

The Ontario Securities Commission

OSC Bulletin

April 11, 2024

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

The Ontario Securities Commission

Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Contact Centre:

Toll Free: 1-877-785-1555
Local: 416-593-8314
TTY: 1-866-827-1295
Fax: 416-593-8122
Email: inquiries@osc.gov.on.ca

Capital Markets Tribunal:

Local: 416-595-8916
Email: registrar@osc.gov.on.ca

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A. Capital Markets Tribunal

A.2 Other Notices

A.2.1 Leszek Dziadecki et al.

FOR IMMEDIATE RELEASE
April 4, 2024

LESZEK DZIADECKI AND
CANADIAN INVESTMENT REGULATORY
ORGANIZATION AND
ONTARIO SECURITIES COMMISSION,
File No. 2024-4

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated April 4, 2024 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 Cormark Securities Inc. et al.

FOR IMMEDIATE RELEASE
April 8, 2024

CORMARK SECURITIES INC.,
WILLIAM JEFFREY KENNEDY,
MARC JUDAH BISTRICER, AND
SALINE INVESTMENTS LTD.,
File No. 2022-24

TORONTO – The following merits hearing dates have changed in the above-named matter:

1. the previously scheduled day of April 17, 2024 will not be used for the merits hearing; and
2. the hearing will continue on April 11, 12, 15, 16 and 30, 2024, May 1, 2, 3, 21, 22, 28, 29, 30 and 31, 2024, and June 3, 4, 5, 6, 10, 11, 12, 13 and 14, 2024 at 10:00 a.m. on each day.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto. Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

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inquiries@osc.gov.on.ca

A.2.3 Mark Edward Valentine

FOR IMMEDIATE RELEASE
April 9, 2024

MARK EDWARD VALENTINE,
File No. 2022-7

TORONTO – A case management hearing in the above-named matter is scheduled to be heard on April 19, 2024 at 10:00 a.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

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A.3 Orders

A.3.1 Leszek Dziadecki et al.

**LESZEK DZIADECKI AND
CANADIAN INVESTMENT REGULATORY
ORGANIZATION AND
ONTARIO SECURITIES COMMISSION**

File No. 2024-4

Adjudicator: Mary Condon

April 4, 2024

ORDER

WHEREAS on April 2, 2024, the Capital Markets Tribunal held a hearing by videoconference in relation to the application brought by Leszek Dziadecki for review of a decision of the Canadian Investment Regulatory Organization (**CIRO**) dated January 30, 2024;

ON HEARING the submissions of Dziadecki, and representatives for CIRO and the Ontario Securities Commission (the **Commission**);

IT IS ORDERED THAT:

1. Dziadecki shall serve and file an amended application (**Application**) by April 12, 2024 at 4:00 p.m.;
2. the hearing of the Application shall commence on July 29, 2024, at 10:00 a.m. at the Capital Markets Tribunal located at 20 Queen Street West, 17th Floor, Toronto, Ontario, and continue on July 30, 2024, or as may be agreed to by the parties and set by the Governance & Tribunal Secretariat;
3. the parties shall adhere to the following timeline for the delivery of materials for the Application:
 - a. CIRO shall ensure that the record of the original proceeding (both merits and sanctions portions) is served and filed by April 12, 2024 at 4:00 p.m.;
 - b. by May 13, 2024 at 4:00 p.m., parties shall serve and file any motions regarding new evidence, pursuant to subrule 17(5) of the *Capital Markets Tribunal Rules of Procedure*;
 - c. by June 14, 2024 at 4:00 p.m., Dziadecki shall serve and file his written submissions;

d. by July 5, 2024 at 4:00 p.m., staff of CIRO shall serve and file responding written submissions;

e. by July 5, 2024 at 4:00 p.m., the Commission shall serve and file responding written submissions; and

f. by July 15, 2024 at 4:00 p.m., Dziadecki shall serve and file reply written submissions, if any; and

4. a case management hearing is scheduled for June 11, 2024, at 2:00 p.m., by videoconference, or as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

“Mary Condon”

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B. Ontario Securities Commission

B.1 Notices

B.1.1 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2024, has been posted to the OSC Website at www.osc.gov.on.ca.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
11-739	Policy Reformulation Table of Concordance and List of New Instruments	Published January 11, 2024
11-742	Securities Advisory Committee	Published January 11, 2024
NI 41-101	General Prospectus Requirements – Amendments	Commission approval published January 11, 2024
NI 44-101	Short Form Prospectus Distributions- Amendments	Commission approval published January 11, 2024
NI 44-102	Shelf Distributions – Amendments	Commission approval published January 11, 2024
NI 44-103	Post-Receipt Pricing – Amendments	Commission approval published January 11, 2024
NP 47-201	Trading Securities Using the Internet and Other Electronic Means – Amendments	Commission approval published January 11, 2024
NI 81-102	Investment Funds Pertaining to Crypto Assets – Amendments	Published for comment January 18, 2024
33-509	Exemption from Underwriting Conflicts Disclosure Requirements	Ministerial approval published January 18, 2024
45-508	Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption	Commission approval published February 8, 2024
23-333	Order Protection Rule: Market Share Threshold – Effective as of April 1, 2024	Published February 29, 2024
81-334	ESG Related Investment Fund Disclosure	Notice published March 7, 2024
96-305	Derivatives Data Reporting Guidance for CDOR Transition	Notice published March 7, 2024

B.1: Notices

NI 41-101	General Prospectus Requirements – Amendments	Ministerial approval published March 14, 2024
NI 44-101	Short Form Prospectus Distributions – Amendments	Ministerial approval published March 14, 2024
NI 44-102	Shelf Distributions – Amendments	Ministerial approval published March 14, 2024
NI 44-103	Post-Receipt Pricing – Amendments	Ministerial approval published March 14, 2024
NI 47-201	Trading Securities Using the Internet and Other Electronic Means – Amendments	Commission approval published March 14, 2024
81-337	Targeted Continuous Disclosure Review and Guidance for Independent Review Committees for Investment Funds	Notice published March 21, 2024
25-311	2023 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investment Protection Fund	Notice published March 28, 2024

For further information, contact:

Darlene Watson
Business and Corporate Project Manager
Ontario Securities Commission
(dwatson@osc.gov.on.ca)

April 11, 2024

B.1.2 Notice of Ministerial Approval of OSC Rule 45-508 Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption

**NOTICE OF MINISTERIAL APPROVAL OF
OSC RULE 45-508 EXTENSION TO ONTARIO INSTRUMENT 45-507
SELF-CERTIFIED INVESTOR PROSPECTUS EXEMPTION**

Ministerial Approval

On January 30, 2024, the Ontario Securities Commission (the **OSC**) made as a rule under the *Securities Act* (Ontario) local OSC Rule 45-508 *Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption* (the **Rule**) in Ontario.

The above material was published on February 8, 2024 in the Bulletin. See (2024), 47 OSCB 1101.

On April 8, 2024, the Minister of Finance approved the Rule.

The text of the Rule is published in Chapter B.5 of this Bulletin.

Effective Date

The Rule has an effective date of April 25, 2024.

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B.2 Orders

B.2.1 Farmers Edge Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Order No. 7650

April 2, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA
AND
ONTARIO
(the Jurisdictions)
AND
IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS
AND
IN THE MATTER OF
FARMERS EDGE INC.
(the Filer)
ORDER**

Background

The securities regulatory authority in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Manitoba Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island,

Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; and

- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Patrick Weeks”
Deputy Director
Manitoba Securities Commission

OSC File #: 2024/0123

B.2.2 Empower Clinics Inc.

Headnote

Section 144 of the Securities Act (Ontario) – application for partial revocation of a cease trade order – issuer cease traded due to failure to file certain continuous disclosure documents required by securities law – issuer has applied for partial revocation of the cease trade order to permit the issuer to proceed with a private placement to settle certain debt and raise funds – issuer will use proceeds from private placement to prepare and file continuous disclosure documents and pay related fees – partial revocation granted subject to conditions (BC PR).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

Citation: 2024 BCSECCOM 121

PARTIAL REVOCATION ORDER
EMPOWER CLINICS INC.
UNDER THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Legislation)

Background

- ¶ 1 Empower Clinics Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator or securities regulatory authority in each of British Columbia (the Principal Regulator) and Ontario (each a Decision Maker) respectively on August 14, 2023.
- ¶ 2 The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

- ¶ 4 Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 5 This decision is based on the following facts represented by the Issuer:
- a. The Issuer was originally incorporated under the laws of the State of Nevada on February 20, 1997 under the name “Trans New Zealand Oil Company”. Its name was changed to “AMG Oil Ltd.” on July 27, 1998 and to “Adira Energy Ltd.” on December 17, 2009. On November 27, 2008, the Issuer continued its jurisdiction of incorporation from the State of Nevada to Canada pursuant to a continuation under the *Canada Business Corporations Act*. On April 23, 2018, the Issuer changed its name to “Empower Clinics Inc.”.
 - b. The Issuer's head office and registered office is located at Suite 505 - 1771 Robson Street, Vancouver, British Columbia, V6G 1C9.
 - c. The Issuer is a reporting issuer in the provinces of British Columbia, Ontario and Alberta.
 - d. The authorized capital of the Issuer consists of an unlimited number of common shares (each, a **Common Share**), of which 103,471,756 Common Shares are issued and outstanding. In addition, the Issuer currently has outstanding an aggregate of 1,200,000 stock options (each of which is exercisable into one Common Share), 21,262,942 Common Share purchase warrants (each of which is exercisable into one Common Share), and convertible debentures in the aggregate principal amount of \$2,186,400 (which are convertible into Common Shares at a conversion price of \$0.05 per Common Share), each subject to adjustment in accordance with their respective terms.

- e. The Common Shares are listed on the Canadian Securities Exchange (the **Exchange**) under the symbol “EPW”. The Common Shares were halted from trading on the Exchange on August 15, 2023 following the issuance of the FFCTO.
- f. The FFCTO was issued as a result of the Issuer’s failure to file the following documents (collectively, the **Unfiled Documents**):
 - (i) annual audited financial statements for the year ended March 31, 2023;
 - (ii) annual management’s discussion and analysis (**MD&A**) for the year ended March 31, 2023;
 - (iii) certificates required to be filed in respect of the financial statements referred to in subparagraph (i) above, as required by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings (NI 52-109)*;
 - (iv) the disclosure required by Form 52-110F2 *Disclosure by Venture Issuers* for the year ended March 31, 2023; and
 - (v) the disclosure required by Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* for the year ended March 31, 2023.
- g. The Unfiled Documents were not filed in a timely manner as a result of financial hardship.
- h. Subsequent to the failure to file the Unfiled Documents, the Issuer also failed to file the following documents (collectively, with the Unfiled Documents, the **Unfiled Continuous Disclosure Documents**):
 - (i) interim unaudited financial reports for the interim periods ended June 30, 2023, September 30, 2023 and December 31, 2023;
 - (ii) interim MD&As for the interim periods ended June 30, 2023, September 30, 2023 and December 31, 2023;
 - (iii) certificates required to be filed in respect of the financial reports referred to in subparagraph (i) above under NI 52-109; and
 - (iv) the disclosure required by Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* for the year ended March 31, 2023.
- i. Prior to the filing deadline for the Unfiled Documents, the Issuer was working diligently with its auditor to file the Unfiled Documents by the applicable deadline. However, because the auditor was only engaged by the Issuer in 2023, the auditor required time to familiarize itself with the Issuer’s operations. In addition, because certain divisions of the Issuer were recently classified as discontinued operations, the auditor was required to conduct independent impairment modeling procedures resulting in additional complexity and time needed with respect to completion of the Unfiled Documents. Filing of the Unfiled Continuous Disclosure Documents has been further delayed since the issuance of the FFCTO by the Issuer’s lack of available funds to facilitate completion of the Unfiled Documents, the completion of which is necessary in order to prepare and file the remaining Unfiled Continuous Disclosure Documents.
- j. On December 22, 2023, an existing, arm’s length shareholder of the Issuer advanced \$25,000 (the **Advance**) to the Issuer, to enable the Issuer to meet certain urgent working capital requirements.
- k. Pursuant to a promissory note dated December 27, 2023 (the **Note**), KW Capital Partners Limited (**KW Capital**), the holder of outstanding secured convertible debentures of the Issuer in the aggregate principal amount of \$1,936,000 (the **KW Debentures**), advanced the Issuer \$12,500 to enable the Issuer to meet certain urgent working capital requirements. The Note has a maturity date of May 31, 2024, bears interest at the rate of 10.0% per annum based on a 365-day year, and is subject to a 2.0% administration fee due at maturity.
- l. The evidence of indebtedness for the Advance and the Note may each constitute a “security” and the issuance of the Advance and the issuance of the Note may each constitute a violation of the FFCTO.
- m. Other than (i) the failure to file the Unfiled Continuous Disclosure Documents, (ii) the issuance of the Advance, and (iii) the issuance of the Note, the Issuer is not in default of the Legislation. The Issuer confirms that its SEDAR+ profile and SEDI profiles (as they pertain to current insiders of the Issuer) are up to date.

- n. There have been no material changes in the business, operations or affairs of the Issuer since the issuance of the FFCTO that have not been previously disclosed by news release and/or material change report and filed on the Issuer's SEDAR+ profile.

The Transactions

- o. The Issuer wishes to bring itself back into compliance with its continuous disclosure obligations by filing the Unfiled Continuous Disclosure Documents and paying all related fees and, to that end, proposes the following transactions, which may be closed in one or more tranches:
- (i) a private placement of up to 24,400,000 units of the Issuer (each, a **Unit**), at a price of \$0.04 per Unit, for gross proceeds of up to \$976,000, with each Unit to be comprised of one Common Share and one Common Share purchase warrant (each, a **Warrant**), and with each Warrant exercisable into one Common Share at a price of \$0.05 per Common Share for 24 months following the date of issuance (the **Private Placement**); and
 - (ii) a shares for debt transaction, whereby the Issuer will settle debt in the aggregate amount of \$197,085, comprised of:
 - (a) \$100,000 owing to Steven McAuley, the chief executive officer and a director of the Issuer, in settlement of advances made by Mr. McAuley to the Issuer to cover operating expenses of the Issuer and certain accrued but unpaid salary owing to Mr. McAuley, and
 - (b) \$97,085 owing to KW Capital for accrued interest outstanding on the KW Debentures,

by the issuance of an aggregate of 4,927,125 Units (having the same terms as the Units issued pursuant to the Private Placement) at a deemed price of \$0.04 per Unit (the **Shares for Debt Transaction** and, together with the Private Placement, the **Transactions**).

- p. The proceeds of the Private Placement (the **Proceeds**) are intended to be used by the Issuer as follows:

Description	Estimated Amount
Payment of legal, accounting, transfer agent and Exchange fees incurred to date and in connection with the Transactions, including outstanding auditor fees	\$265,000
Preparation and filing of the Unfiled Continuous Disclosure Documents, applications for a full revocation order and payment of related fees ⁽¹⁾	\$221,000
Employee (excluding directors and officers) salaries and benefits through end of March 2024	\$100,000
Fees and expenses related to the calling and holding of the Issuer's annual general meeting	\$50,000
Clinical trial site launches	\$150,000
General working capital	\$190,000
Total:	\$976,000

⁽¹⁾ Includes estimated payments of: (i) \$3,600 to the Principal Regulator (\$600 for annual filings, \$500 for late fees and \$2,500 for the full revocation application); (ii) approximately \$18,000 to the Ontario Securities Commission (\$2,590 for annual filings; \$5,000 for 2023 late fees, up to \$5,000 for 2024 late fees (assuming maximum late fees are payable), \$4,800 for the full revocation application and an additional amount for participation late fees, which are expected to be nominal); (iii) \$26,500 to the Alberta Securities Commission (\$500 for annual filings, \$5,000 for 2023 late fees, up to \$5,000 for 2024 late fees (assuming maximum late fees are payable) and \$16,000 for historical late fees); and (iv) \$1,200 to SEDAR+ for filing fees (\$850 for annual filings and \$350 for the full revocation application).

- q. The Issuer intends to prepare and file the Unfiled Continuous Disclosure Documents and pay all outstanding fees within a reasonable period of time following the completion of the Transactions. The Issuer also intends to make an application to the Decision Makers for a full revocation of the FFCTO. Based on management's current reasonable estimation, the Issuer believes the Proceeds will be sufficient to enable the Issuer to file the Unfiled Continuous Disclosure Documents, pay all related outstanding fees, and provide the Issuer with sufficient working capital to continue its business until the FFCTO has been fully revoked.
- r. As the Transactions will each involve a "trade" (as such term is defined in the Legislation) of securities of the Issuer, the Transactions cannot be concluded without a partial revocation of the FFCTO.

- s. The Transactions will be completed in accordance with all applicable laws. In particular, the Transactions will be conducted on a prospectus exempt basis (i) with subscribers in British Columbia, Ontario and other provinces who satisfy the requirements of section 2.3 (*Accredited Investor*) of National Instrument 45-106 *Prospectus Exemptions (NI 45-106)*, and (ii) with creditors of the Issuer to settle bona fide debt of the Issuer pursuant to section 2.14 of NI 45-106.
- t. Upon issuance of this partial revocation order, the Issuer will issue a press release announcing receipt of this partial revocation order and its intention to complete the Transactions. Upon completion of the Transactions, the Issuer will issue a press release and file a material change report. As other material events transpire, the Issuer will continue to issue appropriate press releases and file material change reports as applicable.
- u. Steven McAuley is a “related party” (as that term is defined in Multilateral Instrument 61101 *Protection of Minority Security Holders in Special Transactions (MI 61-101)*) of the Issuer and the settlement of debt owing by the Issuer to Mr. McAuley in the amount of \$100,000 in connection with the Shares for Debt Transaction is a “related party transaction” pursuant to subsection (e) of the definition of that term in MI 61-101. The Issuer is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Issuer is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(b) of MI 61101 as the Issuer is not listed on a specified market. Additionally, the Issuer is exempt from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(a) of MI 61-101 as the fair market value of the Units to be issued to Mr. McAuley represents less than 25% of the Issuer's market capitalization. There are no approvals in respect of, or in connection with, the Shares for Debt Transaction that must be obtained at a meeting of securityholders of the Issuer. The foregoing shall be disclosed in the news release and material change report with respect to the Transactions.

Order

- ¶ 6 Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 7 The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Transactions, provided that:
 - (a) Prior to completion of the Transactions, the Issuer will
 - (i) Provide each participant in any of the Transactions a copy of the FFCTO and a copy of this partial revocation order; and
 - (ii) Obtain a signed and dated acknowledgement from each such participant in the Transactions which clearly states that all of the Issuer's securities will remain subject to the FFCTO until the FFCTO is revoked and that the issuance of this partial revocation order does not guarantee the issuance of a full revocation in the future; and
 - (b) The Issuer undertakes to make available copy of the written acknowledgement to staff of the Decision Makers on request.

¶ 8 April 2, 2024

“Allan Lim”
CPA, CA
Manager, Corporate Disclosure
Corporate Finance

OSC File #: 2023/0546

B.2.3 Canntab Therapeutics Limited

Headnote

Section 144 of the Securities Act (Ontario) – application for a partial revocation of a cease trade order – issuer cease traded due to failure to file audited annual financial statements – issuer has applied for a partial revocation of the cease trade order to permit the issuer to proceed with a private placement to accredited investors – issuer will use proceeds from the private placement to bring itself into compliance with its continuous disclosure obligations, pay outstanding filing fees and for working capital purposes – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

CANNTAB THERAPEUTICS LIMITED
PARTIAL REVOCATION ORDER
UNDER THE SECURITIES LEGISLATION OF
ONTARIO
(the Legislation)

BACKGROUND

1. Canntab Therapeutics Limited (the **Applicant**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator**) on October 4, 2023.
2. The Applicant has applied to the Principal Regulator for a partial revocation order of the FFCTO.

INTERPRETATION

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

REPRESENTATIONS

3. This decision is based on the following facts represented by the Applicant:
 - a. The Applicant was incorporated pursuant to the *Canada Business Corporations Act* as “Telferscot Resources” on May 31, 2010.
 - b. On April 11, 2018, Telferscot Resources Inc. changed its name to “Canntab Therapeutics Limited”.
 - c. The Applicant's head office is located at 1 Adelaide St. East, Suite 801, Toronto, Ontario, M5C 2V9, Canada.
 - d. The Applicant is currently a reporting issuer in the provinces of Alberta, British Columbia, Manitoba, and Ontario. The Applicant is not a reporting issuer in any other jurisdiction in Canada.
 - e. The Applicant's authorized share capital consists of an unlimited number of common shares (**Common Shares**). The Applicant has 38,909,159 Common Shares issued and outstanding and \$2,887,000 in secured convertible debentures (**Debentures**), comprised of Debentures issued under two offerings: (i) \$1,525,000 in Debentures issued on December 30, 2020 issued at a price of \$1,000 per Debenture bearing an interest rate of 10% per annum with an initial conversion price of \$0.90 per Common Share, subsequently reduced to \$0.70, a term of two years and due by December 30, 2022, subsequently extended to October 31, 2023, and (ii) \$1,312,000 Debentures issued at a price of \$1,000 per Debenture bearing an interest rate of 10% per annum with a conversion price of \$0.70 per Common Share, a term of two years and due by January 31, 2024. The aggregate Debentures under both offerings are due along with interest thereon. Any warrants issued in connection with the Debentures have expired. Other than the issued and outstanding Common Shares and Debentures, the Applicant has no securities outstanding.
 - f. The Applicant is in default under the terms of the Debentures and the Debenture holders have rights under the Debentures to seize the assets of the Applicant, which may cast significant doubt upon the Applicant's ability to continue as a going concern.

- g. The Common Shares are currently listed for trading on the Canadian Securities Exchange (the **CSE**) under the trading symbol "PILL". The Applicant is a "venture issuer" as defined in National Instrument 51-102 *Continuous Disclosure Obligations*.
- h. The FFCTO was issued as a result of the Applicant's failure to file the following continuous disclosure materials as required by Ontario securities law:
- i. audited annual financial statements for the year ended May 31, 2023;
 - ii. a Form 51-102F1 management's discussion and analysis (**MD&A**) for the year ended May 31, 2023; and
 - iii. the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109)*
(collectively, the **Unfiled Documents**).
- i. The Unfiled Documents were not filed in a timely manner as a result of financial difficulties.
- j. Subsequent to the failure to file the Unfiled Documents, the Applicant also failed to file the following documents:
- i. interim unaudited financial statements for the interim periods ended August 31, 2023 and November 30, 2023;
 - ii. MD&A relating to the financial statements referred to in subparagraph (i) above; and
 - iii. certificates required to be filed in respect of the financial statements and MD&A referred to in subparagraphs (i) and (ii) immediately above pursuant to NI 52-109
(together with the Unfiled Documents, the **Unfiled Continuous Disclosure**).
- k. The Applicant is seeking a partial revocation of the FFCTO to be able to complete a private placement in the province Ontario (the **Private Placement**) of up to \$100,000 by way of an offering of up to 16,666,666 Common Shares at a price of \$0.006 per Common Share. The Applicant intends to use the proceeds of the Private Placement to resolve outstanding fees, prepare audited financial statements and pay all other costs associated with applying for a full revocation of the FFCTO, with the remainder for general working capital purposes. The Private Placement will be conducted on a prospectus exempt basis with subscribers in Ontario who satisfy the requirements of section 2.3 of National Instrument 45-106 *Prospectus Exemptions* and section 73.3 of the *Securities Act* (Ontario).
- l. The Applicant intends to prepare and file the Unfiled Continuous Disclosure and pay all outstanding fees within a reasonable period of time following the completion of the Private Placement. The Applicant also intends to apply to the Principal Regulator to have the FFCTO fully revoked.
- m. Other than the failure to file the Unfiled Continuous Disclosure, the Applicant is not in default of any of the requirements of the Act or the rules and regulations made pursuant thereto, and is not in default of the requirements of the FFCTO. The Applicant's SEDAR+ and SEDI profiles are up to date.
- n. The Applicant intends to allocate the proceeds from the Private Placement as follows:

Description	Cost
Accounting, audit and legal fees associated with the preparation and filing of the relevant continuous disclosure documents, as well as the preparation of the materials for the annual meeting, the Private Placement, and the applications for the partial revocation order and the full revocation order;	\$40,000
Filing fees associated with obtaining the partial revocation order and the full revocation order, including fees payable to the applicable regulators, including the Principal Regulator; and	\$15,000
Legacy accounts payable, including accounting and legal fees, outstanding CSE fees, consulting fees and outstanding transfer agent fees.	\$10,000

B.2: Orders

Working capital, general, and administrative expenses.	\$35,000
Total (up to):	\$100,000

- o. The Applicant reasonably believes that the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees and provide it with sufficient working capital to continue its business.
- p. As the Private Placement would involve a trade of securities and acts in furtherance of trades, the Private Placement cannot be completed without a partial revocation of the FFCTO.
- q. The Private Placement will be completed in accordance with all applicable laws.
- r. Prior to completion of the Private Placement, the Applicant will:
 - i. provide any subscriber to the Private Placement with:
 - (i) a copy of the FFCTO;
 - (ii) a copy of this partial revocation order; and
 - ii. obtain from each subscriber a signed and dated acknowledgment which clearly states that all of the Applicant's securities, including the securities issued in connection with the Private Placement, will remain subject to the FFCTO, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
- s. Upon issuance of this order, the Applicant will issue a press release announcing the order and the intention to complete the Private Placement. Upon completion of the Private Placement, the Applicant will issue a press release and file a material change report. As other material events transpire, the Applicant will issue appropriate press releases and file material change reports as applicable.

ORDER

- 4. The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
- 5. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked as it applies to the Issuer solely to permit the Private Placement provided that:
 - i. prior to completion of the Private Placement, the Applicant will:
 - (i) provide to each subscriber under the Private Placement a copy of the FFCTO;
 - (ii) provide to each subscriber under the Private Placement a copy of this partial revocation order; and
 - (iii) obtain from each subscriber under the Private Placement a signed and dated acknowledgment, which clearly states that all of the Applicant's securities, including the securities issued in connection with the Private Placement, will remain subject to the FFCTO, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
 - ii. The Applicant will make available a copy of the written acknowledgements referred to in paragraph (a)(iii) to staff of the Principal Regulator on request; and
 - iii. This order will terminate on the earlier of the closing of the Private Placement and 60 days from the date hereof.

DATED this 3rd, day of April 2024.

"Michael Balter"
Manager, Corporate Finance Branch
Ontario Securities Commission

OSC File #: 2023/0605
SEDAR+ File #: 6059789

B.2.4 Just Kitchen Holdings Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Securities Act, s. 88 – Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: 2024 BCSECCOM 124

April 2, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**
AND
**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**
AND
**IN THE MATTER OF
JUST KITCHEN HOLDINGS INC.
(the Filer)**
ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan; and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 Terms defined in National Instrument 14-101 - *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

¶ 3 This order is based on the following facts represented by the Filer:

B.2: Orders

1. the Filer is a reporting issuer under the laws of British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan;
2. the Filer was incorporated under, and is governed by, the *Business Corporations Act* (British Columbia) (the BCBCA);
3. the Filer's head office is in Vancouver, British Columbia;
4. pursuant to a statutory plan of arrangement under Division 5 of Part 9 of the BCBCA, effective January 26, 2024 (the Effective Date), JF Investment Co Ltd. (the Purchaser) beneficially acquired all of the issued and outstanding common shares of the Filer (the Filer Shares), all upon the terms and conditions of the previously announced agreement between the Filer and the Purchaser (the Arrangement);
5. pursuant to the Arrangement, shareholders of the Filer (the Shareholders) were provided with the option to elect a cash consideration of CAD \$0.09 for each Filer Share (the Cash Consideration) or a certain number of common shares of the Purchaser (the Purchaser Shares);
6. pursuant to the Arrangement, all other securities of the Filer were either cancelled or settled;
7. the Purchaser is a corporation formed pursuant to the laws of Taiwan;
8. under the laws of Taiwan, the Purchaser must obtain certain regulatory approval (Taiwan Regulatory Approval) in order to issue Purchaser Shares to the Shareholders who elected to receive Purchaser Shares (the Electing Shareholders);
9. the Purchaser did not receive the Taiwan Regulatory Approval prior to the Effective Date;
10. the Filer, the Purchaser and the Electing Shareholders executed an agreement (the Waiver) to waive the issuance of the Purchaser Shares to the Electing Shareholders on the Effective Date, in order for the Filer to complete the Arrangement;
11. the Waiver stated that the Electing Shareholders will receive the Purchaser Shares upon the receipt of the Taiwan Regulatory Approval, or failing the receipt of such approval by June 1, 2024, the Electing Shareholders will receive the Cash Consideration as soon as practicable after June 1, 2024;
12. the execution of the Waiver did not impact the closing of the Arrangement on the Effective Date;
13. if the Purchaser defaults on the Cash Consideration to the Electing Shareholders, that default will not impact the Arrangement's status as being completed;
14. the Filer did not receive any complaints from its Shareholders with regard to its application to cease to be a reporting issuer;
15. pursuant to diligent inquiries conducted with the Filer's transfer agent, there are a total of 40 beneficial Electing Shareholders resident in the following jurisdictions:

Jurisdiction of Residence	Number of Shareholders
British Columbia	4
Hong Kong	1
Nassau	1
Samoa	1
Taiwan	26
USA	7
Total	40

16. immediately upon completion of the Arrangement, the Filer became a wholly-owned subsidiary of the Purchaser;
17. the Filer Shares were de-listed from the TSXV Venture Exchange (TSXV) on January 30, 2024;

B.2: Orders

18. the Filer is applying for a decision that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;
19. the Filer has no current intention to seek public financing by way of an offering of its securities;
20. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
21. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
22. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
23. the Filer is not in default of securities legislation in any jurisdiction other than its obligation to file on or before January 29, 2024 its annual financial statements and related management discussion and analysis for the fiscal year ended September 30, 2023, and on or before February 29, 2024 its interim financial statements and related management discussion and analysis for the interim period ended December 31, 2023, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Filings);
24. the requirements to file the Filings did not arise until after completion of the Arrangement;
25. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) as it is in default for failure to file the Filings; and
26. but for the fact that the Filer failed to file the Filings, the Filer would be eligible for the simplified procedure under NP 11-206.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Noreen Bent"
Chief, Legal Services, Corporate Finance
British Columbia Securities Commission

OSC File #: 2024/0050
SEDAR+ File #: 6079084

B.2.5 Luminex Resources Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Securities Act s. 88 – Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market – following an arrangement, all of the issuer’s common shares were acquired by another company that is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer has convertible securities that are beneficially owned by more than 50 persons; the convertible securities are exercisable for securities of the acquirer or redeemable based on the value of the shares of the acquirer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88.
Securities Act, R.S.O. 1990, c.S.5, as am., s. 1(10)(a)(ii).

Citation: 2024 BCSECCOM 133

April 8, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
LUMINEX RESOURCES CORP.
(the Filer)**

ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Manitoba; and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

¶ 3 This order is based on the following facts represented by the Filer:

1. the Filer was incorporated under the *Business Corporations Act* (British Columbia) (the BCBCA);
2. prior to the Arrangement (as defined below), the Filer's head office was located in Vancouver, British Columbia;
3. the common shares in the capital of the Filer (the Luminex Shares) traded on the TSX Venture Exchange (the TSXV) under the symbol "LR" and were quoted on the OTCQX under the symbol "LUMIF", and no other securities of the Filer were listed on any marketplace;
4. Adventus Mining Corporation (Adventus) is a corporation existing under the *Canada Business Corporation Act*, and its authorized share capital consists of an unlimited number of common shares (the Adventus Shares), which are listed on the TSXV under the symbol "ADZN" and are quoted on the OTCQX under the symbol "ADVZF";
5. immediately prior to the Effective Time (as defined below), the Filer had the following issued and outstanding securities: (a) 173,930,019 Luminex Shares (which at the Effective Time was increased to 175,272,244 Luminex Shares upon issuance of an aggregate of 1,342,225 Luminex Shares to certain officers of the Filer as partial satisfaction of termination payments); (b) stock options exercisable to purchase 5,644,500 Luminex Shares (the Luminex Options); (c) common share purchase warrants to acquire 11,845,000 Luminex Shares at a price of \$0.55 per Luminex Share (the April 2022 Warrants); and (d) common share purchase warrants to purchase 20,833,333 Luminex Shares at a price of \$0.44 per Luminex Share (the February 2023 Warrants, and together with the April 2022 Warrants, the Luminex Warrants);
6. to the best of the Filer's knowledge and belief, upon due diligence searches conducted with the Filer's transfer agent and Broadridge Financial Solutions Inc., the Filer was able to ascertain the residence of (i) 74 beneficial holders of April 2022 Warrants, 3 of which are in Alberta, 34 of which are in British Columbia, 7 of which are in Ontario, 1 of which is in Quebec, 2 of which are in Saskatchewan, 5 of which are in the United States and 22 of which are in a foreign jurisdiction, and (ii) 99 beneficial holders of February 2023 Warrants, 2 of which are in Alberta, 64 of which are in British Columbia, 6 of which are in Ontario, 1 of which is in Saskatchewan, 5 of which are in the United States and 21 of which are in a foreign jurisdiction;
7. under the terms and conditions of an arrangement agreement dated November 21, 2023 between the Filer and Adventus, effective at 12:00 a.m. (Pacific Time) on January 25, 2024 (the Effective Time), Adventus acquired all of the issued and outstanding Luminex Shares by way of a statutory plan of arrangement under the BCBCA (the Arrangement);
8. the notice of special meeting of holders of Luminex Shares and Luminex Options (the Voting Luminex Securityholders) and management information circular dated December 15, 2023 was delivered to the Voting Luminex Securityholders entitled to vote at the special meeting of the Voting Luminex Securityholders that took place on January 19, 2024 to consider the Arrangement;
9. under the Arrangement:
 - (a) Adventus acquired all of the Luminex Shares;
 - (b) all Luminex Options were exchanged into stock options of Adventus to acquire Adventus Shares;
 - (c) all Luminex Warrant holders became entitled to receive, and Adventus became obligated to provide, upon exercise of such Luminex Warrants, such number of Adventus Shares which the holders would have been entitled to receive if the holders exercised their Luminex Warrants immediately prior to the Effective Time;
10. the Filer is not required to remain a reporting issuer pursuant to the terms of the relevant warrant indentures or warrant certificates, and no consents or approvals were required from the holders of the Luminex Warrants;
11. the Luminex Warrants do not provide the holders thereof with voting rights in respect of Adventus;
12. in connection with the Arrangement, additional Adventus Shares were authorized for issuance upon exercise of the Luminex Warrants;
13. the Luminex Shares were delisted from the TSXV and withdrawn from the OTCQB in the United States effective at the close of business on January 29, 2024;
14. Adventus is a reporting issuer in each of Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, and Ontario, and as such, Adventus is subject to continuous disclosure requirements which is relevant

B.2: Orders

- to holders of Luminex Warrants, as such holders are entitled to receive Adventus Shares upon exercise of such securities;
15. Adventus is not in default of securities legislation in any jurisdiction;
 16. the Filer is not an OTC issuer as that term is defined under Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets;
 17. the Filer has no intention to seek public financing by way of an offering of securities;
 18. no securities of the Filer, including any debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
 19. the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer;
 20. the Filer is not in default of securities legislation in any jurisdiction;
 21. the Filer cannot rely on the exemption available in section 13.3 of National Instrument 51-102 - *Continuous Disclosure Obligations* (NI 51-102) for issuers of exchangeable securities because the Luminex Warrants are not "designated exchangeable securities" as that term is defined under NI 51-102;
 22. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because the securities of the Filer, namely the Luminex Warrants, are not beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide; and
 23. upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Gordon Smith"
Acting Chief, Legal Services
Corporate Finance
British Columbia Securities Commission

OSC File #: 2024/0106

B.3 Reasons and Decisions

B.3.1 Fortrade Canada Limited

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Application by Filer for relief from prospectus requirement in connection with distribution by Filer of "contracts for difference" and over-the-counter (OTC) foreign exchange contracts (collectively, CFDs) to investors resident in Applicable Jurisdictions, subject to terms and conditions – Filer is registered in Ontario as investment dealer and a member of the Canadian Investment Regulatory Organization (CIRO) – Applicant complies with CIRO rules and CIRO acceptable practices applicable to offerings of CFDs – risk disclosure document contains disclosure substantially similar to risk disclosure document required for recognized options in OSC Rule 91-502 Trades in Recognized Options, the regime for OTC derivatives contemplated by former proposed OSC Rule 91-504 OTC Derivatives (which was not adopted) and the Quebec Derivatives Act – Relief consistent with relief contemplated by OSC Staff Notice 91-702 Offerings of contracts for difference and foreign exchange contracts to investors in Ontario (OSC SN 91-702) – Relief granted, subject to terms and conditions as described in OSC SN 91-702 including four-year sunset clause.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74(1).
OSC Rule 91-502 Trades in Recognized Options.
OSC Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario.
Proposed OSC Rule 91-504 OTC Derivatives (not adopted).

April 3, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

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

AND

IN THE MATTER OF
FORTRADE CANADA LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer and its respective officers, directors and representatives be exempt from the prospectus requirement in respect of the distribution of contracts for difference and over-the-counter (OTC) foreign exchange contracts (collectively, **CFDs**) to investors resident in the Applicable Jurisdictions (as defined below), subject to the terms and conditions below (the **Requested Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**); and
- (b) the Filer has provided notice that section 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, other than the provinces of Québec and Alberta (the **Non-Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of British Columbia with its principal office in Toronto, Ontario.
2. The Filer is registered as a dealer in the category of investment dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon, and is a member of the Canadian Investment Regulatory Organization (**CIRO**).

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. Subject to the delay in renewing the Existing Relief (as defined below), the Filer is not in default of applicable securities legislation in any province or territory of Canada, or CRO Rules or CRO Acceptable Practices (each, as defined below).
 5. The Filer has previously been granted exemptive relief substantially identical to the Requested Relief, most recently by a decision dated February 5, 2020 (the **Existing Relief**). Subject to this relief and the settlement agreement entered into with CRO on February 21, 2024, the Filer has been offering CFDs and will continue to offer to investors, including retail investors, on the basis of the Existing Relief and in compliance with applicable CRO Rules and other CRO Acceptable Practices. The Existing Relief expired on February 5, 2024. The effect of the Requested Relief is to extend the Existing Relief, on substantially the same terms and conditions, for a further interim period of up to four years (as described below).
 6. The Filer wishes to continue to offer CFDs to investors in the Applicable Jurisdictions on the terms and conditions described in this Decision. For the Interim Period (as defined below), the Filer is seeking the Requested Relief in connection with this proposed continued offering of CFDs in Ontario and intends to rely on this Decision and the Passport System described in MI 11-102 to offer CFDs in the Non-Principal Jurisdictions.
 7. The Filer understands that staff of the Alberta Securities Commission have public interest concerns with CFD trading by retail clients and, accordingly, unless otherwise permitted in the future, the Filer intends to only offer CFDs to investors in Alberta in reliance upon available exemptions in National Instrument 45-106 *Prospectus Exemptions*. The Filer undertakes not to give notice that subsection 4.7(1) of MI 11-102 is intended to be relied upon in Alberta.
 8. As a member of CRO, the Filer is only permitted to enter into CFDs pursuant to the rules and regulations of CRO (the **CRO Rules**).
 9. In addition, CRO has communicated to its members certain additional expectations as to acceptable business practices (the **CRO Acceptable Practices**) as articulated in CRO's paper "Regulatory Analysis of Contracts for Differences (CFDs)" published by CRO on June 6, 2007, as amended on September 12, 2007, for any CRO member proposing to offer CFDs to investors. The Filer is in compliance with CRO Acceptable Practices in offering CFDs. The Filer will offer CFDs in accordance with CRO Acceptable Practices as may be established from time to time, and will not offer CFDs linked to bitcoin, cryptocurrencies or other novel or emerging asset classes to investors in the Applicable Jurisdictions without the prior written consent of CRO.
 10. The Filer is required by CRO to maintain a certain level of capital to address the business risks associated with its activities. The capital reporting required by CRO (as per the calculation in the Form 1 and the Monthly Financial Reports to CRO) is based predominantly on the generation of financial statements and calculations as to ensure capital adequacy. The Filer, as a CRO member, is required to have a specified minimum capital which includes having any additional capital required with regards to margin requirements and other risks. This risk calculation is summarized as a risk adjusted capital calculation which is submitted in the firm's Form 1 and required to be kept positive at all times.
- Online Trading Platform*
11. The Filer's trading platform (the **Trading Platform**) is a proprietary and fully automated internet-based trading platform which allows clients to trade CFDs on an execution-only basis.
 12. The Trading Platform is a key component in a comprehensive risk management strategy which helps the Filer's clients and the Filer to manage the risks associated with leveraged products. This risk management system has evolved over many years with the objective of meeting the mutual interests of all relevant parties (including, in particular, clients). These attributes and services are described in more detail below:
 - (a) Real-time client reporting. Clients are provided with a real-time view of their account status. This includes how tick-by-tick price movements affect their account balances and required margins. Clients can view this information at any time by logging into their account on the Trading Platform.
 - (b) Fully automated risk management system. Clients are instructed that they must maintain the required margin against their position(s). If a client's funds drop below the required margin, margin calls are regularly issued via email (as frequently as hourly), alerting the client to the fact that the client is required to either deposit more funds to maintain the position or close/reduce it voluntarily. Where possible, daily telephone margin calls are provided as a supporting communication for clients. However, if a client fails to deposit more funds, where possible, the client's position is automatically liquidated. This liquidation procedure is intended to act as a mechanism to help

reduce the risk of entering into a negative account balance.

- (c) Wide range of order types. The Trading Platform also provides risk management tools such as stop loss orders, limit orders, contingent orders. These tools are designed to help clients reduce the risk of loss.

13. The Trading Platform is similar to those developed for on-line brokerages in that the client trades without other communication with, or advice from, the dealer. The Trading Platform is not a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* since a marketplace is any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in a nondiscretionary manner. The Trading Platform does not bring together multiple buyers and sellers.

14. The Filer is the counterparty to its clients' CFD trades; it does not act as an intermediary, broker or trustee in respect of the CFD transactions. The Filer does not manage any discretionary accounts, nor does it provide any trading advice or recommendations regarding CFD transactions.

15. The Filer manages the risk in its client positions by simultaneously placing the identical CFD on a back-to-back basis with its affiliate, Fortrade Limited (the **Platform Provider**) or another affiliate, each of which will be at all times an "acceptable counterparty" or a "regulated entity" (as those terms are defined in the Form 1) (the **Acceptable/Regulated Counterparty**). The Acceptable/Regulated Counterparty will, in turn, automatically offset each position against other client positions on a second-by-second basis, and either "hedges" its net exposure by trading with liquidity providers or using its equity capital, or both. By virtue of this risk management functionality inherent in the Trading Platforms, the Filer minimizes counterparty risk. This also means that the Filer does not have an inherent conflict of interest with its clients, since it does not profit on a position if the client loses on that position, and vice versa.

16. The CFDs are OTC contracts and are not transferable.

17. The ability to lever an investment is one of the principal features of CFDs. Leverage allows clients to magnify investment returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be obtained by investing directly in the underlying currency or instrument.

18. CIRO Rules and CIRO Acceptable Practices set out detailed requirements and expectations relating to leverage and margin for offerings of CFDs. The degree of leverage may be amended in accordance

with CIRO Rules and CIRO Acceptable Practices as may be established from time to time.

19. Pursuant to section 13.12 (Restriction on lending to clients) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, only those firms that are registered as investment dealers (a condition of which is to be a member of CIRO) may lend money, extend credit or provide margin to a client.

Structure of CFDs

20. A CFD is a derivative product that allows clients to obtain economic exposure to the price movement of an underlying instrument, such as a share, index, market sector, currency pair, treasury or commodity, without the need for ownership and physical settlement of the underlying instrument. Unlike certain other OTC derivatives, such as forward contracts, CFDs do not require or oblige either the principal counterparty (being the Filer for the purposes of the Requested Relief) nor any agent (also being the Filer for the purposes of the Requested Relief) to deliver the underlying instrument.

21. CFDs offered by the Filer do not confer the right or obligation to acquire or deliver the underlying security or instrument itself, and do not confer any other rights of holders of the underlying security or instrument, such as voting rights. Rather, a CFD is a derivative instrument which is represented by an agreement between a counterparty and a client to exchange the difference between the opening price of a CFD position and the price of the CFD at the closing of the position. The value of the CFD is generally reflective of the movement in prices at which the underlying instrument is traded at the time of opening and closing the position in the CFD.

22. CFDs allow clients to take a long or short position on an underlying instrument, but unlike futures contracts, they have no fixed expiry date, standard contract size or an obligation for physical delivery of the underlying instrument.

22. CFDs allow clients to obtain exposure to markets and instruments that may not be available directly, or may not be available in a cost-effective manner.

CFDs Distributed in the Applicable Jurisdictions

24. Certain types of CFDs, such as CFDs where the underlying instrument is a security, may be considered to be "securities" under the securities legislation of the Applicable Jurisdictions.

25. Investors wishing to enter into CFD transactions must open an account with the Filer.

26. Prior to a client's first CFD transaction and as part of the account opening process, the Filer provides the client with a separate risk disclosure document that clearly explains, in plain language, the

transaction and the risks associated with the transaction (the **Risk Disclosure Document**). The Risk Disclosure Document includes the required risk disclosure set forth in Schedule A to the Regulations to the QDA (as defined below) and leverage risk disclosure required under CIRO Rules. The Risk Disclosure Document contains disclosure that is substantially similar to the risk disclosure statement required for recognized options in OSC Rule 91-502 *Trades in Recognized Options* (which provides both registration and prospectus exemptions) (**OSC Rule 91-502**) and the regime for OTC derivatives contemplated by OSC Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors in Ontario* (**OSC SN 91-702**) and proposed OSC Rule 91-504 *OTC Derivatives* (which was not adopted) (**Proposed Rule 91-504**). Prior to a client's first trade in a CFD transaction, a complete copy of the Risk Disclosure Document provided to the client has been delivered, or has previously been delivered, to the Principal Regulator.

27. Prior to the client's first CFD transaction and as part of the account opening process, the Filer obtains a written or electronic acknowledgement from the client confirming that the client has received, read and understood the Risk Disclosure Document. Such acknowledgement is prominent and separate from other acknowledgements provided by the client as part of the account opening process.
28. As is customary in the industry, and due to the fact that this information is subject to factors beyond the control of the Filer (such as changes in CIRO Rules), information such as the underlying instrument listing and associated margin rates are not disclosed in the Risk Disclosure Document. Instead, such information is part of a client's account opening package and is available on both the Filer's website and the Trading Platform.

Satisfaction of the Registration Requirement

29. The role of the Filer as it relates to the CFD offering (other than it being the principal under the CFDs) is limited to acting as an execution-only dealer. In this role, the Filer is, among other things, responsible to approve all marketing, for holding of client funds, and for client approval (including the review of know-your-client (**KYC**) due diligence and account opening suitability assessments pursuant to NI 31-103).
30. CIRO Rules exempt member firms that provide execution-only services such as discount brokerages from the obligation to determine whether each trade is suitable for a client. However, CIRO has exercised its discretion to impose additional requirements on CIRO members proposing to trade in CFDs and requires, among other things, that:

- (a) applicable Risk Disclosure Documents and client suitability waivers be provided in a form acceptable to CIRO;
- (b) the firm's policies and procedures, amongst other things, require the Filer to assess whether CFD trading is appropriate for a client before an account is approved to be opened. This account opening suitability process includes an assessment of the client's investment knowledge and trading experience, client identification, screening applicants and customers against lists of prohibited/blocked persons, and detecting and reporting suspicious trading and potential terrorist financing and money laundering activities to applicable enforcement authorities;
- (c) the Filer's registered or approved representatives who conduct the KYC and initial product suitability analysis meet, or are exempted from, the proficiency requirements for futures trading and are registered with CIRO as Investment Representatives (**IR**) for retail customers in the product category of Futures Contracts and Futures Contract Options. The course proficiency requirements for an IR include the completion of the Conduct and Practices Handbook Course, Futures Licensing Course, Derivatives Fundamentals Course or the Derivatives Fundamentals and Options Licensing Course. In addition, the Filer must have a fully qualified Supervisor (Futures); and
- (d) cumulative loss limits for each client's account be established (this is a measure normally used by CIRO in connection with futures trading accounts).

31. The CFDs offered in Canada are offered in compliance with applicable CIRO Rules and other CIRO Acceptable Practices.
32. CIRO limits the underlying instruments in respect of which member firms may offer CFDs since only certain securities are eligible for reduced margin rates. For example, underlying equity securities must be listed or quoted on certain "recognized exchanges" (as that term is defined in CIRO Rules) such as the New York Stock Exchange. The purpose of these limits is to ensure that CFDs offered in Canada will only be available in respect of underlying instruments that are traded in well-regulated markets, in significant enough volumes and with adequate publicly available information, so that clients can form a sufficient understanding of the exposure represented by a given CFD.
33. CIRO Rules prohibit the margining of CFDs where the underlying instrument is a synthetic product (single U.S. sector or "mini-indices"). For example,

- Sector CFDs (i.e., basket of equities for the financial institutions industry) may be offered to non-Canadian clients; however, this is not permissible under CIRO Rules.
34. CIRO members seeking to trade CFDs are generally precluded, by virtue of the nature of the contracts, from distributing CFDs that confer the right or obligation to acquire or deliver the underlying security or instrument itself (convertible CFDs), or that confer any other rights of holders of the underlying security or instrument, such as voting rights.
35. The Requested Relief, if granted, would (and the Existing Relief does) substantially harmonize the position of the regulators in the Applicable Jurisdictions (collectively, the **Commissions**) on the offering of CFDs to investors in the Applicable Jurisdictions with how those products are offered to investors in Quebec under the *Derivatives Act* (Quebec) (the **QDA**). The QDA provides a legislative framework to govern derivatives activities within Quebec. Among other things, the QDA requires such products to be offered to investors through a CIRO member and the distribution of a standardized risk disclosure document rather than a prospectus in order to distribute such contracts to investors resident in Quebec.
36. The Requested Relief, if granted, would be (and the Existing Relief is) consistent with the guidelines articulated by Staff of the Principal Regulator in OSC SN 91-702. OSC SN 91-702 provides guidance with regards to the distributions of CFDs, foreign exchange contracts and similar OTC derivative products to investors in the Jurisdiction.
37. The Principal Regulator has previously recognized that the prospectus requirement may not be well suited for the distribution of certain derivative products to investors in the Jurisdiction, and that alternative requirements, including requirements based on clear and plain language risk disclosure, may be better suited for certain derivatives.
38. In the Jurisdiction, both OSC Rule 91-502 and OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situated Outside Ontario (OSC Rule 91-503)* provide for a prospectus exemption for the trading of derivative products to clients. The Requested Relief is consistent with the principles and requirements of OSC Rule 91-502, OSC Rule 91-503 and Proposed Rule 91-504.
39. The Filer submits that the Requested Relief, if granted, would (and the Existing Relief does) harmonize the Principal Regulator's position on the offering of CFDs with certain other foreign jurisdictions that have concluded that a clear, plain language risk disclosure document is appropriate for retail clients seeking to trade in foreign exchange contracts.
40. The Filer is of the view that requiring compliance with the prospectus requirement in order to enter into CFDs with retail clients would not be appropriate since the disclosure of a great deal of the information required under a prospectus and under the reporting issuer regime is not material to a client seeking to enter into a CFD transaction. The information to be given to such a client should principally focus on enhancing the client's appreciation of product risk including counterparty risk. In addition, most CFD transactions are of short duration (positions are generally opened and closed on the same day) and are in any event marked to market and cash settled daily.
41. The Filer is regulated by CIRO, which has a robust compliance regime including specific requirements to address market, capital and operational risks.
42. The Filer submits that the regulatory regimes developed by the AMF and CIRO for CFDs adequately address issues relating to the potential risk to the clients of the Filer acting as counterparty. In view of these regulatory regimes, investors would receive little or no additional benefit from requiring the Filer to also comply with the prospectus requirement.
43. The Requested Relief in respect of each Applicable Jurisdiction is conditional on the Filer being registered as an investment dealer with the Commission in such Applicable Jurisdiction and maintaining its membership with CIRO and that all CFD transactions be conducted pursuant to CIRO Rules and in accordance with CIRO Acceptable Practices.

Decision

The Principal Regulator is satisfied that the test set out in the Legislation to make the Decision is met.

The Decision of the Principal Regulator is that the Requested Relief is granted provided that:

- (a) all CFDs traded with residents in the Applicable Jurisdictions shall be executed through the Filer;
- (b) with respect to residents of an Applicable Jurisdiction, the Filer remains registered as a dealer in the category of investment dealer with the Principal Regulator and the Commission in such Applicable Jurisdiction and a member of CIRO;
- (c) all CFD transactions with clients resident in the Applicable Jurisdictions shall be conducted pursuant to CIRO Rules imposed on members seeking to trade in CFDs and in accordance with CIRO

- (d) Acceptable Practices, as amended from time to time;
prior to a client first entering into a CFD transaction, the Filer has provided to the client the Risk Disclosure Document and has delivered, or has previously delivered, a copy of the Risk Disclosure Document provided to that client to the Principal Regulator;
- (e) prior to the client's first CFD transaction and as part of the account opening process, the Filer has obtained a written or electronic acknowledgement from the client, as described in paragraph 27, confirming that the client has received, read and understood the Risk Disclosure Document;
- (f) the Filer has furnished to the Principal Regulator the name and principal occupation of its officers and directors, together with either the personal information form and authorization of indirect collection, use and disclosure of personal information provided for in National Instrument 41-101 *General Prospectus Requirements* or the registration information form for an individual provided for in Form 33-109F4 of National Instrument 33-109 *Registration Information* completed by any officer or director;
- (g) the Filer shall promptly inform the Principal Regulator in writing of any material change affecting the Filer, being any change in the business, activities, operations or financial results or condition of the Filer that may reasonably be perceived by a counterparty to a derivative to be material;
- (h) the Filer shall promptly inform the Principal Regulator in writing if a self-regulatory organization or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Filer concerning the conduct of activities with respect to CFDs;
- (i) within 90 days following the end of its financial year, the Filer shall submit to the Principal Regulator upon request, the audited annual financial statements of the Filer; and
- (j) the Requested Relief shall immediately expire upon the earliest of
 - i. four years from the date that this Decision is issued;
 - ii. in respect of a subject Applicable Jurisdiction or Quebec, the issuance of an order or decision by a court, the Commission in such Applicable Jurisdiction, or other similar regulatory body including the *Autorité des marchés financiers* that suspends or terminates the ability of the Filer to offer CFDs to clients in such Applicable Jurisdiction or Quebec; and
 - iii. with respect to an Applicable Jurisdiction, the coming into force of legislation or a rule by its Commission regarding the distribution of CFDs to investors in such Applicable Jurisdiction

(the **Interim Period**).

“David Surat”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2024/0110

B.3.2 Coinbase Canada Inc. and Coinbase, Inc.

Headnote

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

Statute cited

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

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

National Instrument 21-101 Marketplace Operation, s. 15.1.

National Instrument 23-101 Trading Rules, s. 12.1.

National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces, s. 10.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.6(b) and 13.3.

OSC Rule 91-506 Derivatives: Product Determination, ss. 2 and 4.

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Part 3.

April 3, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Principal 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
COINBASE CANADA INC.
(the Filer)

AND

IN THE MATTER OF
COINBASE, INC.

DECISION**

Background

As set out in Canadian Securities Administrators (**CSA**) Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets (CSA SN 21-327)* and in Joint CSA/Investment Industry Regulatory Organization of Canada (**IIROC**) Staff Notice 21-329 *Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements*, securities legislation applies to crypto asset trading platforms (**CTPs**) that facilitate or propose to facilitate the trading of instruments or contracts involving crypto assets because the user's contractual right to the crypto asset may itself constitute a security and/or a derivative (the **Crypto Contracts**).

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

The Filer operates a platform in Canada through which the Filer's clients may enter into Crypto Contracts with the Filer to purchase, hold, stake and sell assets commonly considered a crypto asset, digital or virtual currency, or digital or virtual tokens (each a **Crypto Asset** and collectively, the **Crypto Assets**). The Filer filed an application for registration as a restricted dealer in each province and territory of Canada. As set out in CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings – Changes to Enhance Canadian Investor Protection*, the Filer provided a pre-registration undertaking to the CSA dated March 24, 2023.

While registered as a restricted dealer, the Filer intends to apply for registration as an investment dealer, and to seek membership with the Canadian Investment Regulatory Organization (**CIRO**, formerly IIROC) and registration as an alternative trading system (**ATS**). This decision (the **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 files.

Relief Requested

The securities regulatory authority or regulator in the Principal Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Principal Jurisdiction (the **Legislation**) exempting the Filer from:

- (a) the prospectus requirement under the Legislation in respect of the Filer entering into Crypto Contracts with clients to buy, hold, stake and sell Crypto Assets (the **Prospectus Relief**);
- (b) the requirement in section 13.3 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**NI 31-103**) that, before it opens an account, takes an 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**); and
- (c) provided that the Filer will comply with paragraph 12.6(b) of NI 31-103 by June 30, 2024, the requirement in paragraph 12.6(b) of NI 31-103 that the Filer must not maintain bonding or insurance that benefits, or names as an insured, another person or company unless the individual or aggregate limits under the policy are only affected by or on behalf of the Filer or a subsidiary of the Filer whose financial results are consolidated with those of the registered firm (the **Temporary Insurance Relief**).

The securities regulatory authority or regulator in the Principal Jurisdiction and each of the other provinces and territories of Canada, as applicable (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 the following:

- (a) certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**); and
- (b) except in British Columbia, New Brunswick, Nova Scotia and Saskatchewan, the entirety of National Instrument 21-101 *Marketplace Operation*, National Instrument 23-101 *Trading Rules*, and National Instrument 23-103 *Electronic Trading and Direct Access to Marketplaces* (the **Marketplace Relief**) (together with the Prospectus Relief, the Suitability Relief, the Temporary Insurance Relief and the Trade Reporting Relief, the **Requested Relief**).

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

- (a) the Ontario Securities Commission (the **OSC**) is the principal regulator for this application (the **Principal Regulator**);

- (b) in respect of the Prospectus Relief and 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 Principal Jurisdiction, the **Applicable Jurisdictions**);
- (c) the Decision is the decision of the Principal Regulator; and
- (d) in respect of the Trade Reporting Relief and the Marketplace Relief, the Decision evidences the decision of each applicable Coordinated Review Decision Maker.

Interpretation

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

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

“Acceptable Third-party Custodian” means an entity that:

- (a) is one of the following:
 - (i) a Canadian custodian or Canadian financial institution;
 - (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 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 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 its statement of financial position or in the notes of the audited financial statements the amount of liabilities that it owes to its clients for holding their assets, and the amount of assets held by the custodian to meet its obligations to those custody clients, broken down by asset; and
- (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).

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

“AML” means anti-money laundering.

“App” means the Filer’s mobile application that provides access to the Platform.

“API” means application programming interface.

“Canadian custodian” has the meaning ascribed to that term in NI 31-103.

“Canadian financial institution” has the meaning ascribed to that term in National Instrument 45-106 *Prospectus Exemptions*.

“CIPF” means the Canadian Investor Protection Fund.

“Coinbase Custody” means Coinbase Custody Trust Company, LLC.

“Coinbase Custody International” means Coinbase Custody International, Ltd.

“Coinbase Prime Accounts” means the accounts of Coinbase Prime Clients on the Platform.

“Coinbase Prime Brokerage Agreement” means an agreement under which a client receives trade execution, order routing, settlement and clearing services from the Filer, Coinbase, Inc., or Coinbase Europe Limited, and may receive custody services directly from Coinbase Custody or Coinbase Custody International.

“Coinbase Prime Clients” means Canadian permitted clients and Registered CTPs that: (a) have entered into a Coinbase Prime Brokerage Agreement with the Filer and represent that they are trading for a business or commercial purpose; or (b) have entered into an agreement with Coinbase, Inc. or Coinbase Europe Limited for trade execution, order routing, settlement or clearing services prior to the date of this Decision.

“Crypto Asset Statement” means the statement described in representation 29(b)(v).

“FINTRAC” means the Financial Transactions and Reports Analysis Centre of Canada.

“foreign custodian” has the meaning ascribed to that term in NI 31-103.

“Form 21-101F2” means Form 21-101F2 *Information Statement Alternative Trading System*.

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

“IOSCO” means the International Organization of Securities Commissions.

“permitted client” has the meaning ascribed to that term in NI 31-103.

“qualified custodian” has the meaning ascribed to that term in NI 31-103.

“Registered CTP” means a CTP that is registered as a restricted dealer under securities legislation in one or more Applicable Jurisdictions;

“Risk Statement” means the statement of risks described in representation 29(b).

“Specified Crypto Asset” means the crypto assets, digital or virtual currencies, and digital or virtual tokens listed in Appendix B to this Decision.

“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.

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

“Staking Services” means any and all services conducted by the Filer and third parties in order to enable the Staking of Crypto Assets that are held for the benefit of clients.

“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 the consensus by broadcasting votes and committing new blocks to the blockchain.

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

“Website” means the website www.coinbase.com or such other website as may be used to host the Coinbase Global Platform (as defined below) from time to time.

B.3: Reasons and Decisions

In this Decision, a person or company is an affiliate of another person or company if

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of British Columbia with its head office in Toronto, Ontario.
2. The Filer is an affiliate of Coinbase, Inc., which was founded in 2012, and is a wholly-owned subsidiary of Coinbase Global, Inc. Coinbase Global, Inc., through its operating subsidiaries and affiliates (collectively, **Coinbase**), owns and operates an electronic trading platform for Crypto Assets that includes hosted wallet and ancillary services to over 110 million verified clients globally (the **Coinbase Global Platform**). In the year ended December 31, 2023, Coinbase facilitated US\$468 billion in trades.
3. Coinbase, Inc. is the operator of the Coinbase Global Platform outside of Canada. The Filer is the operator of the Coinbase Global Platform in Canada (the **Platform**). Any person or company resident in Canada that wishes to use the Coinbase Global Platform must do so through the Platform offered by the Filer.
4. Companies within the Coinbase group, including the Filer, have received licenses and registrations to operate from a number of different financial services regulators globally and are subject to regular oversight by those regulators, including the New York Department of Financial Services, the UK Financial Conduct Authority, the Federal Financial Supervisory Authority in Germany and the Central Bank of Ireland. These licenses cover both Crypto Asset and e-money / money transmission activities. The Filer is registered as a money services business under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.
5. The Filer and Coinbase, Inc. do not have any securities listed or quoted on an exchange or marketplace in any jurisdiction. Coinbase Global, Inc. is the equivalent of a reporting issuer in the United States and the common shares of Coinbase Global, Inc. are listed on Nasdaq. Coinbase Global, Inc. has audited consolidated financial statements, which are publicly available. The accounts of the Filer are considered a significant subsidiary within the audited consolidated financial statements of Coinbase Global, Inc.
6. The Filer's and Coinbase, Inc.'s personnel include product, engineering and design professionals, as well as qualified compliance, legal and financial professionals. These professionals bring a significant level of experience in crypto and financial services businesses. All personnel undergo a rigorous multi-stage interview process, and all personnel have and any new personnel will have passed a criminal background check.
7. The Filer and Coinbase, Inc. are not in default of securities legislation of any of the Applicable Jurisdictions, other than in respect of the subject matter to which this Decision relates.

The Platform

8. The Platform provides clients with the ability to enter into Crypto Contracts and to securely trade Crypto Assets using fiat currency and Crypto Assets, and to custody Crypto Assets relating to Crypto Contracts.
9. The rights and obligations of the Filer and each client under the Crypto Contracts are set out in the Filer's user agreement, which is accepted by clients, other than Coinbase Prime Clients, at the time the client opens an account.
10. The rights and obligations of the Filer and each Coinbase Prime Client are set out in the Coinbase Prime Brokerage Agreement, which is accepted by Coinbase Prime Clients at the time the Coinbase Prime Client opens an account.
11. The Filer's trading of Crypto Contracts is consistent with activities described in CSA SN 21-327 and constitutes the trading of securities and/or derivatives.
12. The Filer does not have any authority to act on a discretionary basis on behalf of clients and will not manage any discretionary accounts.
13. The Filer will not be a member firm of CIPF and the Crypto Assets that are held in custody by the Filer will not qualify for CIPF coverage. The Filer's Risk Statement will include disclosure that there will be no CIPF coverage for the Crypto Assets and clients other than Coinbase Prime Clients must acknowledge that they have received, read and understood the Risk Statement before opening an account with the Filer.

Crypto Assets Made Available through the Platform

14. 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 a particular Crypto Asset on its Platform in accordance with the know-your-product provisions of NI 31-103 (**KYP Policy**). Such review includes, but is not limited to, publicly available information concerning:
 - (a) the creation, governance, usage and design of the Crypto Asset, including the source code, security, roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;
 - (b) the supply, demand, maturity, utility and liquidity of the Crypto Asset;
 - (c) material technical risks associated with the Crypto Asset, including any code defects, security breaches and other threats concerning the Crypto Asset and its supporting blockchain (such as the potential 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.
15. The Filer does not allow clients to buy or deposit, or to enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets that do not satisfy the conditions set out in section (1) of Appendix F. However, the Filer will need to make certain changes to the Platform to remove Value-Referenced Crypto Assets that will not satisfy the other terms and conditions in Appendix F after April 30, 2024. The Filer expects these changes will be completed as soon as practicable, and in any event, on or before October 31, 2024.
16. The Filer does not allow a client to enter into a Crypto Contract, to buy, sell, and if applicable, stake Crypto Assets unless the Filer has taken steps
 - (a) to assess the relevant aspects of the Crypto Asset, including the information specified in representation 14, to determine whether it is appropriate for the client,
 - (b) to approve the Crypto Asset and the Crypto Contracts to buy, sell, and if applicable, stake such Crypto Asset, to be made available to the client, and
 - (c) as set out in representation 19, to monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.
17. 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 issuer, or affiliates or associates of such persons.
18. As set out in the Filer's KYP Policy, the Filer has established and will apply policies and procedures to determine whether a Crypto Asset available to be traded through a Crypto Contract is a security and/or derivative and is being offered in compliance with securities and derivatives laws, which include but are not limited to:
 - (a) consideration of statements made by any regulators or securities regulatory authorities of the Applicable Jurisdictions, other regulators in 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.
19. The Filer monitors ongoing developments related to Crypto Assets available on its Platform that may cause a Crypto Asset's legal status as a security and/or derivative or the assessment conducted by the Filer described in representations 14 and 18 above to change.
20. The Filer acknowledges that any determination made by the Filer as set out in representations 14 to 19 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, sell, stake and hold is a security and/or derivative.
21. The Filer has established and will apply policies and procedures to promptly halt the trading of any Crypto Asset available on its Platform and to allow clients to liquidate their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on its Platform.

Account Opening and Risk Disclosure

22. Subject to the Filer determining that it is appropriate for an account to be opened, the Filer currently makes the Platform available to any person or company who is resident in Canada, and if a person, has reached the age of majority in the jurisdiction in which they are resident and has the legal capacity to open an account.
23. Clients open an account on the Platform via the Website or the App. The Filer's client onboarding process includes the successful completion of "know your client" (**KYC**) procedures which satisfy AML laws in Canada and relevant FINTRAC guidelines and requirements.
24. The Filer does not provide recommendations or advice to clients or conduct a trade-by-trade suitability determination for clients, but will perform product assessments pursuant to the KYP Policy and, for clients other than Coinbase Prime Clients, account appropriateness assessments taking into account the following factors (the **Account Appropriateness Factors**):
 - (a) the client's experience and knowledge in investing in crypto assets;
 - (b) the client's financial circumstances;
 - (c) the client's risk tolerance; and
 - (d) the Crypto Assets, which are approved to be made available to a client by entering into Crypto Contracts on the Platform.
25. The Filer has adopted and will apply policies and procedures to conduct an assessment to establish appropriate limits on the losses that a client that is not a permitted client or a Registered CTP can incur and 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. This assessment of the Client Limit takes into consideration the Account Appropriateness Factors. After completion of the assessment, the Filer will implement controls to monitor and apply the Client Limits.
26. The Account Appropriateness Factors will be used by the Filer to evaluate whether entering into Crypto Contracts with the Filer is appropriate for a prospective client, other than a Coinbase Prime Client.
27. After completion of the account appropriateness assessment, a prospective client will receive appropriate messaging about using the Platform to enter into Crypto Contracts, which, in the circumstances where the Filer has evaluated that doing so is not appropriate for the prospective client, will include prominent messaging to the prospective client that this is the case and that the client will not be permitted to open an account for the purposes of entering into Crypto Contracts.
28. Additionally, the Filer will monitor the accounts after opening to identify activity inconsistent with the client's account, KYP Policy and account appropriateness 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 will monitor compliance with the Client Limits established in representation 25. If warranted, the client will receive a warning when their account is approaching its Client Limit, which will include information on steps the client may take to prevent the client from incurring further losses.
29. As part of the account opening process for clients:
 - (a) the Filer will collect KYC information to verify the identity of the client;
 - (b) the Filer will provide a prospective client with a separate statement of risks (the **Risk Statement**) that clearly explains the following in plain language:
 - (i) the Crypto Contracts;
 - (ii) 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 any of the Crypto Assets made available through the Platform;
 - (iv) the due diligence performed by the Filer before making a Crypto Asset available through the Platform, including the due diligence performed by the Filer to assess whether the Crypto Asset is a security and/or derivative under the securities and derivatives legislation of each of the jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or derivative;

- (v) that the Filer has prepared a plain language description of each Crypto Asset and of the risks of the Crypto Assets made available through the Platform, with instructions as to where on the Platform the client may obtain the descriptions (each, a **Crypto Asset Statement**);
 - (vi) the Filer's policies for halting, suspending and withdrawing a Crypto Asset from trading on the Platform, including criteria that would be considered by the Filer, options available to clients holding such a Crypto Asset, any notification periods and any risks to clients;
 - (vii) the location and the manner in which Crypto Assets are held for the client, and the risks and benefits to the client of the Crypto Assets being held in that location and in that manner, including the impact of insolvency of the Filer or the Acceptable Third-party Custodian;
 - (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 and Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection;
 - (x) a statement that the statutory rights in section 130.1 of the 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.
- (c) the Filer will require clients, other than Coinbase Prime Clients, to agree to the Filer's user agreement, which is publicly available on the Filer's website, and wherein it will require and/or disclose (either directly in the Filer's user agreement or in other agreements or webpages incorporated therein by reference):
- (i) access criteria (including how access is granted, denied, suspended or terminated and whether there are differences between clients in access and trading) and that access to the Platform may be interrupted under certain circumstances, including for service or during times of significant volatility or volume;
 - (ii) procedures for funding buys and for withdrawing funds held by a client in its account with the Platform;
 - (iii) the various fees charged to a client of the Platform;
 - (iv) how orders are entered, handled and interact, including
 1. the circumstances where orders trade with the Filer acting as principal, including any compensation provided; and
 2. where entered into the order book, the types of order and how orders are matched and executed;
 - (v) access arrangements with third-party services provider, if any;
 - (vi) that a client must comply with restrictions relating to its use of the Platform, including complying with the Trading Requirements (as defined below) and applicable securities laws (any violation of these requirements, a **Prohibited Use**);
 - (vii) that the potential consequences for a client's Prohibited Use may include:
 1. withdrawing the client's right to make any further trades on the Platform,
 2. requiring the client to liquidate its Crypto Asset holdings on the Platform in an orderly fashion,
 3. when all Crypto Assets have been sold, requiring that the client provide the Filer with wire transfer instructions (to a Canadian financial institution) so that the Filer can return its funds and close its account, and
 4. reporting the client's trading activity to relevant securities and law enforcement authorities;
 - (viii) the Filer's conflicts policies and procedures;

- (ix) if applicable, the Filer's referral arrangements disclosure (unless included in the Filer's conflicts policies and procedures).
30. In order for a prospective client to open and operate an account with the Filer, the Filer will deliver the Risk Statement to the client and, for a prospective client other than a Coinbase Prime Client, the Filer will obtain an electronic acknowledgment from the prospective client confirming that the prospective client has received, read and understood the Risk Statement. Such acknowledgement by a prospective client other than a Coinbase Prime Client will be prominent and separate from other acknowledgements provided by the prospective client as part of the account opening process.
31. 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.
32. The Filer has policies and procedures for updating the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts, Crypto Assets generally, a specific Crypto Asset, or the staking of Crypto Assets generally or of a Stakeable Crypto Asset, as the case may be. In the event the Risk Statement is updated, existing clients of the Filer will be promptly notified and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, existing clients of the Filer will be promptly notified through in-App and website disclosures, with links provided to the updated Crypto Asset Statement.
33. For clients, other than Coinbase Prime Clients, with pre-existing accounts with the Filer at the time of this Decision, the Filer will deliver to the client the Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement at the earlier of (i) before placing their next trade or deposit of Crypto Assets on the Platform and (ii) the next time they log in to their account with the Filer. The Risk Statement must be prominent and separate from other disclosures given to the client at that time, and the acknowledgement must be separate from other acknowledgements by the client at that time.
34. Before a client, other than a Coinbase Prime 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 or App. Although Coinbase Prime Clients will not be provided with links to the Crypto Asset Statement, they may access the statements on the Website.
35. Each Crypto Asset Statement will include in plain language the following:
- (a) a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed any Crypto Contract or Crypto Asset made available through the Platform,
 - (b) a description of the Crypto Asset, including the background of the team that created the Crypto Asset, if applicable,
 - (c) a description of the due diligence performed by the Filer with respect to the Crypto Asset,
 - (d) any risks specific to the Crypto Asset,
 - (e) a direction to the client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and 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 will also periodically prepare and make available to its clients (through the website or the App) educational materials and other informational updates about trading on the Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

The Marketplace

37. The Platform brings together buyers and sellers of Crypto Assets using established, non-discretionary methods under which orders interact with each other, and the buyers and sellers agree to the terms of the trade. In certain Applicable Jurisdictions, the Platform constitutes an ATS under applicable securities legislation while in others, it constitutes an exchange under applicable securities legislation and the Filer will seek an exemption from the obligation to be recognized as an exchange in Applicable Jurisdictions.

B.3: Reasons and Decisions

38. All transactions entered into by clients to buy, sell or stake Crypto Assets are placed with the Filer by clients through the Website or the App. Subject to downtime, clients are able to submit buy and sell orders or stake Crypto Assets 24 hours a day, 7 days a week.
39. Subject to the applicable policies and procedures discussed herein, clients can open an account with the Filer to access the Platform. Clients have digital wallets or accounts where they can hold, send and receive Crypto Assets. Clients can also link their bank accounts and debit/credit cards to their account to allow for holding, sending and receiving of fiat currency to/from their account.
40. Clients fund their accounts with fiat currency or Crypto Assets, then elect a Crypto Asset and amount they wish to trade.
41. Each transaction a client undertakes on the Platform results in a bilateral contract between the client and the Filer.
42. Clients receive confirmation via their user interface of the time, amount filled and volume for each trade.
43. An internal ledger of the Filer (the **Ledger**) records all of the transactions executed via the Platform. In order for a client to place an order, their account must be pre-funded with the applicable asset (fiat currency or Crypto Asset). When a client's order is executed through the Platform, the Ledger is updated in real-time. Because all assets are already verified as being available from both the buyer and the seller prior to order entry, all Crypto Contracts are settled as between the Filer and each client immediately after the order is filled. Execution occurs on the Platform and settlement is immediate and recorded in the Ledger.
44. On a daily basis, a net fiat currency settlement amount between the Filer and Coinbase, Inc. is obtained from the Ledger and settled. Occasionally at treasury's discretion, a daily fiat settlement may not be performed if the net fiat settlement amount is not material. In these instances, the Filer's fiat settlements are funded from corporate operating funds until the next fiat settlement occurs.
45. At least once a day, for each Crypto Asset offered on the Platform, a net settlement amount between the Filer and Coinbase, Inc. is obtained from the Ledger per Crypto Asset and settled via transfer of the relevant Crypto Assets to ensure that the Filer holds the correct amount of Crypto Assets in trust for its clients (other than Coinbase Prime clients) as described under "Custody of Crypto Assets" below.
46. Clients are permitted to deposit Crypto Assets acquired outside the Platform into their accounts with the Filer. Crypto Assets deposited by clients other than Coinbase Prime Clients will be held by the Filer in trust for its clients as described under "Custody of Crypto Assets" below. Clients also have the right to obtain delivery of Crypto Assets to which they have an interest in pursuant to their Crypto Contracts with the Filer by requesting that the Filer deliver the Crypto Assets to the client.
47. Clients can transfer fiat currency to or withdraw fiat currency from their account by electronic funds transfer. Coinbase Prime Clients may also transfer fiat currency to or withdraw fiat currency from their account by wire transfer.
48. The Filer is compensated by clients through trading fees (which may include a spread as described below), funding fees for certain methods of funding an account, and custodial fees at rates disclosed on the Platform and incorporated by reference into the user agreement or, for Coinbase Prime Clients, at rates disclosed in the Coinbase Prime Brokerage Agreement.
49. The Filer and Coinbase do not, and will not extend margin, credit or otherwise offer leverage to clients in Canada and will not offer derivatives based on Crypto Assets other than Crypto Contracts. The Filer will not knowingly allow clients to enter into Crypto Contracts on the Platform that would result in a "short position" with respect to any Crypto Assets.
50. The Filer will send electronic trade confirmations and monthly statements setting out the details of their transaction history in their account with the Filer. Clients will also be able to view records of all of their transactions (i.e., trades, deposits and withdrawals of both fiat and Crypto Assets) which are continuously available to them via the Platform and may be downloaded by them at any time.
51. The Platform has three separate product offerings in Canada: (i) Simple Trade, (ii) Advanced Trade; and (iii) Coinbase Prime. Each product has different characteristics to cater to diverse user needs. An overview of each product is set out below.

Simple Trade

52. Simple Trade users can buy or sell, through the Filer, Crypto Assets at a quoted price without having to interact directly with Coinbase's central limit order book (the **CB Orderbook**). When a client initiates a request to buy or sell a Crypto Asset via Simple Trade, the Filer provides the client with a firm quote, which the client can then reject or accept. Accordingly, all orders on Simple Trade are "fill or kill" orders, meaning that each order is either entirely filled immediately

upon acceptance by the client or it is canceled. Upon the client's acceptance of an order, the Filer enters into a corresponding "hedging" transaction on the CB Orderbook, in such a way that market risk throughout the execution of the transaction is de minimis, with both the client transaction and the hedge transaction executed simultaneously.

53. The client-initiated transaction and the corresponding "hedging" transaction are almost never concluded at the same price; rather, in almost all cases, the Filer will fill a buy order from a customer only if the Filer is able to simultaneously fill its own buy order on the CB Orderbook at a price that is the same or lower than the price quoted to the client (and vice versa for sell orders from clients). Consequently, the Filer earns a "spread" (i.e., the difference between the price quoted to the client and the price at which the Filer itself enters an order to "hedge") in addition to any fee or other charge for the transaction.
54. Upon execution, there is no movement of Crypto Assets from one wallet to another on a blockchain. Rather, the Ledger is updated to reflect the change in the relevant ownership of Crypto Assets and fiat currency, and the client can immediately see the new balances of Crypto Assets and/or fiat currency in their account.
55. The Filer charges fees on each Crypto Asset trade executed via Simple Trade. Fees are calculated at the time the client places the order and include a spread, which is built into the quoted price. Including a spread in the price of the Crypto Asset allows the Platform to temporarily lock in a price for trade execution while clients review the transaction details prior to accepting the pending order. Fees are listed in the trade preview screen before a client submits the transaction, so the client has full visibility into the total cost of their transaction.
56. A detailed confirmation is provided to the client by the Filer following the execution of each order.

Advanced Trade

57. The Advanced Trade product offering provides clients with more advanced trading tools than Simple Trade (such as candlestick charting and direct access to real-time prices for each trading pair on the CB Orderbook) and improved order flows to make it easier for clients to place advanced order types (market orders, limit and stop limit orders). Clients can toggle between Simple Trade and Advanced Trade directly in the App or on the Website.
58. Clients using Advanced Trade can interact, through the Filer, directly with the applicable CB Orderbook for each trading pair. Clients have the ability to place maker and taker orders or to market buy or sell a particular Crypto Asset in exchange for another Crypto Asset or fiat currency. The Filer executes Advanced Trade orders on an agency basis on behalf of clients. Advanced Trade clients pay a percentage-based fee on each maker and taker trade (which depends on that client's trading volume). Advanced Trade orders may be partially filled. Advanced Trade clients do not pay a spread, as they are interacting, through the Filer as agent, directly with the CB Orderbook for each trading pair, so the Filer does not guarantee a particular price.

Coinbase Prime

59. The Coinbase Prime product offering is available in Canada to clients of the Filer that are permitted clients or Registered CTPs and are trading for a business or commercial purpose.
60. Coinbase Prime is a trading service that is intended to facilitate the efficient execution of large volume Crypto Asset orders. Through this trading service, buy and sell orders of Coinbase Prime Clients are routed by the Filer to multiple trading venues, including the Platform, third party crypto asset trading platforms and over-the-counter Crypto Asset dealers (**Connected Trading Venues**) by using automated trading routing technology to scan the market for the best available execution.
61. The Filer submits the orders of Coinbase Prime Clients to the Connected Trading Venues as agent for the client.
62. Coinbase Prime Clients receive trade execution, marketplace, settlement and clearing services from the Filer. In addition, Coinbase Prime Client may enter into a custody agreement directly with Coinbase Custody or Coinbase Custody International, pursuant to which Coinbase Custody (or Coinbase Custody International) holds Crypto Assets on behalf of the Coinbase Prime Client: (i) in an account clearly designated for the benefit of the Coinbase Prime Client and in trust for the Coinbase Prime Client; (ii) separate and apart from the assets of all other clients; and (iii) separate and apart from its own assets. Coinbase Custody and Coinbase Custody International are not permitted to and do not pledge, re-hypothecate or otherwise use any Crypto Assets held on behalf of Coinbase Prime clients.
63. The Coinbase Prime Brokerage Agreement provides that the Filer may hold trading balances on behalf of Coinbase Prime Clients in omnibus accounts with various Connected Trading Venues, including Crypto Asset and fiat trading balances (**Trading Balances**). These omnibus accounts may include the trading balances of users of the Coinbase Prime trading service in jurisdictions outside of Canada.

B.3: Reasons and Decisions

64. Coinbase Prime Clients can monitor their Trading Balances and the Crypto Asset balances held in their custody accounts with Coinbase Custody or Coinbase Custody International (**Vault Balances**) in real time through their user interface on the Platform. Coinbase Prime Clients can provide instructions for the movement of assets between their Trading Balances and Vault Balances.
65. When submitting an order for execution using the Coinbase Prime service, the full amount of Crypto Assets or fiat that is required to fund the order must be held in the client's Trading Balance.
66. Clients open a Coinbase Prime Account on the Platform via the Website or the App. The Filer's onboarding process for Coinbase Prime Clients includes the successful completion of KYC procedures which satisfy AML laws in Canada and relevant FINTRAC guidelines and requirements.
67. The Filer does not provide recommendations or advice to Coinbase Prime Clients or conduct a trade-by-trade suitability determination for clients. As part of the account opening process, the Filer confirms the following for each Coinbase Prime Client:
- (a) eligibility as a permitted client or Registered CTP;
 - (b) acceptance of the terms of the Coinbase Prime Brokerage Agreement; and
 - (c) acknowledgement that the custodial protections applicable to client assets held by the Filer on the Platform do not apply to assets of clients held in Coinbase Prime Accounts.
68. Coinbase Prime Clients enter into the Coinbase Prime Brokerage Agreement with the Filer, which includes provisions relating to:
- (a) procedures for funding buys and for withdrawing funds held by a client in its Coinbase Prime Account;
 - (b) the various fees charged to a Coinbase Prime Client, including trading fees and custody fees;
 - (c) how orders are entered, handled and interact, including
 - (i) the circumstances where orders trade with the Filer acting as principal, including any compensation provided;
 - (ii) the circumstances where orders are routed by the Filer as agent for execution on a Venue, which may include the Coinbase CB Orderbook;
 - (d) that the service may be interrupted under certain circumstances;
 - (e) access arrangements with Coinbase Custody and any third-party service provider, if applicable;
 - (f) that a client must comply with restrictions relating to its use of the Coinbase Prime Account, including that it is for commercial or business purposes only, and that it may not be used for personal, family or household purposes or to engage in unlawful activity, abusive activity or fraud; and
 - (g) description of the actual or potential conflicts of interest that Coinbase may have in connection with providing the Coinbase Prime trading service.

Fair Access

69. The Filer has established and applies written standards for access to Simple Trade and Advanced Trade on the Platform and related services, as described in representations 22 to 24, and has established and maintains and ensures compliance with policies and procedures to ensure clients are onboarded to the Platform and related services in accordance with those written standards.

Market Integrity

70. The Filer has taken reasonable steps to ensure that it operates a fair and orderly marketplace for Crypto Contracts, including the establishment of price and volume thresholds for orders entered on the Platform.
71. The Filer does not expect trading on the Platform to have a material impact on the global market for any Crypto Asset available through the Platform.
72. The Filer does not provide a client with access to the Platform unless it has the ability to terminate all or a portion of a client's access, if required.

73. The Filer has the ability to cancel, vary or correct trades and makes public, fair and appropriate policies governing the cancellation, variation or correction of trades on the Platform, including in relation to trades where the Filer acting as principal was a counterparty to the trade.
74. The Filer has established, maintains and ensures compliance with policies and procedures and maintains staff knowledge and expertise, and systems to monitor for and investigate potential instances of trading on the Platform that does not comply with applicable securities legislation (including prohibitions against market manipulation, insider trading and other abusive trading prohibitions) or any trading requirements set out in the user agreement, and has appropriate provisions and mechanisms for escalation of identified issues of non-compliance, including referral to the applicable securities regulatory authority where appropriate, to allow the Filer to take any resulting action considered appropriate to promote a fair and orderly market and address potential breaches of applicable securities legislation relating to trading on the Platform, which may include halting trading or limiting a client's activities on the Platform.
75. The policies and procedures referred to in the preceding paragraph include policies and procedures to track, review and take appropriate action in the context of complaints and reports from clients of potential instances of abusive trading on the Platform.
76. The Filer currently conducts surveillance of the Platform, which includes both automated and manual processes, for detecting abusive trading (including wash trading) and fraudulent activity. The Filer anticipates continuing development of its market surveillance software after becoming registered as a restricted dealer and resuming discussions with CIRO.

Transparency of Operations and of Order and Trade Information

77. The Filer discloses information reasonably necessary to enable a person or company to understand the marketplace operations or services, including:
- (a) access criteria, including how access is granted, denied, suspended, or terminated and whether there are differences between clients in access and trading;
 - (b) risks related to the operation of and trading on the Platform, including loss and cyber-risk;
 - (c) hours of trading;
 - (d) all fees and any compensation provided to the Filer or any affiliate, including foreign exchange rates, spreads etc.,
 - (e) how orders are entered, handled and interact including:
 - (i) the circumstances where orders trade with the Filer or an affiliate acting as principal or liquidity provider, including any compensation provided;
 - (ii) where entered into the order book, the types of orders, and how orders are matched and executed;
 - (f) policies and procedures relating to error trades, cancellations, modifications and dispute resolution;
 - (g) a list of all Crypto Assets and products available for trading on the Platform, along with the associated Crypto Asset Statements;
 - (h) conflicts of interest and the policies and procedures to manage or avoid them;
 - (i) the process for payment and settlement of transactions;
 - (j) how the Filer safeguards client assets, including the extent to which the Filer self-custodies client assets, along with the identity of any third-party custodians relied on by the platform to hold client assets;
 - (k) access arrangements with a third-party services provider, if any; and
 - (l) requirements governing trading, including prevention of manipulation and other market abuse.
78. The Filer provides for an appropriate level of transparency regarding the orders and trades on the Platform, including that:
- (a) The Filer displays on its website a Canadian dollar price chart for each Crypto Asset traded on which members of the public can view historic pricing information (primarily from <https://coinmarketcap.com>) over a one hour, one day, one week, one month, one year, and all-time period; and

- (b) Clients using Advanced Trade can view the order book live on the Platform and generate queries to get executed trade history to assist them in making informed investment and trading decisions. Clients can also generate these queries against their Advanced Trade history and between two prescribed date periods.

Confidentiality of Clients' Order and Trade Information

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

Books and Records

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

Internal Controls over Order Entry and Execution

- 82. The Filer maintains effective internal controls over systems that support order entry and execution, including that the Filer:
 - (a) has effective controls for system operations, information security, change management, problem management, network support and system software support;
 - (b) has effective security controls to prevent, detect and respond to security threats and cyber-attack on its systems that support trading and settlement services;
 - (c) has effective business continuity and disaster recovery plans;
 - (d) in accordance with prudent business practice, and on a reasonably frequent basis (at least annually):
 - (i) makes reasonable current and future systems capacity estimates;
 - (ii) conducts capacity stress tests to determine the ability of its order entry and execution systems to process transactions in an accurate, timely and efficient manner;
 - (iii) tests its business continuity and disaster recovery plans, and
 - (iv) reviews system vulnerability and its cloud-hosted environment to mitigate internal and external cyber threats; and
 - (e) continuously monitors and maintains internal controls over its systems.
- 83. The Filer has established and will maintain and apply effective policies and procedures to prevent fraud and market manipulation in connection with the Platform, including through policies and procedures to monitor for and investigate potential instances of abusive trading and/or fraud. Certain features of the Platform also help to limit the opportunities for fraud or market manipulation. These features include:
 - (a) limiting the use of the Platform to approved clients;
 - (b) only allowing orders to be entered by authorized users;
 - (c) using the pricing mechanics described above to price trades via the matching engine; and
 - (d) prohibiting the crossing of trades between accounts of the same client.

B.3: Reasons and Decisions

84. The Filer has also established and maintains, and Coinbase has agreed to establish and maintain, policies that:
- (a) address and escalate complaints, that govern the cancellation, variation and correction of trades executed through Coinbase and the Platform; and that
 - (b) address the maintenance of books, records and other documents relating to the transactions executed by the Filer, including, but not limited to:
 - (i) records of all orders and trades, including the product, quotes, executed price, volume, time when the order is entered, matched, canceled or rejected, and
 - (ii) the identifier of the authorized user that entered the order.
85. The Filer has, and Coinbase has agreed to have, risk management policies and procedures and internal controls in place to minimize the risk that clearing and settlement of trades will not take place according to the Filer's rules, policies and procedures. These policies and procedures address, and mitigate, counterparty risk by, among other things, establishing an approval process for counterparties, establishing risk limits per counterparty and addressing the potential for counterparty default.
86. Conflicts of interest between clients are identified and addressed by the system itself because the Platform does not permit for any level of differentiation between clients other than Coinbase Prime Clients. This means that all of the Filer's clients (including the Filer's affiliates that use the Platform) are treated the same when using the Simple Trade and Advanced Trade products. Clients can choose whether to trade on a transaction fee-based model or a subscription fee-based model. Clients will be treated the same as all other clients who opt for the same fee model. Further, the Filer will charge its affiliates fees on the same basis as it charges other clients, and all fees are transparent to the client. The Filer and the Filer's affiliates also do not trade against the Filer's clients through the Platform for speculative purposes.
87. The Filer has established and maintains and ensures compliance with policies and procedures that:
- (a) identify and manage or avoid conflicts of interest arising from the operation of the Platform and the related services it provides, including conflicts between the interests of its owners, its commercial interests, and the responsibilities and sound functioning of the Platform and related services.
 - (b) are designed to identify and manage or avoid conflicts of interest that arise from the trading activities on the Platform of the Filer or its affiliates as principal.
 - (c) include an appropriate level of disclosure of the specific conflicts to clients against whom the Filer or its affiliates may trade, and the circumstances in which conflicts may arise. This disclosure is included in the user agreement and other disclosures made to clients that specifically address conflicts of interest.
88. The Filer and Coinbase, Inc. have policies and procedures and internal controls in place to identify and prevent fraudulent transactions. These policies and procedures:
- (a) ensure the Filer and Coinbase, Inc. are complying with:
 - (i) sanctions laws and regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control
 - (ii) other applicable sanctions laws and regulations in the jurisdictions in which Coinbase operates, including:
 1. the *United Nations Act* (Canada),
 2. the *Special Economic Measures Act* (Canada), and
 3. the *Justice for Victims of Corrupt Foreign Officials Act* (Canada).
 - (b) identify and prohibit users from engaging in activity with designated individuals and entities, such as terrorists and narcotics traffickers, as well as some countries, which have been specially designated by applicable government and regulatory agencies.
 - (c) Along with internal controls, ensure compliance with anti-money laundering and terrorist financing legislation and regulations in the jurisdictions in which Coinbase operates (including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada)). Money laundering and terrorist financing refers to the use of the financial system to disguise proceeds of illicit activity, like funding the financial support of terrorism. The

United States and international regulators have issued requirements to prevent, detect, and report activity indicative of money laundering and terrorist financing.

Marketplace Operations

89. In certain Jurisdictions, the Platform is a “marketplace” as that term is defined in NI 21-101 and in Ontario, subsection 1(1) of the Act. Because Canadian clients can only access the Platform as clients of the Filer, the Filer is considered to be operating the Platform in Canada.
90. The Filer will file within 120 days of the decision date with the Principal Regulator completed exhibits to the Form 21-101F2 *Information Statement Alternative Trading System* for each of the following:
- (a) Exhibit E – Operations of the Marketplace;
 - (b) Exhibit F – Outsourcing;
 - (c) Exhibit G – Systems and Contingency Planning;
 - (d) Exhibit H – Custody of Assets;
 - (e) Exhibit I – Securities;
 - (f) Exhibit J – Access to Services; and
 - (g) Exhibit L – Fees.

Clearing and Settlement

91. In Ontario, the Filer will not operate a “clearing agency” or a “clearing house” as the terms are defined or referred to in securities or commodities futures legislation.
92. After a trade has been executed on behalf of a client by the Filer, the client’s account on the Platform is immediately debited by the amount of the fiat or Crypto Asset sold, and credited by the amount of the fiat or Crypto Asset purchased by the client (less any fees) on a delivery versus payment basis. This settlement process may occur between two client accounts on the Platform, or between one client account on the Platform and a client account in another jurisdiction operated by a Coinbase affiliate. Upon completion of this settlement process, the updated balances in the accounts on both sides of the trade are available to the respective clients.
93. As described above in representation 43, all Crypto Contracts are settled as between the Filer and each client immediately after the order is filled. Execution occurs on the Platform and settlement is immediate and recorded in the Ledger.
94. The Filer has risk management controls in place to minimize the risk that clearing and settlement of trades will not take place according to the Filer’s rules, policies and procedures. Importantly, all Crypto Assets and fiat currency which underlie the Crypto Contracts traded by the Filer’s clients using Simple Trade or Advance Trade are in the custody and control of Coinbase Custody, Coinbase, Inc., the Filer’s cash custodians or the Filer at all times.

Custody of Crypto Assets

95. The Filer has established accounting practices, internal controls and safekeeping and segregation procedures intended to protect clients’ assets.
96. The Filer will hold Crypto Assets for all clients other than Coinbase Prime Clients (i) in an account clearly designated for the benefit of the Filer’s clients or in trust for clients with Coinbase Custody, (ii) separate and apart from the assets of non-Canadian clients; and (iii) separate and apart from its own assets and from the assets of any custodial service provider. The Filer is not permitted to and does not pledge, re-hypothecate or otherwise use any Crypto Assets held on behalf of its clients.
97. The Filer has and will retain the services of Coinbase Custody to hold Crypto Assets in a designated trust account in the name of the Filer for the benefit of the Filer’s clients, other than Coinbase Prime Clients. As described above in paragraph 62, Coinbase Prime Clients may retain the services of Coinbase Custody or Coinbase Custody International directly to hold Crypto Assets in a designated account in the Coinbase Prime Client’s own name.
98. Coinbase Custody currently provides custodial services to Coinbase Prime Clients and will provide custodial services to the Filer via offline cold storage wallets. Coinbase Custody International currently provides custodial services to some Coinbase Prime Clients.

B.3: Reasons and Decisions

99. Coinbase Custody is a New York limited liability trust company chartered under the New York Banking Law and supervised by the New York State Department of Financial Services. Coinbase Custody is a foreign custodian.
100. Coinbase Custody has undergone a SOC 1 Type 2 examination, which evaluates the design and implementation of financial operations and reporting controls and a SOC 2 Type 2 examination, which evaluates the design and implementation of security, availability, and confidentiality controls. The Filer has reviewed such reports and has not identified any material concerns.
101. Under the intercompany custody agreement between Coinbase Custody and the Filer (the **Custody Agreement**), Coinbase Custody's personnel only perform services at the Filer's instructions. Coinbase, Inc. and Coinbase Global Inc. are not parties to the Custody Agreement and therefore, cannot be instructed to move the Filer's client assets stored in Coinbase Custody. Access to servers, databases, data and systems of Coinbase Custody's custody function in relation to any transfer or withdrawal of the Filer's client assets is strictly limited to personnel acting on behalf of Coinbase Custody.
102. The Filer will designate Authorized Representatives, who will be members of its personnel, as authorized to give instructions under the Custody Agreement. Such authorized individuals have appropriate authority, sophistication, expertise, and knowledge to understand the nature and risks, and make informed decisions, in respect of the custody services provided by Coinbase Custody.
103. Coinbase Global Inc., the parent company of the Filer and Coinbase Custody, maintains US\$235 million of insurance (per incident and overall) which covers losses of assets held by the Filer and Coinbase Custody on behalf of its clients, including the Filer as client of Coinbase Custody, due to third-party hacks, copying or theft of private crypto graphic keys, insider theft or dishonest acts by the Filer's employees or executives, Coinbase Custody employees or executives, and loss of cryptographic keys. The insurance policy is a global policy that benefits other entities in the Coinbase Global, Inc. group of companies. The Filer has assessed the insurance policies and has determined, based on information that is publicly available and on information provided by Coinbase Custody and considering the scope of Coinbase Custody's business, that the amount of insurance is appropriate.
104. The insurance policy is a global policy that benefits other subsidiaries, both direct and indirect, of Coinbase Global, Inc.
105. Coinbase Custody 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 protect, detect, and mitigate security breaches and cyber incidents. Coinbase Custody has established and applies written disaster recovery and business continuity plans.
106. Coinbase Custody has its own board of managers, officers, and employees separate from those of the Filer. The board's audit committee and compliance committee are independent directors and are not employed by or otherwise involved in the management of any other Coinbase entity. Coinbase Custody has its own policies and procedures with respect to capital and liquidity management and asset support. Coinbase Custody obtains various services from its affiliates under intercompany agreements. Access to the private keys in Coinbase Custody's custody is limited to personnel working on behalf of Coinbase Custody.
107. The Filer has conducted due diligence on Coinbase Custody. The Filer has assessed the risks and benefits of using Coinbase Custody and has determined that in comparison to a Canadian custodian, it is more beneficial to use Coinbase Custody, a U.S. custodian, to hold client assets than using a Canadian custodian. The Filer has established, and will maintain and apply, policies and procedures that are reasonably designed to ensure Coinbase Custody's records related to Crypto Assets that Coinbase Custody holds for clients of the Filer are accurate and complete. The Filer has determined that Coinbase Custody is not liable for any material financial obligations of the Filer or any affiliate of the Filer.
108. Where the Filer holds Crypto Assets for operational purposes when providing services to clients other than Coinbase Prime Clients, it does so in trust for the benefit of its clients and separate and distinct from the assets held for its clients.
109. 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, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities, and business continuity plans.

Staking Services

110. The Filer also offers Staking Services to its clients, other than Coinbase Prime 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. Additionally, Coinbase Custody and Coinbase Custody International may offer Staking Services to Coinbase Prime Clients.

111. The Filer offers clients the Staking Services only for (i) Crypto Assets of blockchains that use a proof-of-stake consensus mechanism, and (ii) the staked Crypto Assets that are used to guarantee the legitimacy of new transactions the Validator adds to the blockchain (**Stakeable Crypto Assets**).
112. The Filer is proficient and knowledgeable about staking Stakeable Crypto Assets.
113. The Filer itself does not act as a Validator. The Filer has entered into written agreements with certain of its custodians and/or with third party Validators to provide services in respect of staking Stakeable Crypto Assets. These custodians and Validators are proficient and experienced in staking Stakeable Crypto Assets.
114. Before engaging a Validator, the Filer conducts due diligence on the Validator, with consideration to the Validator's management, infrastructure and internal control documentation, security measures and procedures, reputation of operating nodes, use by others, measure taken to operate nodes securely and reliably, the 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 measures under applicable laws, particularly securities laws. Where the Filer engages a custodian to provide Staking Services, the Filer conducts due diligence on how the custodian provides the staking services and selects the Validators.
115. The Filer currently offers the Staking Services in respect of the Ethereum, Solana, Tezos, Polkadot, Cosmos and Cardano blockchains. The Filer may offer the Staking Services in respect of other Stakeable Crypto Assets in the future.
116. 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 custodians, including, but not limited to, information about:
 - (i) the persons or entities that manage and direct the operations of the Validator;
 - (ii) the Validator's reputation and use by others;
 - (iii) the amount of 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.
117. 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.
118. 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 the Staking Services available to the client.
119. The Filer only stake 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.

120. 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 122, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
121. 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.
122. 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. The risks that a client must acknowledge include, but are 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.
123. The Staking Services are currently available by using either the Coinbase App or the Coinbase Website.
124. To stake Stakeable Crypto Assets, a client may use the App or the Website to instruct the Filer to stake a specified amount of Stakeable Crypto Assets held by the client on the Platform.
125. Subject to any Lock-up Periods that may apply, the client may at any time use the App or Website to instruct the Filer to unstake a specified amount of Stakeable Crypto Assets that the client had previously staked.
126. The Filer holds the staked Stakeable Crypto Assets in trust for 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 custodians.
127. To stake clients' Stakeable Crypto Assets, the Filer instructs a custodian to transfer Stakeable Crypto Assets to an omnibus staking wallet and to sign a blockchain transaction confirming that assets in that wallet are to be staked with a Validator.
128. Similarly, when unstaking Stakeable Crypto Assets, the Filer instructs a custodian to sign a blockchain transaction confirming that assets in a staking wallet 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 wallet to cold storage wallets holding unstaked Stakeable Crypto Assets.
129. The Filer and its custodians remain in possession, custody and control of the staked Stakeable Crypto Assets at all times. At all times, the Filer's custodians continue to hold the private keys or other cryptographic key material required to stake or unstake clients' Stakeable Crypto Assets or to access staking rewards. Custody, possession and control of staked Stakeable Crypto Assets are not transferred to Validators or any other third parties in connection with the Staking Services.
130. 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.
131. 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 custodians. 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.
132. 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 Apps and on clients' account statements.
133. 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.
134. The Filer may show in the Apps 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.
135. 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.
136. When staking rewards are received into staking wallets in a time period, the Filer promptly calculates the total amount of the fee payable by clients using the Staking Services for that period and transfers an amount of Stakeable Crypto Assets equal to the fee to a separate wallet exclusively holding Crypto Assets belonging to the Filer.
137. 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.

B.3: Reasons and Decisions

138. For certain Stakeable Crypto Assets, the Filer may agree to reimburse clients for slashing penalties. The Client's user 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.
139. 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.
140. In addition, the Filer monitors its Validators for, among other things, downtime, jailing and slashing events and takes any appropriate action to protect Stakeable Crypto Assets staked by clients.

Capital Requirements

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

Decision

The Principal Regulator is satisfied that the Decision meets the test set out in the Legislation for the Principal Regulator to make the Decision and each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief and the Marketplace 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 and the Marketplace Relief, as applicable.

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

Dealer Activities

- I. Unless otherwise exempted by a further decision of the Principal Regulator, and if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under the securities legislation in any of the jurisdictions and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.
- II. The Filer is registered as a restricted dealer or investment dealer in the Principal Jurisdiction and the Applicable Jurisdiction in which the client is resident.
- III. Neither the Filer nor any employee, agent or other representative of the Filer will provide recommendations or advice to any client or prospective client.
- IV. The Filer will only engage in business activities governed by securities legislation as described in the representations above. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation. The Filer will not offer derivatives based on Crypto Assets other than Crypto Contracts.
- V. The Filer has and will continue to confirm that it is not liable for the debt of an affiliate or affiliates that could have material negative effect on the Filer.
- VI. At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of clients (other than Coinbase Prime 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 clients' Crypto Assets with an entity that does not meet certain criteria of an Acceptable Third-party Custodian.
- VII. Before the Filer holds Crypto Assets with a custodian referred to in condition VI, the Filer will take reasonable steps to verify that the custodian:
 - a. has appropriate insurance to cover the loss of Crypto Assets held at the custodian;

B.3: Reasons and Decisions

- b. 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;
 - c. will hold the Crypto Assets for its clients (i) in an account clearly designated for the benefit of clients or in trust for clients, (ii) separate and apart from the assets of non-Canadian clients; and (iii) separate and apart from its own assets and from the assets of any custodial service provider; 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.
- VIII. 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 or the New York State Department of Financial Services, makes a determination that the Filer is not permitted by that regulatory authority to hold clients' Crypto Assets. In such case, the Filer will identify a suitable alternative custody provider that meets the definition of an Acceptable Third-party Custodian to hold the Crypto Assets.
- IX. For the Crypto Assets held by the Filer, the Filer:
- a. will hold the Crypto Assets for its clients in trust for the benefit of its clients, and separate and distinct from the assets of the Filer;
 - b. will ensure there is appropriate insurance to cover the loss of Crypto Assets held by the Filer; and
 - c. will have established and apply written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.
- X. Before each prospective client opens an account, the Filer will deliver to the client a Risk Statement and, for a prospective client other than a Coinbase Prime Client, the Filer will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
- XI. For clients other than Coinbase Prime Clients with pre-existing accounts with the Filer at the time of this Decision, the Filer will deliver to the client a Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement at the earlier of (i) before placing their next trade or deposit of Crypto Assets on the Platform and (ii) the next time they log in to their account with the Filer.
- XII. The Risk Statement delivered as set out in conditions X and XI to new clients or clients with pre-existing accounts on the date of this Decision will be prominent and separate from other disclosures given to the client at the time the Risk Statement is delivered, and the acknowledgement will be separate from other acknowledgements given by the client at that time. This condition XII does not apply in respect of Coinbase Prime Clients.
- XIII. A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the website and in the App.
- XIV. Before a client other than a Coinbase Prime 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 or the App and includes the information set out in representation 35.
- XV. Existing clients at the time of the Decision other than Coinbase Prime Clients will be provided with links to the Crypto Asset Statements. The Crypto Asset Statements will be accessible by all clients on the Website.
- XVI. 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 or Crypto Asset, 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 in-App and website disclosures, with links provided to the updated Crypto Asset Statement.
- XVII. 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.

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- XVIII. For each client (other than Coinbase Prime Clients), the Filer will perform an account appropriateness assessment and establish the appropriate Client Limit for the client as described in representations 24 to 28 prior to opening an account and on an ongoing basis and at least every twelve months.
- XIX. The Filer will apply and monitor Client Limits as set out in representation 25.
- XX. 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.
- XXI. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets, that a client, except those clients that are residents of Alberta, British Columbia, Manitoba and Québec or that are permitted clients or that are Registered CTPs, may enter into Crypto Contracts to buy and sell on the Platform (calculated on a net basis and in an amount not less than \$0) in the preceding 12 months does not exceed a net acquisition cost of \$30,000.
- XXII. For Coinbase Prime Clients, the Filer will confirm their eligibility as described in representation 67 prior to opening a Coinbase Prime Account, and will obtain confirmation of their status as a permitted client or Registered CTP on an annual basis.
- XXIII. Coinbase Prime Clients will enter into the Coinbase Prime Brokerage Agreement with the Filer which include the provisions described in representation 68.
- XXIV. For Coinbase Prime Clients with pre-existing accounts under a Coinbase Prime Brokerage Agreement with Coinbase, Inc. or Coinbase Europe Limited at the time of this Decision, the Filer, Coinbase, Inc., and, if applicable, Coinbase Europe Limited, will jointly deliver to the client a notice of assignment of the Coinbase Prime Brokerage Agreement from Coinbase, Inc., to the Filer by no later than 90 days after the date of this Decision.
- XXV. In the Applicable 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 Applicable Jurisdiction.
- XXVI. 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.
- XXVII. The Filer will provide at least 45 days advance notice to the Principal Regulator for any material changes to the Form 21-101F2 information filed as described in representation 90, except in relation to changes to Exhibit L – Fees, in which case the Filer will provide at least 15 days' advance notice.
- XXVIII. The Filer will evaluate Crypto Assets as set out in representations 14 to 19.
- XXIX.
- a. The Filer will only trade with clients Crypto Assets or Crypto Contracts based on Crypto Assets that are
 - i. not in and of themselves securities or derivatives or
 - ii. Value-Referenced Crypto Assets that comply with the terms and conditions set out in Appendix F.
 - b. Notwithstanding (a)(ii), the Filer may allow clients to buy or deposit Value-Referenced Crypto Assets, or to enter into Crypto Contracts to buy or deposit Value-Referenced Crypto Assets, subject to the following conditions:
 - i. the Value-Referenced Crypto Asset complies with the conditions set out in section (1) of Appendix F;
 - ii. the Filer has determined that it is unable to maintain the operation of the Platform without the continued trading of such Value-Referenced Crypto Assets or Crypto Contracts based on such Value-Referenced Crypto Assets with clients;
 - iii. the Filer has identified the necessary modifications to the Platform so that it can function without trading such Value-Referenced Crypto Assets or Crypto Contracts based on such Value-Referenced Crypto Assets with clients;
 - iv. the Filer has represented in writing to the Principal Regulator that the modifications to the Platform will be completed as soon as practicable, and in any event, on or before October 31, 2024;

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- v. the Filer discloses publicly and includes disclosure in the Crypto Asset Statement of any such Value-Referenced Crypto Asset that the Filer is in the process of delisting all Value-Referenced Crypto Assets that do not comply with the terms and conditions set out in Appendix F and describes the changes being made to the Platform;
 - vi. if the modifications to the Platform have not been completed, the Filer will provide an update to the Principal Regulator on April 30, June 28, and August 30, 2024, on the progress of removing those Crypto Assets from the Platform; and
 - vii. the ability for any client to buy or deposit, or enter into Crypto Contracts to buy or deposit, any such Value-Referenced Crypto Assets must cease as soon as practicable and in any event on or before October 31, 2024.
- XXX. The Filer will not engage in trades without prior written consent of the Principal Regulator 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.
- XXXI. The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a client in an Applicable Jurisdiction, where the Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of a publicly announced order, judgment, decree, sanction, fine or administrative penalty imposed by, or has entered into a publicly announced settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of AML laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar or analogous conduct.
- XXXII. Except to allow clients to liquidate their positions in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by the client or with the prior written consent of the Principal Regulator, the Filer will promptly stop trading Crypto Contracts where the underlying is a Crypto Asset if (i) the Filer determines it to be, (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada or the foreign jurisdiction with which the Crypto Asset has the most significant connection determines it to be or (iii) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be, a security and/or a derivative.
- XXXIII. The Filer will exclude from the excess working capital calculation all the Crypto Assets it holds for which there is no offsetting by a corresponding current liability, as described in representation 141.
- XXXIV. The Filer will take steps to ensure that it complies with the provisions of Division 2 of Part 12 of NI 31-103, in particular paragraph 12.6(b) on or before June 30, 2024.

Functional Independence

- XXXV. At all times when Coinbase Custody acts as the custodian of client assets of the Filer, the Filer will ensure that Coinbase Custody is functionally independent from the Filer and that representations 106 and 107 remain true and correct.
- XXXVI. At all times, the Filer's representatives who are authorized to give instructions to Coinbase Custody on behalf of the Filer will not have overlapping functions at affiliated entities.
- XXXVII. At all times when a Coinbase affiliate is the custodian of client assets of the Filer, the Ultimate Designated Person and Chief Compliance Officer of the Filer, and 66 2/3% of the Board of Directors and Officers of the Filer, will not act as officers or directors of any affiliated entities.
- XXXVIII. At all times when a Coinbase affiliate is the custodian of client assets of the Filer, the Filer will notify the Principal Regulator promptly and, in any event, no later than 30 days after, of any material change to the custodian's functional independence from the Filer.
- XXXIX. The Filer will not be liable for the financial obligations of Coinbase Custody, Coinbase, Inc. or Coinbase Global Inc.

Financial Viability

- XL. The Filer will maintain sufficient financial resources for the proper performance of the marketplace services and the clearing or settlement services, and for the performance of these functions in furtherance of its compliance with these terms and conditions.

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- XLI. The Filer will notify the Principal Regulator immediately upon becoming aware that the Filer does not or may not have sufficient financial resources in accordance with the requirements of condition XL.

Trading Limitations

- XLII. The Filer will not submit orders on a proprietary basis, other than in connection with offsetting trades relating to client orders that are executed on a riskless principal basis, or as it otherwise deems appropriate for the delivery of its services. For clarity, at no time shall the Filer trade against its clients for speculative purposes.
- XLIII. Within 120 days of the date of this Decision, the Filer shall deliver to the Principal Regulator completed Exhibits E through L of Form 21-101F2.
- XLIV. The Filer must not implement a significant change to the information in the Form 21-101F2 unless it has delivered an amendment of the Form 21-101F2 describing the significant change to the Principal Regulator at least 45 days prior to implementing the significant change.

Marketplace Activities – Fair Access

- XLV. The Filer will not unreasonably prohibit, condition or limit access of clients to the Platform.
- XLVI. The Filer will ensure that Coinbase does not permit unreasonable discrimination with respect to the Filer's clients in relation to the Platform.
- XLVII. Any person or company resident in Canada must access the Coinbase Global Platform, including for marketplace services and the clearing or settlement services, through the Platform.

Marketplace Activities – Market Integrity

- XLVIII. The Filer will take reasonable steps to ensure its operations do not interfere with fair and orderly markets in relation to the Platform.
- XLIX. The Filer will not provide access to the Platform unless it has the ability to terminate all or a portion of a client's access, if required.
- L. The Filer will maintain accurate records of all of its trade monitoring and complaint handling activities in relation to the Platform, and of the reasons for actions taken or not taken. The Filer will make such records available to the Principal Regulator upon request.
- LI. The Filer must monitor each client's compliance with restrictions relating to its use of the Platform, including complying with the Trading Requirements and avoiding Prohibited Uses and report breaches of securities law, as appropriate, to the applicable securities regulatory authority or regulator.

Marketplace Activities – Conflicts of Interest

- LII. When the Filer or an affiliate trades with the Filer's clients on a principal basis, the Filer will ensure that its clients receive fair and reasonable prices.
- LIII. The Filer will annually review compliance with the policies and procedures that identify and manage conflicts of interest described in representation 87 and will document in each review any deficiencies that were identified and how those deficiencies were remedied.

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

- LIV. The Filer will maintain public disclosure of the information outlined in representation 77 in a manner that reasonably enables a person or company to understand the marketplace operations or services.
- LV. For orders and trades entered into and executed on the Platform, the Filer will make available to clients an appropriate level of information regarding those orders and trades in real-time to facilitate clients' investment and trading decisions, as described in representation 78.
- LVI. The Filer will make publicly available on its website, on a timely basis, an appropriate level of information about trades that have occurred on the Platform as described in representation 78.

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Marketplace Activities – Confidentiality

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

Clearing and Settlement Activities

- LIX. For any clearing or settlement activity conducted by the Filer, the Filer will:
- a. maintain adequate procedures and processes to ensure the provision of accurate and reliable settlement services in connection with Crypto Assets;
 - b. maintain appropriate risk management policies and procedures and internal controls to minimize the risk that settlement will not take place as expected;
 - c. limit the provision of clearing and settlement services to Crypto Assets and fiat currency which underlie the Crypto Contracts traded on the Platform; and
 - d. limit the provision of clearing and settlement services to clients of the Filer, and, to the extent applicable, other Coinbase entities in relation to trades executed on the Platform.

Notification to Principal Regulator

- LX. The Filer will promptly notify the Principal Regulator and indicate what steps have been taken by the Filer to address the situation should any of the following occur:
- a. any failure or breach of systems of controls or supervision that has a material impact on the Filer, including when they
 - i. involve the Filer's business;
 - ii. involve the services or business of an affiliate of the Filer;
 - iii. Involve the Acceptable Third-party Custodian;
 - iv. are cybersecurity breaches of the Filer, an affiliate of the Filer, or services that impact the Filer; or
 - v. are a malfunction, delay, or security breach of the systems or controls relating to the operation of the marketplace or clearing or settlement functions;
 - b. any amount of specified Crypto Assets are identified as lost;
 - c. any investigations of, or regulatory action against, the Filer, or an affiliate of the Filer, by a regulatory authority in any jurisdiction in which it operates which may impact the operations of the Filer;
 - d. details of any litigation instituted against the Filer, or an affiliate of the Filer, which may impact the operation of the Filer;
 - e. notification that the Filer, or an affiliate of the Filer, has instituted a petition for a judgment of bankruptcy, insolvency, or similar relief, or to wind up or liquidate the Filer, or an affiliate of the Filer, or has a proceeding for any such petition instituted against it; and
 - f. the appointment of a receiver or the making of any voluntary arrangement with a creditors.

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Books and Records

- LXI. The Filer and Coinbase Inc. will keep books, records and other documents reasonably necessary for the proper recording of their businesses and to demonstrate compliance with the Legislation and the conditions of this Decision, including, but not limited to, records of all orders and trades, including the product, quotes, executed price, volume, time when the order is entered, matched, cancelled or rejected, and the identifier of any authorized user that entered the order.
- LXII. The Filer and Coinbase Inc. will maintain the aforementioned books, records and other documents in electronic form and promptly provide them in the format and at the time requested by the Principal Regulator pursuant to the Legislation. Such books, records and other documents will be maintained by the Filer and Coinbase Inc. for a minimum of seven years.

Systems and internal controls

- LXIII. The Filer and Coinbase Inc. will maintain effective internal controls over systems that support the Platform and the Coinbase Global Platform including internal controls to ensure that its systems function properly and have adequate capacity and security.
- LXIV. The Filer and Coinbase Inc. will maintain effective information technology controls to support the Platform and the Coinbase Global Platform including controls relating to operations, information security, cyber resilience, change management, network support and system software support.
- LXV. The Filer and Coinbase Inc. will maintain, update and test a business continuity plan, including emergency procedures, and a plan for disaster recovery that provides for the timely recovery of operations and fulfilment of its obligations with respect to the Platform and the Coinbase Global Platform, including in the event of a wide-scale or major disruption.

Staking

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

Reporting

- LXVII. The Filer will deliver the reporting as set out in Appendix D.
- LXVIII. The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following aggregated quarterly information relating to trading activity on the Platform (which does not include trades executed on behalf of Coinbase Prime Clients on Connected Trading Venues other than the Coinbase CB Orderbook) within 30 days of the end of each March, June, September and December:
- a. total number of trades and total traded value on a by pair basis, with each such reported value further broken out by the proportion of trades and traded value that were a result of trades between two clients compared to trades between a client and the Filer or affiliate of the Filer.
 - b. total number of executed client orders and total value of executed client orders on a by pair basis, with each such reported value further broken out by the proportion of executed market orders compared to executed limit orders.
- LXIX. The Filer will provide to the Principal Regulator quarterly summary statistics on its trade monitoring and complaint handling activities in relation to the Platform, including the following:
- a. the number of instances of improper trading activity identified, by category, and the proportion of each such category that arose from client complaints/reports;
 - b. the number of instances in (a) that were further investigated or reviewed, by category;
 - c. the number of investigations in (b), by category, that were closed with no action;
 - d. a summary of each investigation in (b) that was escalated for action to be taken, including a description of the action taken in each case; and
 - e. a summary of the status of any open investigations.
- LXX. 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 25 were exceeded during that month.

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- LXXI. 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 Lockup Period and the length of the Lock-up Period;
 - iii. the amount of Crypto Assets that clients have requested to unstake; and
 - iv. the amount of rewards earned by the Filer and the clients for the Crypto Assets staked under the Staking Services;
 - d. the names of any third parties used to conduct the Staking Services;
 - e. any instance of slashing, jailing or other penalties being imposed for validator error,
 - f. the details of why these penalties were imposed; and
 - g. any reporting regarding the Filer's liquidity management as requested by the Principal Regulator.
- LXXII. The Filer will deliver to the Principal Regulator, within 30 days of the end of each March, June, September and December, either:
- a. blackline copies of changes made to the policies and procedures on the operations of its wallets (including, but not limited to, establishment of wallets, transfer of Crypto Assets into and out of the wallets and authorizations to access the wallets) previously delivered to the Principal Regulator; or
 - b. a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.
- LXXIII. In addition to any other reporting required by the Legislation, the Filer will provide, on a timely basis, any report, data, document or information that the Filer has available or would be reasonably expected to have available to the Principal Regulator, including any information about the Filer's Acceptable Third-party Custodian(s) and the Crypto Assets held by the Filer's Acceptable Third-party Custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation, in a format acceptable to the Principal Regulator. Unless otherwise prohibited under applicable law, the Filer will share with the Principal Regulator information relating to regulatory and enforcement matters that will materially impact its business.
- LXXIV. Upon request, the Filer will provide the Principal Regulator and the securities regulators or securities regulatory authorities of each of the Non-Principal Jurisdictions with aggregated and/or anonymized data concerning client demographics and activity on the Platform that may be useful to advance the development of the Canadian regulatory framework for trading crypto assets.

Terms and Conditions Applicable to Coinbase, Inc.

- LXXV. Coinbase, Inc. will facilitate the allocation of sufficient financial and non-financial resources for the operations of the Filer to ensure the Filer can carry out its functions in a manner that is consistent with securities legislation and the Decision.
- LXXVI. Coinbase, Inc. will notify the Principal Regulator immediately upon:
- a. becoming aware that it is or will be unable to allocate sufficient financial or other resources to the Filer as required under condition LXXV; or
 - b. becoming aware that any of the marketplace provisions are or will not be complied with.
- LXXVII. Coinbase, Inc. will ensure that all conditions provided herein are complied with. To the extent investor protection concerns arise in respect of the Filer or the Platform, Coinbase Inc. will, acting reasonably and in good faith, engage in discussions with the Principal Regulator or the Coordinated Review Decision Maker raising it to address the concern. Coinbase, Inc.

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will, subject to applicable law, promptly provide to the Principal Regulator, on request, any and all data, information, and analyses in its custody or control related to the business and operations of the Filer and the Platform without limitations, redactions, restrictions, or conditions, provided that nothing in this section will be construed to abrogate solicitor-client privilege or any similar doctrines that may apply to communications with and work product produced by counsel.

LXXXVIII. Except for the services provided by the Filer to any person or company resident in Canada and the custodial services Coinbase Custody and Coinbase Custody International provide to Coinbase Prime Clients, neither Coinbase, Inc. nor any of its affiliates is permitted to provide, or allow access to, any services governed by securities legislation, whether offered by Coinbase, Inc. or any of its affiliates, to any person or company resident in an Applicable Jurisdiction, without the approval of the securities regulatory authority or regulator in such Applicable Jurisdiction.

LXXXIX. Coinbase, Inc. will perform trading services for the Filer only upon instructions from the Filer.

Changes to and Expiration of Decision

LXXX. 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.

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

LXXXII. 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 6 months after the date of the Decision;
- b. submit an application with CIRO to become a dealer member no later than 6 months after the date of the Decision; and
- c. work actively and diligently with the OSC, the AMF and CIRO to transition the Platform to investment dealer registration and obtain CIRO membership.

LXXXIII. This Decision shall expire two years from the date of this Decision.

LXXXIV. This Decision may be amended by the Principal Regulator from time to time upon prior written notice to the Filer.

“Susan Greenglass”
Senior Vice President, Trading & Markets
Ontario Securities Commission

Application File #: 2023/0161

Appendix A

1. In this Decision, the 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**);
 - (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

List of Specified Crypto Assets

- Bitcoin
- Ether
- Bitcoin Cash
- Litecoin
- A Value-Referenced Crypto Asset that complies with condition XXIX.

Appendix C

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 has provided its prior written consent, the Filer offers clients the Staking Services only for (i) Crypto Assets of blockchains that use a proof of stake consensus mechanism and (ii) the staked Crypto Assets that are used to guarantee the legitimacy of new transactions the Validator adds to the blockchain (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. The Filer's KYP Policy includes a review of the Stakeable Crypto Assets made available to clients for staking and staking protocols related to those Stakeable Crypto Assets prior to offering those Stakeable Crypto Assets as part of the Staking Services. The Filer's review includes the following:
 - (a) the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (b) the operation of the proof-of-stake blockchain for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (c) the staking protocols for the Stakeable Crypto Assets that the Filer proposes to offer for staking;
 - (d) the risks of loss of the staked Stakeable Crypto Assets, including from software bugs and hacks of the protocol;
 - (e) the Validators engaged by the Filer or the Filer's Custodians, including, but not limited to, information about:
 - (i) the persons or entities that manage and direct the operations of the Validator,
 - (ii) the Validator's reputation and use by others,
 - (iii) the amount of Stakeable Crypto Assets the Validator has staked on its own nodes,
 - (iv) the measures in place by the Validator to operate the nodes securely and reliably,
 - (v) the financial status of the Validator,
 - (vi) the performance history of the Validator, including but not limited to the amount of downtime of the Validator, past history of "double signing" and "double attestation/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 paragraph 11 below, and requires the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
11. The Filer clearly explains in the Risk Statement the risks with respect to staking and the Staking Services in plain language, which include, at a minimum:
 - (a) the details of the Staking Services and the role of all 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.

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13. Immediately before each time a client buys or deposits Stakeable Crypto Assets that are automatically staked pursuant to an existing agreement by the client to the Staking Services, the Filer provides prominent disclosure to the client that the Stakeable Crypto Asset it is about to buy or deposit will be automatically staked.
14. The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Staking Services and/or Stakeable Crypto Assets.
15. In the event of any update to the Risk Statement, for each existing client that has agreed to the Staking Services, the Filer will promptly notify the client of the update and deliver to them a copy of the updated Risk Statement.
16. In the event of any update to a Crypto Asset Statement, for each existing client that has agreed to the Staking Services in respect of the Stakeable Crypto Asset for which the Crypto Asset Statement was updated, the Filer will promptly notify the client of the update and deliver to the client a copy of the updated Crypto Asset Statement.
17. The Filer and the Custodians remain in possession, custody and control of the staked Stakeable Crypto Assets at all times.
18. The Filer holds the staked Stakeable Crypto Assets for its clients in one or more omnibus staking wallets in the name of the Filer for the benefit of the Filer's clients with the Custodians and the staked Stakeable Crypto Assets are held separate and distinct from (i) the assets of the Filer, the Custodians and the Custodians' other clients; and (ii) the Crypto Assets held for its clients that have not agreed to staking those specific Crypto Assets.
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 D

Data Reporting

1. Commencing with the quarter ending June 30, 2023, the Filer will deliver the following information to the Principal Regulator and each of the Coordinated Review Decision Makers in an agreed form and manner specified by the Principal Regulator and each of the Coordinated Review Decision Makers with respect to clients residing in the 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 (other than activity conducted for Coinbase Prime Accounts) that will include the following:
 - (i) number of client accounts opened each month in the quarter;
 - (ii) number of client accounts frozen or closed each month in the quarter;
 - (iii) number of client accounts applications rejected by the Platform each month in the quarter based on the account appropriateness factors described in representation 24;
 - (iv) number of trades each month in the quarter;
 - (v) average value of the trades in each month in the quarter;
 - (vi) number of client accounts with a net acquisition cost greater than \$30,000 of Crypto Assets at the end of each month in the quarter;
 - (vii) number of client accounts that in the preceding 12 months, excluding Specified Crypto Assets, exceeded a net acquisition cost of \$30,000 at the end of each month in the quarter;
 - (viii) number of client accounts at the end of each month in the quarter;
 - (ix) number of client accounts with no trades during the quarter;
 - (x) number of client accounts that have not been funded at the end of each month in the quarter;
 - (xi) number of client accounts that hold a positive amount of Crypto Assets at end of each month in the quarter; and
 - (xii) number of client accounts that exceeded their Client Limit at the end of each month in the quarter.
 - (b) aggregate reporting of activity conducted pursuant to the Platform's operations for Coinbase Prime Accounts 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 trades each month in the quarter; and
 - (iv) average value of the trades in each month in the quarter;
 - (c) the details of any client complaints received by the Filer during the calendar quarter and how such complaints were addressed;
 - (d) a listing of all blockchain addresses, except for deposit addresses and addresses used only for Coinbase Prime Accounts, that hold Crypto Assets on behalf of clients, including all hot and cold wallets;
 - (e) 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
 - (f) the details of the transaction volume per Crypto Asset during the quarter (excluding Coinbase Prime Accounts).
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

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data elements outlined in Appendix E. The obligation to deliver this report for Coinbase Prime Clients will commence with the quarter ending June 30, 2024.

Appendix E

Data Element Definitions, Formats, and Allowable Values

Data Elements Related to each Unique Client

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

Data Elements Related to each Unique Account

Number	Data Element Name	Definition for Data Element ²	Format	Values	Example
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
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

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

² Note: Digital Token refers to either data associated with a Digital Token, or a Digital Token referenced in an investment contract.

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7.	Digital Token Identifier	Alphanumeric code that uniquely identifies the Digital Token held in the account.	Char(9)	Digital Token Identifier as defined by ISO 24165. See the following link for more details on the ISO standard for Digital Token Identifiers. https://dtif.org/	4H95J0R2X
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Data Elements Related to each Digital Token Identifier Held in each Account

Number	Data Element Name	Definition for Data Element ³	Format	Values	Example
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
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

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

Number	Data Element Name	Definition for Data Element ⁴	Format	Values	Example
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

³ Note: Digital Token refers to either data associated with a Digital Token, or a Digital Token referenced in an investment contract.

⁴ Note: Digital Token refers to either data associated with a Digital Token, or a Digital Token referenced in an investment contract.

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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

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

Number	Data Element Name	Definition for Data Element ⁵	Format	Values	Example
18.	Client Limit	The Client Limit established on each account.	Num(25,2)	Any value greater than or equal to zero rounded to the nearest dollar in CAD, or if a percentage, in decimal format.	0.50
19.	Client Limit Type	The type of limit as reported in (18).	Char(3)	AMT (amount) or PER (percent).	PER

⁵ Note: Digital Token refers to either data associated with a Digital Token, or a Digital Token referenced in an investment contract.

Appendix F

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

- (1) The Filer establishes that all of the following conditions are met:
- (a) The Value-Referenced Crypto Asset references, on a one-for-one basis, the value of a single fiat currency (the “reference fiat currency”).
 - (b) The reference fiat currency is the Canadian dollar or United States dollar.
 - (c) The Value-Referenced Crypto Asset entitles a Value-Referenced Crypto Asset holder who maintains an account with the issuer of the Value-Referenced Crypto Asset to a right of redemption, subject only to reasonable publicly disclosed conditions, on demand directly against the issuer of the Value-Referenced Crypto Asset or against the reserve of assets, for the reference fiat currency on a one-to-one basis, less only any fee that is publicly disclosed by the issuer of the Value-Referenced Crypto Asset, and payment of the redemption proceeds within a reasonable period as disclosed by the issuer of the Value-Referenced Crypto Asset.
 - (d) The issuer of the Value-Referenced Crypto Asset maintains a reserve of assets that is:
 - (i) in the reference fiat currency and is comprised of any of the following:
 - 1. cash;
 - 2. investments that are evidence of indebtedness with a remaining term to maturity of 90 days or less and that are issued, or fully and unconditionally guaranteed as to principal and interest, by the government of Canada or the government of the United States;
 - 3. securities issued by one or more Money Market Funds licensed, regulated or authorized by a regulatory authority in Canada or the United States of America; or
 - 4. such other assets that the principal regulator of the Filer and the regulator or securities regulatory authority in each Canadian jurisdiction where clients of the Filer reside has consented to in writing;
 - (ii) all of the assets that comprise the reserve of assets are:
 - 1. measured at fair value in accordance with Canadian GAAP for publicly accountable enterprises or U.S. GAAP at the end of each day;
 - 2. held with a Qualified Custodian;
 - 3. 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;
 - 4. 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
 - 5. not encumbered or pledged as collateral at any time; and
 - (iii) the fair value of the reserve of assets is at least equal to the aggregate nominal value of all outstanding units of the Value-Referenced Crypto Asset at least once each day.
- (2) The issuer of the Value-Referenced Crypto Asset makes all of the following publicly available:
- (a) details of each type, class or series of the Value-Referenced Crypto Asset, including the date the Value-Referenced Crypto Asset was launched and key features and risks of the Value-Referenced Crypto Asset;
 - (b) the quantity of all outstanding units of the Value-Referenced Crypto Asset and their aggregate nominal value at least once each business day;

- (c) the names and experience of the persons or companies involved in the issuance and management of the Value-Referenced Crypto Asset, including the issuer of the Value-Referenced Crypto Asset, any manager of the reserve of assets, including any individuals that make investment decisions in respect of the reserve of assets, and any custodian of the reserve of assets;
- (d) the quantity of units of the Value-Referenced Crypto Asset held by the issuer of the Value-Referenced Crypto Asset or any of the persons or companies referred to in paragraph (c) and their nominal value at least once each business day;
- (e) details of how a Value-Referenced Crypto Asset holder can redeem the Value-Referenced Crypto Asset, including any possible restrictions on redemptions such as the requirement for a Value-Referenced Crypto Asset holder to have an account with the issuer of the Value-Referenced Crypto Asset and any criteria to qualify to have an account;
- (f) details of the rights of a Value-Referenced Crypto Asset holder against the issuer of the Value-Referenced Crypto Asset and the reserve of assets, including in the event of insolvency or winding up;
- (g) all fees charged by the issuer of the Value-Referenced Crypto Asset for distributing, trading or redeeming the Value-Referenced Crypto Asset;
- (h) whether Value-Referenced Crypto Asset holders are entitled to any revenues generated by the reserve of assets;
- (i) details of any instances of any of the following:
 - (i) the issuer of the Value-Referenced Crypto Asset has suspended or halted redemptions for all Value-Referenced Crypto Asset holders;
 - (ii) the issuer of the Value-Referenced Crypto Asset has not been able to satisfy redemption rights at the price or in the time specified in its public policies;
- (j) within 45 days of the end of each month, an assurance report from a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America, and that meets the professional standards of that jurisdiction, that complies with all of the following:
 - (i) provides reasonable assurance in respect of the assertion by management of the issuer of the Value-Referenced Crypto Asset that the issuer of the Value-Referenced Crypto Asset has met the requirements in paragraphs (1)(d)-(f) as at the last business day of the preceding month and at least one randomly selected day during the preceding month;
 - (ii) the randomly selected day referred to in subparagraph (i) is selected by the public accountant and disclosed in the assurance report;
 - (iii) for each day referred to in subparagraph (i), management's assertion includes all of the following:
 - 1. details of the composition of the reserve of assets;
 - 2. the fair value of the reserve of assets in subparagraph (1)(e)(i);
 - 3. the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b);
 - (iv) the assurance report is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants;
- (k) starting with the first financial year ending after December 1, 2023, within 120 days of the issuer of the Value-Referenced Crypto Asset's financial year end, annual financial statements of the issuer of the Value-Referenced Crypto Asset that comply with all of the following:
 - (i) the annual financial statements include all of the following:
 - 1. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

2. a statement of financial position, signed by at least one director of the issuer of the Value-Referenced Crypto Asset, as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;
 3. notes to the financial statements;
 - (ii) the statements are prepared in accordance with one of the following accounting principles:
 1. Canadian GAAP applicable to publicly accountable enterprises;
 2. U.S. GAAP;
 - (iii) the statements are audited in accordance with one of the following auditing standards:
 1. Canadian GAAS;
 2. International Standards on Auditing;
 3. U.S. PCAOB GAAS;
 - (iv) the statements are accompanied by an auditor's report that,
 1. if (iii)1 or 2 applies, expresses an unmodified opinion,
 2. if (iii)3 applies, expresses an unqualified opinion,
 3. identifies the auditing standards used to conduct the audit, and
 4. is prepared and signed by a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America.
- (3) The Crypto Asset Statement includes all of the following:
- (a) a prominent statement that no securities regulatory authority or regulator in Canada has evaluated or endorsed the Crypto Contracts or any of the Crypto Assets made available through the platform;
 - (b) a prominent statement that the Value-Referenced Crypto Asset is not the same as and is riskier than a deposit in a bank or holding cash with the Filer;
 - (c) a prominent statement that although Value-Referenced Crypto Assets may be commonly referred to as "stablecoins", there is no guarantee that the Value-Referenced Crypto Asset will maintain a stable value when traded on secondary markets or that the reserve of assets will be adequate to satisfy all redemptions;
 - (d) a prominent statement that, due to uncertainties in the application of bankruptcy and insolvency law, in the event of the insolvency of [Value-Referenced Crypto Asset issuer], there is a possibility that creditors of [Value-Referenced Crypto Asset issuer] would have rights to the reserve assets that could outrank a Value-Referenced Crypto Asset holder's rights, or otherwise interfere with a Value-Referenced Crypto Asset holder's ability to access the reserve of assets in the event of insolvency;
 - (e) a description of the Value-Referenced Crypto Asset and its issuer;
 - (f) a description of the due diligence performed by the Filer with respect to the Value-Referenced Crypto Asset;
 - (g) a brief description of the information in section (2) and links to where the information in that section is publicly available;
 - (h) a link to where on its website the issuer of the Value-Referenced Crypto Asset will disclose any event that has or is likely to have a significant effect on the value of the Value-Referenced Crypto Asset or on the reserve of assets.
 - (i) a description of the circumstances where the secondary market trading value of the Value-Referenced Crypto Asset may deviate from par with the reference fiat currency and details of any instances where the secondary market trading value of the Value-Referenced Crypto Asset has materially deviated from par with the reference fiat currency during the last 12 months on the Filer's platform;

B.3: Reasons and Decisions

- (j) a brief description of any risks to the client resulting from the trading of a Value-Referenced Crypto Asset or a Crypto Contract in respect of a Value-Referenced Crypto Asset that may not have been distributed in compliance with securities laws;
 - (k) any other risks specific to the Value-Referenced Crypto Asset, including the risks arising from the fact that the Filer may not, and a client does not, have a direct redemption right with the issuer of the Value-Referenced Crypto Asset;
 - (l) a direction to the client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the platform;
 - (m) a statement that the statutory rights in section 130.1 of the *Securities Act* (Ontario) and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision;
 - (n) the date on which the information was last updated.
- (4) If the Filer uses the term “stablecoin” or “stablecoins” in any information, communication, advertising or social media related to the Platform and targeted at or accessible by Canadian investors, the Filer will also include the following statement (or a link to the following statement when impractical to include):
- (5) “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.”
- (6) 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)*.
- (7) The KYP Policy of the Filer requires the Filer to assess whether the Value-Referenced Crypto Asset or the issuer of the Value-Referenced Crypto Asset satisfies the criteria in sections (1), (2) and (5) of this Appendix on an ongoing basis.
- (8) The Filer has policies and procedures to facilitate halting or suspending deposits or purchases of the Value-Referenced Crypto Asset, or Crypto Contracts in respect of the Value-Referenced Crypto Asset, as quickly as is commercially reasonable, if the Value-Referenced Crypto Asset no longer satisfies the criteria in sections (1), (2) and (5) of this Appendix.
- (9) In this Appendix, terms have the meanings set out in Appendix D of CSA SN 21-333.

B.3.3 Jefferies LLC

Headnote

U.S. registered broker-dealer exempted from the dealer registration requirement in subsection 25(1) of the Act to permit its provision of certain prime brokerage services (which do not include the execution of trades) – Exemption limited to trades in “Canadian securities” (which the decision defines as a security that is not a “foreign security” as that term is defined in subsection 8.18(1) of NI 31-103) for certain (institutional) permitted clients – Exemption is subject to a 5-year sunset clause.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 19, 19(1), 19(2), 25(1), 74(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, ss. 4.4(c), 4.7, 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.5, 8.18, 8.18, 8.21, Form 31-103F1 Calculation of Excess Working Capital.
National Instrument 81-102 Investment Funds, Part 6.
Ontario Securities Commission Rule 13-502 Fees.

April 4, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

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

AND

**IN THE MATTER OF
JEFFERIES LLC
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the “**Application**”) for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) exempting the Filer from the dealer registration requirement under subsection 25(1) of the *Securities Act* (Ontario) (the “**Act**”) in respect of Prime Services (as defined below) relating to Canadian securities (as defined below) that are provided in Canada to

Institutional Permitted Clients (as defined below) (the “**Exemption Sought**”).

The principal regulator granted similar relief to the Filer in a decision dated May 31, 2019, subject to a five-year sunset clause (the “**Previous Decision**”). The Previous Decision will expire on May 31, 2024 (the “**Termination Date**”).

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

- (a) the Ontario Securities Commission (“**OSC**”) is the principal regulator for this Application, and
- (b) the Filer has provided notice that section 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 of Canada in which the Filer relies on the exemption found in section 8.18 [*International dealer*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”) other than the province of Alberta (the “**Passport Jurisdictions**”) and together with the Jurisdiction, the “**Jurisdictions**”).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. For the purposes of this decision, the following terms have the following meanings:

“**Canadian security**” means a security that is not a foreign security;

“**foreign security**” has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

“**Institutional Permitted Client**” shall mean a “permitted client” as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as a permitted client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least \$100 million as shown on its most recently prepared financial statements or qualifies as a permitted client under another paragraph of that definition;

“**Prime Services**” means any of the following: (a) settlement, clearing and custody of trades; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) rehypothecation of securities to finance cash and securities loans made to prime brokerage clients; (e) securities borrowing pursuant to a securities lending agreement; and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

“Prime Services Clients” means an Institutional Permitted Client to whom the Filer provides Prime Services in the Jurisdictions in respect of Canadian securities in addition to foreign securities.

Representations

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

1. The Filer is a limited liability company formed under the laws of the State of Delaware. The head office of the Filer is located in the state of New York, United States of America (“**U.S.**”). It is a direct wholly owned subsidiary of Jefferies Financial Group Inc., a New York corporation.
2. The Filer is registered as a broker-dealer with the U.S. Securities and Exchange Commission (“**SEC**”) and is a member of the U.S. Financial Industry Regulatory Authority (“**FINRA**”). This registration and membership permits the Filer to provide Prime Services (as set out below) in the U.S.
3. The Filer is a member of the New York Stock Exchange (“**NYSE**”), the Nasdaq Stock Market and certain other securities exchanges in the U.S.
4. The Filer provides a variety of capital raising, investment banking, market making, brokerage and advisory services, including: fixed income and equity sales and research; commodities trading; foreign exchange sales; emerging markets activities; holding and financing customer accounts; clearing and settling transactions; and securities lending and derivatives dealing for governments, corporations and financial institutions. The Filer also conducts proprietary trading activities.
5. The Filer provides Prime Services in accordance with the Previous Decision.
6. The Filer has applied for the Exemption Sought in order to continue to provide Prime Services in Canada with respect to Canadian securities to Prime Services Clients that are Institutional Permitted Clients after the Termination Date.
7. The Filer does not provide trade execution services in Canadian securities to Canadian Institutional Permitted Clients.
8. The “Prime Services” provided by the Filer to its Prime Services Clients principally consist of the following: (a) settlement, clearing and custody of trades; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) securities borrowing pursuant to a securities lending agreement; (e) rehypothecation of securities to finance cash and securities loans made to prime brokerage clients; and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

9. The Filer offers Prime Services to Institutional Permitted Clients in the Jurisdictions in respect of Canadian securities and securities of non-Canadian issuers.
10. In the case of a Prime Services Client that is an investment fund subject to Part 6 of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), the custodianship requirements in Part 6 of NI 81-102 would apply and the Filer would provide Prime Services to an investment fund in compliance with the securities laws applicable to the investment fund, including Part 6 of NI 81-102 and, in the case of a Prime Services Client that is a registrant, the custody requirements set out in NI 31-103 would apply.
11. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and financing of a trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and financing of securities in an account with the Filer.
12. The Filer’s Prime Services Clients directly select their executing brokers. The Filer does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from the dealer registration requirement that permits such executing broker to execute the trade for Prime Services Clients.
13. The Filer provides the Prime Services after the execution of the trade, but any commitment to provide financing or to lend or borrow securities in relation to a trade may be made prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer’s clearing agent, as applicable. A Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.
14. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer’s clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, who in turn maintains a record of the position held for the Prime Services Client on its books and records.

15. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 8.
16. The Filer enters into written agreements with each of its Prime Services Clients for the provision of Prime Services.
17. The Filer currently relies on the “international dealer exemption” under section 8.18 [*International dealer*] of NI 31-103 in all provinces of Canada except Newfoundland and Labrador to provide Prime Services in respect of “foreign securities” as defined in section 8.18 of NI 31-103.
18. The Filer is not registered under the securities legislation of any of the jurisdictions of Canada and, in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of Canadian securities without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*] and under section 8.21 [*Specified debt*] of NI 31-103.
19. The Filer is subject to regulatory capital requirements under the *Securities Exchange Act of 1934* (the “**1934 Act**”), specifically SEC Rule 15c3-1 *Net Capital Requirements for Brokers or Dealers* (“**SEC Rule 15c3-1**”) and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers* (“**SEC Rule 17a-5**”).
20. SEC Rule 15c3-1 requires that the Filer account for any guarantee of debt of a third party in calculating its excess net capital when a loss is probable and the amount can be reasonably estimated. Accordingly, the Filer will, in the event that it provides a guarantee of any debt of a third party, take a deduction from net capital when both of the preceding conditions exist. The Filer does not guarantee the debt of any third party.
21. SEC Rule 15c3-1 is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which investment dealers that are dealer members of the Canadian Investment Regulatory Organization (“**CIRO**”) are subject. The Filer is in compliance with SEC Rule 15c3-1 and is in compliance in all material respects with SEC Rule 17a-5. If the Filer’s net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 *Notification Provisions for Brokers and Dealers* (“**SEC Rule 17a-11**”). The SEC and FINRA have the responsibility to provide oversight over the Filer’s compliance with SEC Rule 15c3-1 and SEC Rule 17a-5.
22. The Filer is required to prepare and file a financial report, which includes Form X-17a-5 (the “**FOCUS Report**”) which is the financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1 *Calculation of Excess Working Capital* (“**Form 31-103F1**”) under NI 31-103. The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.
23. The Filer is subject to regulations of the Board of Governors of the U.S. Federal Reserve Board (“**FRB**”), the SEC, and FINRA regarding the lending of money, extension of credit and provision of margin to clients (the “**U.S. Margin Regulations**”) that provide protections that are substantially similar to the protections provided by the requirements regarding the lending of money, extension of credit and provision of margin to clients to which dealer members of CIRO are subject. In particular, the Filer is subject to the margin requirements imposed by the FRB, including Regulation T, and under applicable SEC rules and under FINRA Rule 4210. The Filer is in compliance in all material respects with applicable U.S. Margin Regulations.
24. The Filer holds customer assets in accordance with Rule 15c3-3 of the 1934 Act, as amended (“**SEC Rule 15c3-3**”). SEC Rule 15c3-3 requires the Filer to segregate and keep segregated all “fully-paid securities” and “excess margin securities” (as such terms are defined in SEC Rule 15c3-3) of its customers from its proprietary assets. In addition to the segregation of customers’ securities, SEC Rule 15c3-3 requires the Filer to deposit an amount of cash or qualified government securities determined in accordance with a reserve formula set forth in SEC Rule 15c3-3 in an account entitled “Special Reserve Account for the Exclusive Benefit of Customers” of the Filer at separate banks and/or custodians. The combination of segregated securities and cash reserve are designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements to which dealer members of CIRO are subject. If the Filer fails to make an appropriate deposit, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 15c3-3(i). The Filer is in material compliance with the possession and control requirements of SEC Rule 15c3-3.

B.3: Reasons and Decisions

25. The Filer is a member of the Securities Investors Protection Corporation (“SIPC”) and, subject to the eligibility criteria of SIPC, Prime Services Clients’ assets held by the Filer are insured by SIPC against loss due to insolvency.
26. The Filer is not in default of any requirements of securities legislation in any jurisdiction in Canada.
27. The Filer is in compliance in all material respects with U.S. securities laws.
28. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:
- (a) the Filer is regulated as a broker-dealer under the securities legislation of the U.S., and is subject to the requirements referred to in paragraphs 19 to 25;
 - (b) the availability of and access to Prime Services in respect of Canadian securities is important to Canadian institutional investors who are active participants in the international marketplace;
 - (c) the Filer will provide Prime Services in the Jurisdictions in respect of Canadian securities only to Institutional Permitted Clients;
 - (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada; and
 - (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.
29. The Filer is a “market participant” as defined under subsection 1(1) of the Act. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the Act, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of business transactions and financial affairs, and the transactions executed on behalf of others, and to deliver such records to the OSC if required.
30. The Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.
- The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:
- (a) has its head office or principal place of business in the U.S.;
 - (b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Prime Services in the U.S.;
 - (c) is a member of FINRA;
 - (d) is a member of SIPC;
 - (e) is subject to requirements over regulatory capital, lending of money, extension of credit, provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer members of CRO are subject (the Investment Dealer and Partially Consolidated Rules);
 - (f) limits its provision of Prime Services in the Jurisdictions in respect of Canadian securities to Institutional Permitted Clients;
 - (g) does not execute trades in Canadian securities with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;
 - (h) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;
 - (i) submits the financial report and compliance report as described in SEC Rule 17a-5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;
 - (j) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer’s financial year end;
 - (k) submits to the OSC immediately a copy of any notice it files under SEC Rule 17a-11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;
 - (l) complies with the filing and fee payment requirements that would be applicable to the Filer if it were a registrant under OSC Rule 13-502 *Fees*, including, for clarity, participation fees based on its specified Ontario revenues attributable to capital markets activities conducted in reliance on the “international dealer exemption” under section 8.18 [International Dealer] of NI 31-103, if applicable, and capital

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

B.3: Reasons and Decisions

- markets activities conducted in reliance on the exemption in this decision;
- (m) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and
 - (n) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Felicia Tedesco"
Deputy Director, Registration, Inspections & Examinations
Ontario Securities Commission

Application File #: 2024/0073

B.3.4 Milan Trklja

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5,
AS AMENDED

AND

IN THE MATTER OF
AN APPLICATION FOR
REGISTRATION OF
MILAN TRKLJA

DECISION OF THE DIRECTOR

1. Milan (also known as Michael) Trklja has applied for reactivation of registration as a dealing representative in the category of mutual fund dealer under the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**) with Carte Wealth Management Inc. (**Carte**).
2. Mr. Trklja was previously registered under the Act with several different firms from 1991 to 2010, and from January to June 2017. He subsequently applied to reactivate his registration, under Carte's sponsorship, on March 11, 2022. Following a review of that application, the Compliance and Registrant Regulation Branch (the **CRR Branch**, as it then was) took the position that Mr. Trklja had not demonstrated the requisite integrity for registration and that his registration would otherwise be objectionable, and recommended to the Director that Mr. Trklja's application be refused.
3. The CRR Branch relied on the following grounds in recommending a refusal of Mr. Trklja's prior application for registration:
 - a. He provided inconsistent explanations for failing to make certain required disclosures on his Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals (Form F4)*, and he did not provide a reasonable basis for failing to make the required disclosures in any of his explanations.
 - b. He provided inconsistent and misleading information regarding his termination for cause from CIBC in February 2021 on his Form F4 and in his interactions with the Ontario Securities Commission.
 - c. He failed to provide true and complete disclosure regarding his prior employment on his Form F4.
4. Mr. Trklja requested an opportunity to be heard before the Director (**OTBH**) before a decision was made regarding the CRR Branch's recommendation, in accordance with s. 31 of the Act, and the OTBH was scheduled for December 14, 2022. However, Mr. Trklja's prior application for registration was withdrawn on December 12, 2022 and the OTBH did not proceed.
5. Mr. Trklja re-applied for registration on June 9, 2023. Following a review of the application, the CRR Branch sent a letter to Mr. Trklja on March 22, 2024, informing him that the CRR Branch had recommended to the Director that his registration be granted subject to following terms and conditions (**Terms and Conditions**) which are set out in Schedule "A":
 - a. Mr. Trklja would be subject to strict supervision by Carte for a minimum period of one year; and
 - b. Mr. Trklja shall not act as a branch manager or in a supervisory capacity while he is subject to strict supervision.
6. The CRR Branch's March 22, 2024 letter cited the following grounds, among others, in support of its recommendation:
 - a. Mr. Trklja took a number of steps to address the concerns that were raised by the CRR Branch in recommending a refusal of his prior application for registration, and to rehabilitate his suitability for registration. Mr. Trklja expressed remorse for his conduct and took responsibility for it, and he completed coursework to improve his understanding of compliance and the importance of ethical conduct in a regulatory context.
 - b. Mr. Trklja has been employed with Rapport Credit Union since March 2022 and was promoted to a supervisory role in January 2023. He represented to the CRR Branch that there have been no concerns or complaints with respect to his conduct during his employment with Rapport Credit Union.
 - c. However, while Mr. Trklja had corrected some of the disclosure regarding his past employment that was noted by the CRR Branch in the context of his prior application for registration, the CRR Branch was concerned with a number of instances in Mr. Trklja's current Form F4 where he provided inadequate disclosure, including with respect to his termination for cause from CIBC.

B.3: Reasons and Decisions

- d. Mr. Trklja advised the CRR Branch that in his current application for registration, he did not initially disclose his termination for cause from CIBC in Item 12 – *Resignations and Terminations* of his Form F4 and that the disclosure was corrected after it was brought to his attention by Carte.
 - e. As a result, although the CRR Branch now took the position that Mr. Trklja could be registered, the CRR Branch recommended the Terms and Conditions because of its concerns with Mr. Trklja's proficiency and his willingness and ability to provide accurate and complete information on matters that are relevant to his registration.
7. The CRR Branch's March 22, 2024 letter informed Mr. Trklja of his right to an OTBH before a decision was made regarding the CRR Branch's recommendation, in accordance with s. 31 of the Act. Mr. Trklja did not request an OTBH, and both he and Carte accepted the Terms and Conditions. Accordingly, Mr. Trklja's registration in Ontario was reactivated effective March 28, 2024, subject to the Terms and Conditions.

"Jason Tan"

Manager, Registration
Registration, Inspections and Examinations Division

April 3, 2024

Date

Schedule "A"

**Terms and Conditions for
Registration of Milan Trklja**

The registration of Milan Trklja (the **Registrant**) as a dealing representative in the category of mutual fund dealer is subject to the terms and conditions set out below. These terms and conditions were imposed by the Director pursuant to subsection 27(3) of the *Securities Act* (Ontario).

Strict Supervision

1. The Registrant is subject to strict supervision.
2. Monthly Strict Supervision Reports (in the form specified in Schedule A to CSA Staff Notice 31-349 *Change to Standard Form Reports for Close Supervision and Strict Supervision Terms and Conditions*) are to be completed on the Registrant's sales activities and dealings with clients. The supervision reports are to be retained by the sponsoring firm and must be made available for review upon request or as required by the Strict Supervision Report.

Other

3. The Registrant shall not act as a branch manager or in a supervisory capacity while the Registrant is subject to strict supervision.

These terms and conditions of registration constitute Ontario securities law, and a failure by the Registrant to comply with these terms and conditions may result in further regulatory action against the Registrant, including a suspension of his registration.

B.3.5 RBC Direct Investing Inc. et al.

Headnote

Multilateral Instrument 11-102 Passport System, National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, National Instrument 33-109 Registration Information – Bulk transfers of individual registrants and business locations between affiliated entities within the same jurisdiction and registration category, upon the acquisition and reorganization of various affiliated entities.

March 19, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

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

AND

**IN THE MATTER OF
RBC DIRECT INVESTING INC.
(RBC DI),
RBC DOMINION SECURITIES INC.
(RBC DS),
ROYAL MUTUAL FUNDS INC.
(RMFI),
RBC PHILLIPS, HAGER & NORTH INVESTMENT
COUNSEL INC.
(RBC PH&N)
(collectively, the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the principal regulator (the **Legislation**) for relief from sections 2.2, 2.3, 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of permitted individuals, registered individuals and business locations, as applicable, of each of HSBC Investment Funds (Canada) Inc. (**HIFC**), HSBC Private Investment Counsel (Canada) Inc. (**HPC**) and HSBC Securities (Canada) Inc. (**HSCI** and together with HIFC and HPC, the **HSBC Canada-Affiliated Registrants**) in connection with the proposed acquisition (the **Proposed Transaction**) by Royal Bank of Canada (**RBC**) of HSBC Bank Canada (**HSBC Canada**), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for this application in respect of each of the Filers, and
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada outside of Ontario in respect of each of the Filers (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning in this decision, unless they are otherwise defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

Background to the Proposed Transaction, the Filers and the HSBC-Canada Affiliated Registrants

1. Under the Proposed Transaction, expected to close on or about March 28, 2024, RBC will purchase all of the issued and outstanding shares in the capital of HSBC Canada, resulting in RBC owning HSBC Canada.
2. At the closing of the Proposed Transaction, RBC will be combined with HSBC Canada and other HSBC entities and, as a result, the HSBC Canada-Affiliated Registrants will become subsidiaries of RBC.
3. Immediately thereafter, HSCI will be combined with RBC DI and RBC DS, HIFC will be combined with RMFI, and HPC will be combined with RBC PH&N.
4. Each of RBC DI, RBC DS, RMFI and RBC PH&N is incorporated and existing under the *Canada Business Corporations Act* (**CBCA**).
5. The head offices of RBC DI and RBC PH&N are located at 155 Wellington Street West, Toronto, Ontario. The head office of RBC DS is located at 200 Bay Street, Toronto, Ontario. The head office of RMFI is located at 88 Queen's Quay, Toronto, Ontario.
6. The Filers are not in default of any requirements of the securities legislation, commodity futures legislation or derivatives legislation in any of the Jurisdictions.
7. Each of HIFC and HPC are incorporated and existing under the CBCA. HSCI is incorporated and existing under the *Business Corporations Act* (Ontario).
8. The head offices of HIFC and HPC are located at 885 West Georgia Street, Vancouver, British

Columbia. The head office of HSCI is located at 16 York Street, Toronto, Ontario.

Bulk Transfer from HSCI to RBC DI and RBC DS

9. HSCI is registered as an investment dealer in all of the provinces and territories of Canada, and in Québec as a derivatives dealer. The NRD number of HSCI is 17220. HSCI has approximately 63 registered dealing representatives. HSCI has 6 business locations.
10. RBC DI is registered as an investment dealer in all of the provinces and territories of Canada and as a derivatives dealer in Québec.
11. RBC DS is registered as an investment dealer in all of the provinces and territories of Canada, as a futures commission merchant in Ontario and Manitoba and as a derivatives dealer in Québec.
12. As a result of the Proposed Transaction, all individuals that fall within clause (a) of the definition of “registered individual” under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* currently registered with HSCI, as well as the business locations of HSCI, will be transferred to RBC DI or RBC DS, as applicable. All of the current registrable activities of HSCI will become the responsibility of either RBC DI or RBC DS, as applicable. RBC DI and RBC DS will assume all of the existing registrations and approvals for all of the registered individuals and all of the business locations transferred from HSCI. The registered individuals transferred to RBC DI and RBC DS will carry on the same registrable activities carried on by them at HSCI.

Bulk Transfer from HIFC to RMFI

13. HIFC is registered as a mutual fund dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan. The NRD number of HIFC is 1680. HIFC has approximately 1084 registered dealing representatives. HIFC has 137 business locations.
14. RMFI is registered as a mutual fund dealer in all of the provinces and territories of Canada.
15. As a result of the Proposed Transaction, all individuals that fall within clause (a) of the definition of “registered individual” under NI 31-103 currently registered with HIFC, as well as the business locations of HIFC, will be transferred to RMFI. All of the current registrable activities of HIFC will become the responsibility of RMFI, except for a limited number of accounts that will be transferred to RBC DS. RMFI will assume all of the existing registrations and approvals for all of the registered individuals and all of the business locations transferred from HIFC. The registered individuals

transferred to RMFI will carry on the same registrable activities carried on by them at HIFC.

Bulk Transfer from HPC to RBC PH&N

16. HPC is registered as a portfolio manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan. The NRD number of HPC is 45230. HPC has approximately 22 advising representatives and associate advising representatives. HPC has 4 business locations.
17. RBC PH&N is registered as a portfolio manager in all of the provinces and territories of Canada.
18. As a result of the Proposed Transaction, all individuals that fall within clause (a) of the definition of “registered individual” under NI 31-103 currently registered with HPC, as well as the business locations of HPC, will be transferred to RBC PH&N. All of the current registrable activities of HPC will become the responsibility of RBC PH&N. RBC PH&N will assume all of the existing registrations and approvals for all of the registered individuals and all of the business locations transferred from HPC. The registered individuals transferred to RBC PH&N will carry on the same registrable activities carried on by them at HPC. RBC PH&N will ensure compliance with all terms and conditions of registration applicable to all representatives whose registration is currently subject to terms and conditions at HPC.

Impact of the Bulk Transfers

19. From a registration perspective, the Filers do not anticipate a disruption to the Filers’ ability to advise and/or trade on behalf of their clients as well as the HSBC Canada-Affiliated Registrants’ clients upon closing of the Proposed Transaction and combination of their respective businesses. Clients of the HSBC Canada-Affiliated Registrants have been notified by way of a joint notice (*i.e.*, between HSBC Canada-Affiliated Registrants and the Filers) of the Proposed Transaction and the integration with the respective Filer.
20. Given the significant number of business locations and individuals that are associated on the National Registration Database with the HSBC Canada-Affiliated Registrants and the Filers, it would be extremely difficult and unduly time-consuming to transfer each individual registration from the HSBC Canada-Affiliated Registrants to the Filers in accordance with the requirements set out in NI 33-109 in a manner so as not to interrupt the Filers’ business activities as registrants if the Exemption Sought is not granted.
21. It is important that the transfers of the affected business locations and individuals occur on the date that the respective businesses of the Filers and the HSBC Canada-Affiliated Registrants are

combined, in order to ensure that there is no lapse in registration. The Exemption Sought will provide for an efficient and timely transfer of information and reduce the risk of inadvertent errors caused by a large number of separate transactions and entries on the National Registration Database, thus reducing administrative costs.

22. The Filers acknowledge that the decision of the principal regulator to grant the Exemption Sought will not prejudice the authority of the regulators or securities regulatory authorities of the Jurisdictions (collectively, the **Regulatory Authorities**) to revoke, suspend or impose terms and conditions on the registration of one or more of the registered or permitted individuals covered by the Bulk Transfer. If, at any time before or after the completion of the Bulk Transfer, it is determined that a registered or permitted individuals covered by the Bulk Transfer is not suitable for registration or has failed to comply with applicable securities legislation or the registration of the individual is otherwise objectionable, the Filers will not rely on the decision granting the Exemption Sought to challenge or seek remedy against the authority or jurisdiction of any of the Regulatory Authorities to revoke, suspend or impose terms and conditions on the registration of one or more of the registered or permitted individuals covered by the Bulk Transfer.
23. The Exemption Sought will not be contrary to the public interest and will have no negative consequence on the ability of the Filers or the HSBC Canada-Affiliated Registrants to comply with all applicable regulatory requirements or the ability to satisfy obligations to their clients.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

“Elizabeth King”
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
PlantFuel Life Inc.	April 2, 2024	
Vice Health And Wellness Inc.	April 4, 2024	
Anaergia Inc.	April 8, 2024	
Biomind Labs Inc.	April 8, 2024	
CRAFT 1861 Global Holdings Inc.	April 8, 2024	
RDARS Inc.	April 8, 2024	
StageZero Life Sciences Ltd.	April 8, 2024	
VM Hotel Acquisition Corp.	April 8, 2024	
Heritage Cannabis Holdings Corp.	April 8, 2024	
Euromax Resources Ltd.	April 8, 2024	
EV Technology Group Ltd.	April 8, 2024	
1020650 B.C. Ltd.	April 8, 2024	
Better Plant Sciences Inc	April 8, 2024	
Lotus Ventures Inc.	April 8, 2024	
Search Minerals Inc	April 8, 2024	
Avarone Metals Inc.	April 8, 2024	
Assure Holdings Corp.	April 8, 2024	
GLG Life Tech Corporation	April 8, 2024	
Interfield Global Software Inc.	April 8, 2024	
VBI Vaccines Inc.	April 8, 2024	
Lumiera Health Inc	April 8, 2024	

B.4: Cease Trading Orders**B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders**

Company Name	Date of Order	Date of Lapse
PlantFuel Life Inc	January 30, 2024	April 2, 2024
Odd Burger Corporation	January 30, 2024	April 3, 2024
Payfare Inc.	April 3, 2024	
Perk Labs Inc.	April 4, 2024	

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
PlantFuel Life Inc.	January 30, 2024	April 2, 2024
Odd Burger Corporation	January 30, 2024	April 3, 2024
Biovaxys Technology Corp.	February 29, 2024	
Helix BioPharma Corp.	March 25, 2024	
Payfare Inc.	April 3, 2024	
Perk Labs Inc.	April 4, 2024	

B.5 Rules and Policies

B.5.1 OSC Rule 45-508 Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption

OSC RULE 45-508 EXTENSION TO ONTARIO INSTRUMENT 45-507 SELF-CERTIFIED INVESTOR PROSPECTUS EXEMPTION

Purpose

1. This Rule provides, in Ontario, a temporary extension to the exemption provided in Ontario Instrument 45-507 *Self-Certified Investor Prospectus Exemption* (Interim Class Order), pursuant to paragraph 143.11(3)(b) of the *Securities Act* (Ontario).

Extension of temporary exemption

2. *Paragraph 14(a) of Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption (Interim Class Order) is amended by replacing “April 25, 2024, unless extended by the Commission” with “October 25, 2025”.*

Effective date

3. This Rule comes into force on April 25, 2024.

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B.7 Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9 IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Portland 15 of 15 Alternative Fund
Portland Life Sciences Alternative Fund
Portland Replacement of Fossil Fuels Alternative Fund
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Apr 5, 2024
NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06088078

Issuer Name:

CI Galaxy Bitcoin ETF
CI Galaxy Ethereum ETF
CI Galaxy Multi-Crypto ETF

Principal Regulator – Ontario**Type and Date**

Final Long Form Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 2, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06092269

Issuer Name:

Scotia Wealth Credit Absolute Return Pool
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06082940

Issuer Name:

Chorus II 100 per cent Equity Growth Portfolio
Chorus II Aggressive Growth Portfolio
Chorus II Balanced Low Volatility Portfolio
Chorus II Conservative Low Volatility Portfolio
Chorus II Growth Portfolio
Chorus II Maximum Growth Portfolio
Chorus II Moderate Low Volatility Portfolio
Desjardins Alt Long/Short Equity Market Neutral ETF Fund
Desjardins American Equity Growth Currency Neutral Fund
Desjardins American Equity Growth Fund
Desjardins American Equity Value Fund
Desjardins Canadian Bond Fund
Desjardins Canadian Corporate Bond Fund
Desjardins Canadian Equity Fund
Desjardins Canadian Equity Income Fund
Desjardins Canadian Equity Value Fund
Desjardins Canadian Preferred Share Fund
Desjardins Canadian Small Cap Equity Fund
Desjardins Dividend Balanced Fund (Formerly Desjardins
Dividend Income Fund)
Desjardins Dividend Growth Fund
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06076683

Issuer Name:

Desjardins Emerging Markets Bond Fund
Desjardins Emerging Markets Fund
Desjardins Emerging Markets Opportunities Fund
Desjardins Enhanced Bond Fund
Desjardins Floating Rate Income Fund
Desjardins Global Balanced Growth Fund
Desjardins Global Balanced Strategic Income Fund
Desjardins Global Corporate Bond Fund
Desjardins Global Dividend Fund
Desjardins Global Equity Fund
Desjardins Global Government Bond Index Fund
Desjardins Global High Yield Bond Fund
Desjardins Global Infrastructure Fund
Desjardins Global Managed Bond Fund
Desjardins Global Small Cap Equity Fund
Desjardins Global Tactical Bond Fund
Desjardins Global Total Return Bond Fund
Desjardins International Equity Value Fund
Desjardins Low Volatility Canadian Equity Fund
Desjardins Money Market Fund
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06076697

Issuer Name:

Desjardins SocieTerra International Small Cap Equity Fund
Desjardins SocieTerra Low Volatility Global Equity Fund
Desjardins SocieTerra Positive Change Fund
Desjardins SocieTerra Short-Term Income Fund
Desjardins Sustainable Canadian Corporate Bond Fund
Melodia 100 per cent Equity Growth Portfolio
Melodia Balanced Growth Portfolio
Melodia Conservative Income Portfolio
Melodia Diversified Growth Portfolio
Melodia Diversified Income Portfolio
Melodia Maximum Growth Portfolio
Melodia Moderate Growth Portfolio
Melodia Moderate Income Portfolio
Melodia Very Conservative Income Portfolio
SocieTerra Balanced Portfolio
SocieTerra Conservative Portfolio
SocieTerra Fixed Income Portfolio
SocieTerra Growth Portfolio
SocieTerra Maximum Growth Portfolio
SocieTerra Moderate Portfolio
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06076705

Issuer Name:

Societerra 100 per cent Equity Portfolio
Wise 100 per cent Equity ETF Portfolio
Wise Balanced 50 ETF Portfolio
Wise Balanced ETF Portfolio
Wise Conservative ETF Portfolio
Wise Fixed Income ETF Portfolio
Wise Growth ETF Portfolio
Wise Maximum Growth ETF Portfolio
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06076709

Issuer Name:

Desjardins Overseas Equity Fund
Desjardins Overseas Equity Growth Fund
Desjardins Québec Balanced Fund
Desjardins Short-Term Income Fund
Desjardins SocieTerra American Equity Fund
Desjardins SocieTerra American Small Cap Equity Fund
Desjardins SocieTerra Canadian Bond Fund
Desjardins SocieTerra Canadian Equity Fund
Desjardins SocieTerra Canadian Equity Income Fund
Desjardins SocieTerra Cleantech Fund
Desjardins SocieTerra Emerging Markets Bond Fund
Desjardins SocieTerra Emerging Markets Equity Fund
Desjardins SocieTerra Environmental Bond Fund
Desjardins SocieTerra Global Balanced Fund
Desjardins SocieTerra Global Bond Fund
Desjardins SocieTerra Global Corporate Bond Fund
Desjardins SocieTerra Global Dividend Fund
Desjardins SocieTerra Global Managed Bond Fund
Desjardins SocieTerra Global Opportunities Fund
Desjardins SocieTerra International Equity Fund
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06076726

Issuer Name:

Russell Investments Global Balanced
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Apr 2, 2024
NP 11-202 Final Receipt dated Apr 3, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06085933

Issuer Name:

CC&L Alternative Income Fund
CC&L Global Long Short Fund (formerly, CC&L Alternative Canadian Equity Fund)
CC&L Global Market Neutral II Fund (formerly, CC&L Alternative Global Equity Fund)
PCJ Absolute Return II Fund
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Mar 28, 2024
NP 11-202 Final Receipt dated Apr 5, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06086003

Issuer Name:

Brompton Lifeco Split Corp.
Principal Regulator – Ontario

Type and Date

Final Shelf Prospectus dated Apr 1, 2024
NP 11-202 Final Receipt dated Apr 2, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06101241

Issuer Name:

First Trust AlphaDEX U.S. Health Care Sector Index ETF
First Trust AlphaDEX U.S. Industrials Sector Index ETF
First Trust AlphaDEX U.S. Technology Sector Index ETF
First Trust Canadian Capital Strength ETF
First Trust Cloud Computing ETF
First Trust Dow Jones Internet ETF
First Trust Global Risk Managed Income Index ETF
First Trust Indxx Innovative Transaction and Process ETF
First Trust Indxx NextG ETF
First Trust International Capital Strength ETF
First Trust JFL Fixed Income Core Plus ETF
First Trust JFL Global Equity ETF
First Trust Morningstar Dividend Leaders ETF (CAD-Hedged)
First Trust Nasdaq Cybersecurity ETF
First Trust NASDAQ® Clean Edge® Green Energy ETF
First Trust NYSE Arca Biotechnology ETF
First Trust Senior Loan ETF (CAD-Hedged)
First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Principal Regulator – Ontario

Type and Date

Final Long Form Prospectus dated Apr 5, 2024
NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06093248

Issuer Name:

3iQ Bitcoin ETF
3iQ Ether Staking ETF
Principal Regulator – Ontario

Type and Date

Final Long Form Prospectus dated Mar 29, 2024
NP 11-202 Final Receipt dated Apr 4, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06094137

Issuer Name:

Portland Canadian Balanced Fund
Portland Global Balanced Fund
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Apr 5, 2024
NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06088076

Issuer Name:

Harvest Balanced Income & Growth Enhanced ETF
Harvest Balanced Income & Growth ETF
Harvest Diversified Equity Income ETF
Harvest Industrial Leaders Income ETF
Harvest Travel & Leisure Income ETF
Principal Regulator – Ontario

Type and Date

Final Long Form Prospectus dated Apr 4, 2024
NP 11-202 Final Receipt dated Apr 5, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06093211

Issuer Name:

Sun Life Amundi Emerging Markets Debt Fund
Sun Life Global Tactical Yield Private Pool
Principal Regulator – Ontario

Type and Date

Amendment #2 to Final Simplified Prospectus dated March 18, 2024
NP 11-202 Final Receipt dated Apr 2, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #03531278

Issuer Name:

Dynamic Conservative Yield Private Pool Class
Principal Regulator – Ontario

Type and Date

Amendment #2 to Final Simplified Prospectus dated Apr 5, 2024
NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06038397

Issuer Name:

Desjardins Global Equity Growth Fund
Desjardins Low Volatility Global Equity Fund
Desjardins SocieTerra Diversity Fund
Principal Regulator – Quebec

Type and Date

Amendment #1 to Final Simplified Prospectus dated Mar 28, 2024

NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06042284

Issuer Name:

Dynamic Global Yield Private Pool Class
Principal Regulator – Ontario

Type and Date

Amendment # 2 to Final Simplified Prospectus dated Apr 5, 2024

NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06038402

Issuer Name:

Dynamic Premium Bond Private Pool Class
Principal Regulator – Ontario

Type and Date

Amendment #2 to Final Simplified Prospectus dated Apr 5, 2024

NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06038421

Issuer Name:

Counsel Canadian Dividend
Counsel Canadian Growth
Counsel Fixed Income
Counsel Global Real Estate
Counsel Global Small Cap
Principal Regulator – Ontario

Type and Date

Amendment #2 to Final Simplified Prospectus dated Apr 4, 2024

NP 11-202 Final Receipt dated Apr 8, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06025881

Issuer Name:

Harvest Industrial Leaders Enhanced Income ETF
Principal Regulator – Ontario

Type and Date

Final Long Form Prospectus dated Apr 4, 2024

Withdrawn on Apr 5, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06093211

Issuer Name:

Phillips, Hager & North Inflation-Linked Bond Fund
Principal Regulator – Ontario

Type and Date

Amendment #1 to Final Simplified Prospectus dated Apr 1, 2024

NP 11-202 Final Receipt dated Apr 3, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 03536306

NON-INVESTMENT FUNDS

Issuer Name:

Calibre Mining Corp.

Principal Regulator – British Columbia

Type and Date:

Final Short Form Prospectus dated Apr 5, 2024

NP 11-202 Final Receipt dated Apr 5, 2024

Offering Price and Description:

C\$100,128,000.00

59,600,000 Common Shares

Price: C\$1.68 per Offered Share

Filing # 06098309

Issuer Name:

TerrAscend Corp.

Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated Apr 4, 2024

NP 11-202 Preliminary Receipt dated Apr 5, 2024

Offering Price and Description:

US\$200,000,000.00 - Common Shares, Preferred Shares,
Debt Securities, Warrants, Subscription Receipts, Units

Filing # 06110561

Issuer Name:

Mogotes Metals Inc.

Principal Regulator – Ontario

Type and Date:

Amendment to Preliminary Prospectus dated Apr 3, 2024

NP 11-202 Amendment Receipt dated Apr 4, 2024

Offering Price and Description:

11,376,641 Common Shares and 5,688,320 Common
Share Purchase Warrants Issuable upon Conversion of
11,376,641 Subscription Receipts

72,962,170 Common Shares and 36,481,085 Common
Share Purchase Warrants Issuable upon Exercise of
72,962,170 Special Warrants

Filing # 06090218

Issuer Name:

Alaska Energy Metals Corporation

Principal Regulator – British Columbia

Type and Date:

Preliminary Shelf Prospectus dated Apr 2, 2024

NP 11-202 Preliminary Receipt dated Apr 3, 2024

Offering Price and Description:

\$50,000,000.00 - Common Shares, Warrants, Subscription
Receipts, Debt Securities, Units

Filing # 06109772

Issuer Name:

Canadian National Railway Company

Principal Regulator – Quebec

Type and Date:

Final Shelf Prospectus dated Apr 2, 2024

NP 11-202 Receipt dated Apr 3, 2024

Offering Price and Description:

Debt Securities

Filing # 06109335

Issuer Name:

Capstone Copper Corp.

Principal Regulator – British Columbia

Type and Date:

Final Shelf Prospectus dated Mar 28, 2024

NP 11-202 Receipt dated Apr 2, 2024

Offering Price and Description:

Common Shares, Warrants, Subscription Receipts, Units,
Debt Securities, Share Purchase Contracts

Filing # 06106311

Issuer Name:

Vitalhub Corp.

Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated Apr 1, 2024

NP 11-202 Preliminary Receipt dated Apr 2, 2024

Offering Price and Description:

\$35,004,000.00

5,834,000 Common Shares

Price: \$6.00 per Common Share

Filing # 06103034

B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Coinbase Canada, Inc.	Restricted Dealer	April 3, 2024

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B.11

CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.3 Clearing Agencies

B.11.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Rules, Operations Manual and Risk Manual of the Canadian Derivatives Clearing Corporation to Move to T+1 Settlement – Notice of Commission Approval

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

NOTICE OF COMMISSION APPROVAL

PROPOSED AMENDMENTS TO THE RULES, OPERATIONS MANUAL AND RISK MANUAL OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO MOVE TO T+1 SETTLEMENT

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and the Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on March 27, 2024, the amendments to the CDCC Rules, Operations Manual, and Risk Manual with respect to T+1 settlement.

For further details, please see the Request for Comments Notice published on CDCC's [website](#) on December 19, 2023.

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