

To :

Joint Canadian Securities Administrators / Investment Industry Regulatory Organization of Canada

Subject :

Comments on consultation Paper 21-402 "Proposed Framework for Crypto-Asset Trading Platforms"

Bitcoin is not a security. It was never a security. It will never be a security based on the current generally accepted definition of what is and what is not a security.

"A pure medium of exchange, the one that's most often cited, is Bitcoin. As a replacement for currency, that has been determined by most people to not be a security." - Jay Clayton, Chairman of the U.S. Securities Exchange Commission¹

Other "crypto-assets" are most probably securities and their promoters should be held accountable by the current Canadian securities regulation framework. There is no need for additional regulation.

The orientation of the consultation paper is problematic because it packages everything (including Bitcoin) under the vague notion of "crypto-asset". As mentioned above, the emission of new tokens should be treated as security and dealt with using the current CSA regulation framework.

Concerning Bitcoin, the Joint Canadian Securities Administrators / Investment Industry Regulatory Organization of Canada are clearly wandering outside of their jurisdiction. Bitcoin is not a security, it was never a security. Additionally, the negative bias towards Bitcoin expressed by the various public interventions of the CSA members is concerning and should be denounced not only by the members of the emergent Canadian Bitcoin industry but also by the legal community.

"For innovators, controlled economies are dream destroyers. Free markets should be the natural choice of today's innovators, who today are striving to build bright and better futures."

- J. Christopher Giancarlo, Chairman of the U.S. Commodity Futures Trading Commission²

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¹ <https://coincenter.org/link/sec-chairman-clayton-bitcoin-is-not-a-security>

² <https://www.coindesk.com/christopher-giancarlo-cftc-future-of-blockchain>