

OSC

LAUNCHPAD

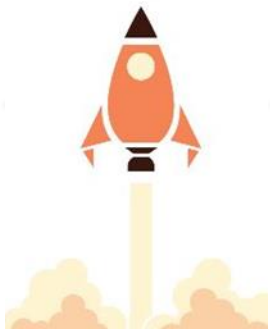
***Supporting innovation &
modernizing regulation***



OSC LaunchPad - Objectives

Support businesses that have new and innovative models, while protecting investors and promoting confidence in our capital markets

- Help innovators navigate the regulatory environment
- Reduce regulatory barriers and modernize regulation to remain in step with innovation
- Engage with Fintech community and apply learnings to similar businesses going forward



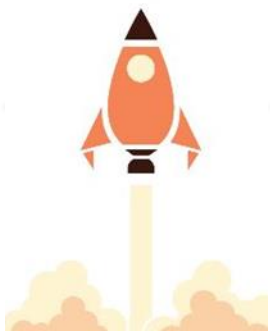
What are we doing to be responsive to fintech innovation?

- #RegHackTO kick off event <https://www.osc.gov.on.ca/en/reghackto.htm>
- Information days for businesses
- Fintech Advisory Committee
- Investor education
 - GetSmarterAboutCrypto.ca
 - Research Study: Taking Caution: Financial Consumers and the Crypto-asset Sector
- Outreach to fintech community
 - Industry conferences, meetups, meetings with incubator programs



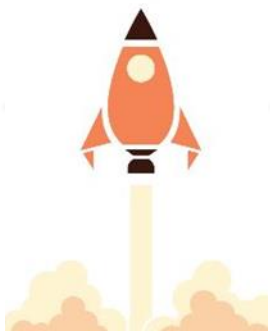
Direct support to businesses

- OSC LaunchPad has supported over 240 businesses
- Engaged in over 390 meetings with stakeholders
- Participated in over 140 events
- OSC LaunchPad extended team and working groups



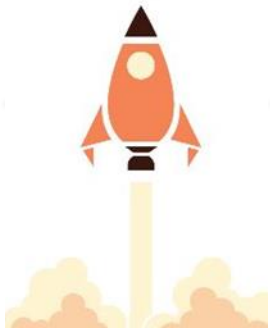
Coordination with national regulators

- **CSA Regulatory Sandbox**
 - Working with CSA Regulatory Sandbox to allow businesses to operate across Canada
- **Guidance**
 - CSA Staff Notice 46-307 *Cryptocurrency Offerings*
 - CSA Staff Notice 46-308 *Securities Law Implications for Offerings of Tokens*
 - CSA/IIROC Consultation Paper 21-402 *Proposed Framework for Crypto-Asset Trading Platforms*
- **Investor alerts**
 - CSA investor alert on crypto-asset futures (December 2017)
 - CSA investor alert on crypto-asset trading platforms (June 2018)



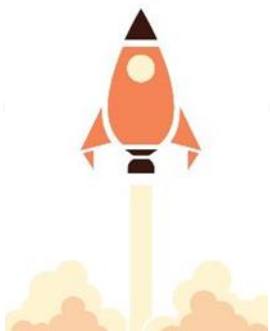
Coordination with national and global regulators

- CSA Regulatory Sandbox
 - CSA Staff Notice 46-307 *Cryptocurrency Offerings*
 - CSA Staff Notice 46-308 *Securities Law Implications for Offerings of Tokens*
 - Investor alerts
- International Organization of Securities Commissions (IOSCO)
- Co-Operation Agreements (FCA, ASIC, Abu Dhabi, AMF (France))
- Global Financial Innovation Network (GFIN)



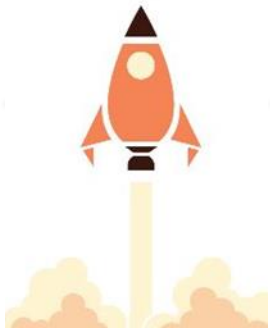
Novel businesses we've seen

- Online adviser platforms and trading platforms
- Introducing/matching platforms
- Peer-to-peer lending platforms
- Crowdfunding portals and angel investing platforms
- Crypto-asset trading platforms
- Initial coin/token offerings
- Private crypto-asset investment fund
- Streamlined/simplified compliance



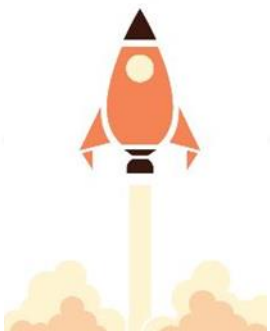
Emerging trends

- Crypto-asset trading platforms
- Crypto-asset custodians
- RegTech and client onboarding
- AI & data analytics
- Open Data: importance to innovation



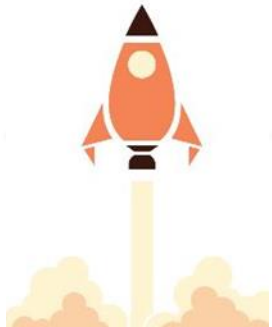
Joint CSA/IIROC Consultation Paper 21-402 *Proposed Framework for Crypto- Asset Trading Platforms*

- Trading platforms perform functions similar to ATS', clearing agencies, dealers and exchanges.
- CP sets out proposed regulatory framework and key risks we've observed
- Seeks feedback on how requirements may be tailored for trading platforms:
 - Custody and verification of assets
 - Price determination
 - Surveillance of trading activities
 - Systems and business continuity planning
 - Conflicts of interest
 - Insurance
 - Clearing and settlement



Challenges as a Regulator

- Allow more flexibility for businesses to test and experiment
- Finding the right balance of regulation and allowing innovation to thrive
 - Regulatory tools
 - Principles based regulation
 - Fairness vs. supporting innovation: proportionate regulation



Questions?

