

In this Decision, “**Local Trade Reporting Rules**” collectively means each of the following:

- (a) Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**);
- (b) Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**); and
- (c) 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
- Bitcoin Cash
- Litecoin
- A Value-Referenced Crypto Asset that complies with condition E

**APPENDIX C**

**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, and
  - (ii) the issuer of the Value-Referenced Crypto Asset has not been able to satisfy redemption rights at the price or in the time specified in its public policies;
- (j) within 45 days of the end of each month, an assurance report from a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America, and that meets the professional standards of that jurisdiction, that complies with all of the following:
  - (i) provides reasonable assurance in respect of the assertion by management of the issuer of the Value-Referenced Crypto Asset that the issuer of the Value-Referenced Crypto Asset has met the requirements in paragraphs (1)(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), and

3. the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b), and
- (iv) the assurance report is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants; and
- (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, and
    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, and
    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 Act 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 the Decision; and
  - (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 acceptable to the CSA 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).
  - (6) 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) and (5) of this Appendix on an ongoing basis.
  - (7) 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) and (5) of this Appendix.

In this Appendix, terms have the meanings set out in Appendix D of CSA SN 21-333.

## APPENDIX D – STAKING TERMS AND CONDITIONS

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

- vi. the performance history of the Validator, including but not limited to the amount of downtime of the Validator, past history of “double signing” and “double attestation/voting”,
  - vii. any losses of Stakeable Crypto Assets related to the Validator’s actions or inactions, including losses resulting from slashing, jailing or other penalties incurred by the Validator, and
  - viii. any guarantees offered by the Validator against losses including losses resulting from slashing or other penalties and any insurance obtained by the Validator that may cover this risk.
6. The Filer has policies and procedures to assess account appropriateness for a client includes consideration of the Staking Services to be made available to that client.
7. The Filer applies the account appropriateness policies and procedures to evaluate whether offering the Staking Services is appropriate for a client before providing access to an account that makes available the Staking Services and, on an ongoing basis, at least once in each 12-month period.
8. If, after completion of an account-level appropriateness assessment, the Filer determines that providing the Staking Services is not appropriate for the client, the Filer will include prominent messaging to the client that this is the case and the Filer will not make available the Staking Services to the client.
9. The Filer only stakes the Stakeable Crypto Assets of those clients who have agreed to the Staking Services and have allocated Stakeable Crypto Assets to be staked. Where a client no longer wishes to stake all or a portion of the allocated Stakeable Crypto Assets, subject to any Lock-Up Periods (as defined below) or any terms of the Staking Services that permit the client to remove Stakeable Crypto Assets from the Staking Services prior to the expiry of any Lock-Up Periods, the Filer ceases to stake those Stakeable Crypto Assets.
10. Before the first time a client allocates any Stakeable Crypto Assets to be staked, the Filer delivers to the client the Risk Statement that includes the risks with respect to staking and the Staking Services described in condition 11 below, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
11. The Filer clearly explains in the Risk Statement the risks with respect to staking and the Staking Services in plain language, which includes:
  - a. the details of the Staking Services and the role of all third parties involved;
  - b. the due diligence performed by the Filer with respect to the proof-of-stake consensus protocol for each Crypto Asset for which the Filer provides the Staking Services;

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

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

prior to the expiry of any Lock-up Period, the Filer establishes and applies appropriate liquidity management policies and procedures to fulfill withdrawal requests made, which may include using the Stakeable Crypto Assets it holds in inventory, setting aside cash for the purpose of purchasing such inventory, and/or entering into agreements with its Liquidity Providers that permit the Filer to purchase any required Crypto Assets. The Filer holds 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 E – 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 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 Account applications rejected by the platform each month in the quarter based on the account appropriateness factors described in representation 30(b);
    - 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; and
      - xii. number of Client Accounts that exceeded their Client Limit at the 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 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 F**.

**APPENDIX F**

**DATA ELEMENT DEFINITIONS, FORMATS AND ALLOWABLE VALUES**

<b>Number</b>	<b>Data Element Name</b>	<b>Definition for Data Element<sup>1</sup></b>	<b>Format</b>	<b>Values</b>	<b>Example</b>
<b>Data Elements Related to each Unique Client</b>					
1	Unique Client Identifier	Alphanumeric code that uniquely identifies a customer.	Varchar(72)	An internal client identifier code assigned by the CTP to the client. The identifier must be unique to the client.	ABC1234
2	Unique Account Identifier	Alphanumeric code that uniquely identifies an account.	Varchar(72)	A unique internal identifier code which pertains to the customer's account. There may be more than one Unique Account Identifier linked to a Unique Client Identifier.	ABC1234
3	Jurisdiction	The Province or Territory where the client, head office or principal place of business is, or under which laws the client is organized, or if an individual, their principal place of residence.	Varchar(5)	Jurisdiction where the client is located using ISO 3166-2 - See the following link for more details on the ISO standard for Canadian jurisdictions codes. <a href="https://www.iso.org/obp/ui/#iso:code:3166:CA">https://www.iso.org/obp/ui/#iso:code:3166:CA</a>	CA-ON

<sup>1</sup> 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 <sup>1</sup>	Format	Values	Example
<b>Data Elements Related to each Unique Account</b>					
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
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

Number	Data Element Name	Definition for Data Element <sup>1</sup>	Format	Values	Example
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. <a href="https://dtif.org/">https://dtif.org/</a>	4H95J0R2X

**Data Elements Related to each Digital Token Identifier Held in each Account**

<b>Number</b>	<b>Data Element Name</b>	<b>Definition for Data Element<sup>1</sup></b>	<b>Format</b>	<b>Values</b>	<b>Example</b>
8	Quantity Bought	Number of units of the Digital Token bought in the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	4358.326
9	Number of Buy Transactions	Number of transactions associated with the Quantity Bought during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	400
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

Number	Data Element Name	Definition for Data Element <sup>1</sup>	Format	Values	Example
12	Quantity Transferred In	Number of units of the Digital Token transferred into the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	10.928606
13	Number of Transactions from Transfers In	Number of transactions associated with the quantity transferred into the account during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	3
14	Quantity Transferred Out	Number of units of the Digital Token transferred out of the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	603
15	Number of Transactions from Transfers Out	Number of transactions associated with the quantity transferred out of the account during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	45

<b>Number</b>	<b>Data Element Name</b>	<b>Definition for Data Element<sup>1</sup></b>	<b>Format</b>	<b>Values</b>	<b>Example</b>
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
18	Client Limit	The Client Limit established on each account.	Num(25,2)	Any value greater than or equal to zero rounded to the nearest dollar in CAD, or if a percentage, in decimal format.	0.50



<b>Number</b>	<b>Data Element Name</b>	<b>Definition for Data Element<sup>1</sup></b>	<b>Format</b>	<b>Values</b>	<b>Example</b>
19	Client Limit Type	The type of limit as reported in (18).	Char(3)	AMT (amount) or PER (percent).	PER