Headnote

Application for time-limited relief from prospectus requirement and trade reporting requirements to allow the Filer to distribute Crypto Contracts and operate a platform that facilitates the buying, holding, selling, depositing, withdrawing and staking of crypto assets – relief granted subject to certain conditions set out in the decision, including investment limits, account appropriateness, disclosure and reporting requirements – relief is time-limited and will expire four years from the date of the decision – 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 amended, ss. 1(1), 53 & 74.

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 *Passport System*, s. 4.7
OSC Rule 91-506 *Derivatives: Product Determination*, ss. 2 & 4
OSC Rule 91-507 *Derivatives: Trade Reporting,* Part 3

June 17, 2026

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
(collectively with the Principal Jurisdiction, the Jurisdictions)

AND

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

AND

IN THE MATTER OF
WEBULL CANADA CRYPTO LIMITED
(the Filer)

DECISION

Background

As set out in Staff Notice 21-327 and Staff Notice 21-329, securities legislation applies to 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.

To foster innovation and respond to novel circumstances, the CSA has considered a regulatory framework 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 to facilitate innovation in the Canadian capital markets, while upholding the regulatory mandate of promoting investor protection and fair and efficient capital markets.

The Filer is registered in the category of investment dealer and is a dealer member with CIRO so that it may operate a platform that permits Clients resident in Canada to enter into Crypto Contracts in all of the Jurisdictions.

This decision (**Decision**) has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Jurisdictions will not consider this Decision as constituting a precedent for other filers.

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 the prospectus requirement under the Legislation in respect of the Filer entering into Crypto Contracts (the **Prospectus Relief**) with clients.

The securities regulatory authority or regulator in the Principal Jurisdiction and each of the Jurisdictions where required (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 applicable local trade reporting requirements:

(a) Part 3 of OSC Rule 91-507;

(b) Part 3 of MSC Rule 91-507; and

(c) Part 3 of MI 96-101 in Alberta, British Columbia, Northwest Territories and Nova Scotia

(the **Trade Reporting Relief**, and together with the Prospectus Relief, the **Requested Relief**).

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

(a) the Ontario Securities Commission is the principal regulator for this Application (the **Principal Regulator**),

(b) in respect of the Prospectus Relief, the Filer has provided notice that, in the jurisdictions where required, subsection 4.7(1) of MI 11-102 is intended to be relied upon in each of the other provinces and territories of Canada,

(c) the Decision is the decision of the Principal Regulator, and

(d) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

Interpretation

Terms used in this Decision have the meaning set out herein or in Appendix A.

Terms defined in NI 14-101 and MI 11-102 have the same meaning if used in this Decision, unless otherwise defined herein or in Appendix A.

In this Decision, a person or company is an affiliate (**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 Canada with its head office in Toronto, Ontario.

2. The Filer operates under the business names "Webull Crypto"; "Webull Crypto Canada"; "Webull Digital Assets"; "Webull Canada Digital Assets"; and "Webull Digital".

3. The Filer is registered as a dealer in the category of investment dealer with the Jurisdictions and is a dealer member of CIRO.

4. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada. Webull Corporation owns indirectly 100% of the issued and outstanding voting securities of the Filer. Webull Corporation is a reporting issuer under the legislation of a foreign jurisdiction and its securities are listed for trading on the NASDAQ Stock Market.

5. Webull Corporation also owns indirectly 100% of the issued and outstanding voting securities of Webull Securities (Canada) Limited, a registered dealer in the category of investment dealer and a dealer member of CIRO.

6. The Filer's personnel consist, and will consist, of permitted individuals, investment representatives and supervisors, compliance professionals and finance professionals who have experience operating in a regulated financial services environment and expertise in blockchain technology. All of the Filer's key personnel have passed, and new personnel will have passed, background checks, including criminal record checks.

7. The Filer is not in default of securities legislation of any jurisdictions of Canada.

The Platform

8. The Filer operates a proprietary and fully automated, mobile app-based system (the **Platform**) that enables Clients to enter into Crypto Contracts with the Filer to buy, sell and hold Crypto Assets through the Filer, which is consistent with activities described in Staff Notice 21-327 and constitutes

the trading of securities and/or derivatives.

9. The Filer's role under the Crypto Contracts is to fulfill its obligations to Clients relating to Crypto Assets and fiat, and to provide custody services for all Crypto Assets and fiat held in accounts on the Platform.

10. To use the Platform, each Client must open a Client Account using the Filer's Website or mobile application. Client Accounts are governed by a Client Account Agreement that is accepted by Clients at the time of account opening. The Client Account Agreement governs all activities in Client Accounts, including with respect to all Crypto Assets purchased, sold and held on the Platform. Clients are entitled to hold their Crypto Assets in their Client Accounts.

11. Under the Client Account Agreement, the Filer maintains certain controls over Client Accounts to ensure compliance with applicable law and CIRO Rules, and to provide secure custody of the Client Accounts. The Filer will provide order-execution-only account services as a CIRO dealer in accordance with CIRO Rules.

12. The Filer's books and records, financial controls and compliance systems (including its policies and procedures) are in compliance with CIRO Rules.

13. The Filer does not have any authority to act on a discretionary basis on behalf of Clients and will not offer or provide discretionary investment management services relating to Crypto Assets or Client Accounts.

14. The Filer is a member firm of CIPF but the Crypto Assets held in custody by the Filer will not qualify for CIPF coverage.

15. The Risk Statement provided to each prospective client includes disclosure that there is no CIPF coverage for the Crypto Assets or Crypto Contracts in respect of the Crypto Assets, and each prospective client 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

16. 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 are not Specified Value-Referenced Crypto Assets.

17. Except for the trading of Value-Referenced Crypto Assets, the Filer will only offer, and only allow Clients the ability to enter into, Crypto Contracts based on Crypto Assets that are not securities and/or derivatives.

18. The Filer does not allow Clients to enter into a Crypto Contract to buy or sell Crypto Assets unless the Filer has taken steps to:

   (a) apply the KYP Process in respect of the relevant Crypto Asset;

   (b) approve the Crypto Asset, and Crypto Contracts for such Crypto Asset, to be made available to Clients, and

   (c) monitor the Crypto Asset for significant changes and review its approval under (b) where such significant changes occur.

19. The Filer is not engaged, and will not engage, in trades that are part of, or designed to facilitate, the design, creation, issuance, or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers, or Affiliates or associates of such persons.

20. On an ongoing basis, the Filer monitors developments related to Crypto Assets made available on the Platform for changes that may affect a Crypto Asset's legal status as a security and/or a derivative and applies its KYP Process to determine whether specific Crypto Assets can continue to be offered on the Platform.

21. The Filer acknowledges that any determination made by the Filer does not prejudice the ability of the Principal Regulator or of any of the securities regulatory authorities of any of the Jurisdictions to determine that a Crypto Asset available on the Platform is a security and/or a derivative.

22. The Filer has established and applies policies and procedures to promptly stop the trading of any Crypto Asset available on the Platform and to allow Clients to liquidate, in an orderly manner, their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on its Platform.

Know Your Client and Account Appropriateness Assessment

23. Subject to the Filer determining that it is appropriate for a Client Account to be opened, the Platform is available to any person who is resident in Canada, who has reached the age of majority in the jurisdiction in which they are resident, and who has the legal capacity to open a securities brokerage account and to any company located in Canada.

24. The Filer does not provide recommendations or advice to Clients or conduct a trade-by-trade suitability determination for Clients, but rather conducts Account Appropriateness Assessments and applies Client Limits.

25. As part of the account opening process:

   (a) The Filer applies its KYC Process and satisfies the identity verification requirements applicable to reporting entities under Canadian anti-money laundering and anti-terrorist financing laws and CIRO Rules;

   (b) The Filer conducts an Account Appropriateness Assessment;

   (c) Based on the Account Appropriateness Assessment, the prospective client, that is not a Permitted Client or a Registered CTP, receives appropriate electronic messaging about the appropriateness of using the Platform to enter into Crypto Contracts. In circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate for the prospective client, the prospective client will receive prominent messaging that this is the case and that the prospective client will not be permitted to open a Client Account.

   (d) The Filer has adopted and applies policies and procedures to establish and apply a Client Limit for each Client, that is not a Permitted Client or a Registered CTP, on the Platform and what steps the Filer will take when a Client approaches or exceeds their Client Limit. The Filer will implement controls to monitor and apply the Client Limits.

   (e) The Filer provides a prospective client with a Risk Statement, separate from other disclosure documents, that clearly explains the following in plain language:

i. the Crypto Contracts;
ii. the risks associated with the Crypto Contracts;
iii. a prominent statement that no securities regulatory authority or regulator in Canada has assessed or endorsed the Crypto Contracts or the Crypto Assets made available through the Platform;
iv. the due diligence performed by the Filer before making a Crypto Asset available through the Platform, including the due diligence performed by the Filer to assess whether the Crypto Asset is a security and/or a 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 a derivative;
v. that the Filer has prepared and made available through the Platform a Crypto Asset Statement for each Crypto Asset, with instructions as to where on the Platform the Client may obtain each 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 a member of CIPF but the Crypto Contracts issued or entered into by the Filer and the Crypto Assets held by the Filer (directly or indirectly through third parties) do not qualify for CIPF protection;
x. that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of other Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent that a Crypto Contract is distributed under the Prospectus Relief in this Decision; and
xi. the date on which the information in the Risk Statement was last updated.

26. Each Crypto Asset Statement will include:

(a) 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;

(b) a plain language description of the Crypto Asset, including the background of the creation of the Crypto Asset including the background of the developer(s) 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) a plain language description of 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, or 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 the Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent that a Crypto Contract is distributed under the Prospectus Relief in this Decision; and

(g) the date on which the Crypto Asset Statement was last updated.

27. In addition to any monitoring required by CIRO, the Filer monitors Client Accounts after opening to identify activity within the Client's Account that is inconsistent with the Account Appropriateness Assessment or indicates a lack of knowledge or understanding of Crypto Asset trading. If warranted, the Client may receive further messaging about the Platform, the Crypto Assets, specific risk warnings, or receive direct outreach from the Filer about their activity.

28. The Filer monitors compliance with the Client Limits. If warranted, the Client will receive warnings when their Client Account is approaching its Client Limit, which will include information on steps the Client may take to prevent the Client from incurring further losses.

29. The Filer will also periodically prepare and make available to its Clients, on an ongoing basis and in response to emerging issues in Crypto Assets, educational materials and other informational updates about trading on the Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

Operation of the Platform

30. All Crypto Contracts entered into by Clients to buy and sell Crypto Assets will be placed with the Filer through the mobile application or the Website.

31. The Filer executes trades entered by the Clients on the Platform on a riskless principal basis. A Crypto Contract is a bilateral contract between a Client and the Filer. Accordingly, the Filer is a counterparty to all trades entered by Clients on the Platform. For each Client transaction, the Filer is also a counterparty to one or more corresponding Crypto Asset buy or sell transactions through its Prime Broker.

32. Clients will be able to submit orders, either in units of the applicable Crypto Asset or in fiat currency, 24 hours a day, 7 days a week. Clients are able to deposit and withdraw fiat currency during banking hours. Clients are not permitted to transfer or withdraw Crypto Assets to, or deposit or receive Crypto Assets from, wallets outside the Platform.

33. The Filer is a counterparty to each trade and, in that capacity, only submits orders in connection with offsetting trades relating to Client orders that are executed on a riskless principal basis. In the case of a purchase, the Filer only buys the Crypto Assets through its Prime Broker or other Liquidity Providers for which a corresponding buy order has been confirmed by a Client. In the case of a sale, Filer only sells Crypto Assets through its Prime Broker or other Liquidity Providers for which a corresponding sell order has been confirmed by a Client. At no time will Filer trade against its clients for speculative purposes.

34. The Filer will evaluate the prices obtained from the Prime Broker or other Liquidity Providers on a post-trade basis against an independently sourced benchmark prices to provide fair and reasonable

pricing to its Clients.

35. The Filer establishes, maintains, and applies policies and procedures that identify and address conflicts of interest arising from the operation of the Platform and its related services in the best interest of its Clients, including conflicts between the interests of its owners, its commercial interests, and the responsibilities and sound functioning of the Platform and related services.

36. The Filer takes reasonable steps to verify that each Liquidity Provider is appropriately registered or licensed to trade in the Crypto Assets in its home jurisdiction, or that its activities do not require registration or licensing in its home jurisdiction, and that it is not in default of securities legislation in the Jurisdictions. The Filer also assesses liquidity and concentration risks posed by its Liquidity Providers.

37. The Filer has verified that the Prime Broker has effective policies and procedures to address concerns relating to fair price, fraud and market manipulation.

38. The Platform continuously obtains prices for the Crypto Assets made available for trading through the Prime Broker, after which the Platform incorporates a spread to compensate the Filer and to determine the price to offer to Clients. The Filer then presents on a continuous basis this adjusted price or quantity depending on the trade type to Clients reflecting the price at which the Filer is willing to transact with a Client.

39. If the Client finds the price agreeable, the Client may enter a market order to transact against the displayed price. Otherwise, the Client may enter a limit order at a price where the Client would be willing to trade and, if the price offered by the Platform at a future time meets the price entered by the Client, then the Client's order is automatically executed.

40. The Filer is compensated by a "spread" that is added to the price at which it can buy the Crypto Asset through the Prime Broker or another Liquidity Provider or subtracted from the price at which it can sell the Crypto Asset through the Prime Broker or another Liquidity Provider. The "spread" is disclosed in the Client Account Agreement and on the Filer's Website.

41. The Platforms confirms that the increase or decrease in Crypto Assets in the Client's Account resulting from the trade is reflected in the Crypto Asset balances held in custody through the Platform, as described below under "Custody of Crypto Assets." To the extent necessary to fulfil its settlement obligations to Clients, the Filer may trade with Liquidity Providers on a net basis.

42. Trading available on the Platform is on the basis of Crypto Asset-for-fiat.

43. Clients have access to a complete record of all transactions in their Client Account, including all incoming transfers of fiat, all purchases, sales and withdrawals of fiat, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.

44. Clients can fund their account by transferring in fiat currency. Clients can transfer in fiat currency using several methods including e-transfer, bill pay, electronic funds transfer or bank wire, with the minimum and maximum amount for each transfer type, if applicable, set out on the Platform. A Client can also transfer fiat from their cash balance in an account the Client may hold with Webull Securities (Canada) Limited. The Filer does not charge Clients a deposit fee when they transfer fiat currency into a Client Account.

Pre-trade Controls and Settlement

45. The Filer's books and records will record all of the trades executed on the Platform. No order will be accepted by the Filer unless there is sufficient cash or Crypto Assets available in the relevant Client Account to complete the trade.

46. The Filer will not (except in accordance with CIRO Rules and with prior written consent of CIRO) extend margin, credit or other forms of leverage to Clients in connection with trading Crypto Assets on the Platform and will not offer derivatives based on Crypto Assets other than Crypto Contracts.

47. Where applicable, the Filer will promptly, and by no later than two business days after the trade, settle transactions with the Liquidity Providers on a net basis. Where there are net purchases of Crypto Assets from the Liquidity Provider, the Filer arranges for the cash to be transferred to the Liquidity Provider and Crypto Assets to be sent by the Liquidity Provider to the Filer's trading account at the Prime Broker or to the Custodian. Where there are net sales of Crypto Assets, the Filer arranges for Crypto Assets to be sent from the trading account at the Prime Broker or the custody account at the Custodian to the Liquidity Providers in exchange for cash received by the Filer from the Liquidity Providers.

48. All fees earned by the Filer are clearly disclosed on the Platform, and the Clients can check the quoted prices for Crypto Assets on the Platform against the prices available on other Registered CTPs in Canada.

49. Clients will receive electronic trade confirmations and monthly statements setting out the details of the transaction history in their Client Account. Clients will be able to view their transaction history and account balances in real time by accessing their Client Account using the mobile application or Website.

Custody of Crypto Assets

50. The Filer has established and will maintain and apply policies and procedures that manage and mitigate custodial risks, including an effective system of controls and supervision to safeguard Crypto Assets. The Filer has established and will maintain accounting practices, internal controls and safekeeping and segregation procedures intended to protect Client Assets.

51. The Filer holds Clients' Crypto Assets (a) in accounts clearly designated for the benefit of Clients or in trust for Clients, (b) separate and apart from its own assets including Crypto Assets held in inventory for the Filer for operational purposes and from the assets of any custodial service provider.

52. The Filer is not permitted to pledge, re-hypothecate or otherwise use any Crypto Assets owned by its Clients.

53. The Filer is proficient and experienced in holding Crypto Assets and has established and applies policies and procedures that manage and mitigate custodial risks, including an effective system of controls and supervision to safeguard Crypto Assets. The Filer also maintains appropriate policies and procedures related to information technology security, cyber-resilience, disaster recovery capabilities, and business continuity plans.

54. The Filer has expertise in and has developed anti-fraud and anti-money-laundering monitoring systems, for both fiat and Crypto Assets, to reduce the likelihood of fraud, money laundering, or Client error in sending or receiving Crypto Assets to incorrect wallet addresses.

55. The Filer will maintain trading accounts at the Prime Broker to effect trades with Clients. Any amounts of Crypto Assets in those trading accounts are for trade settlement purposes only. The Filer will regularly transfer Crypto Assets belonging to Clients to Acceptable Third-Party Custodians.

56. The Filer has retained the services of the Custodian to hold not less than 80% of the total value of Crypto Assets held on behalf of Clients. In the future, the Filer may use other custodians as necessary, after reasonable due diligence.

57. The Custodian is regulated at a trust company by the New York Department of Financial Services. The Custodian has obtained a SOC report from a leading global audit firm. Filer has conducted due diligence on the Custodian, including, among other things, a review of the Custodian's policies and procedures for holding Crypto Assets and its SOC 2 Type 2 examination reports. The Filer has not identified any material concerns respecting the Custodian. The Filer has also assessed whether the Custodian meets the definition of an Acceptable Third-Party Custodian.

58. The Custodian operates custody accounts for the Filer to use for the purpose of holding the Clients' Crypto Assets in trust for the benefit of Clients of the Filer.

59. Those Crypto Assets that the Custodian holds in trust for the benefit of Clients of the Filer are held in segregated omnibus accounts, in the name of the Filer in trust for the benefit of Clients of the Filer, segregated from the assets of the Filer, the Filer's Affiliates, the Custodian and the Custodian's other clients.

60. The Custodian maintains insurance which covers losses of assets held by the Custodian, on behalf of its clients due to third-party hacks, copying or theft of private keys and master seed phrases or passcodes, and insider theft or acts of dishonesty by the Custodian's employees or executives. The Filer has assessed the Custodian's insurance policy and has determined, based on information that is publicly available, information provided by the Custodian, and considering the scope of the Custodian's business, that the amount of insurance is appropriate.

61. The Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents. The Custodian has established and applies written disaster recovery and business continuity plans.

62. The Filer has established, maintains, and applies, policies and procedures that are reasonably designed to ensure that the Custodian's records related to Crypto Assets that the Custodian holds in trust for Clients of the Filer are accessible, accurate and complete.

63. The Filer confirms on a daily basis that Clients' Crypto Assets held with the Custodian and held by the Filer reconcile with the Filer's books and records to ensure that all Clients' Crypto Assets are accounted for. Clients' Crypto Assets held in trust for their benefit with Custodians are deemed to be the Clients' Crypto Assets in case of the insolvency and/or bankruptcy of the Filer or of its Custodians.

64. The insurance obtained by the Filer includes coverage for loss or theft of the Crypto Assets, in accordance with the terms of the Filer's insurance policy, and the Filer has assessed the insurance coverage to be sufficient to cover the loss of Crypto Assets, whether held directly by the Filer or indirectly through the Custodian.

Custody of Client Fiat

65. The Filer will hold cash for the benefit of Clients at the Bank of Montreal. The cash held for the benefit of Clients will be segregated from the cash of the Filer. Each Client of the Filer will have a Client Account with the Filer in which the Client may hold cash which may be used to engage in transactions on the Platform. All cash in Client Accounts will be held in accordance with CIRO requirements.

Marketplace and Clearing Agency

66. The Filer does not and will not operate a “marketplace” as that term is defined in NI 21-101 and, in Ontario, subsection 1(1) of the Act.

67. The Filer does not and will not operate a “clearing agency” or a “clearing house” as those terms are defined or referred to in securities or commodities futures legislation.

Decision

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

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 is granted, provided that and for so long as the Filer complies with the following terms and conditions:

(A) Unless otherwise exempted by a further decision of the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Jurisdiction, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a investment dealer under securities legislation, including the Legislation, and subject to any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.

(B) The Filer is a dealer member of CIRO and is registered as an investment dealer in the Principal Jurisdiction and the Jurisdictions in which the Clients are resident.

(C) The Filer, and any employee, agent, or other representatives of the Filer, will not provide recommendations or advice to any Client or prospective client.

(D) The Filer will comply with terms and conditions or other requirements imposed by CIRO, and for any change in business, the Filer will submit an application to CIRO and comply with any and all terms and conditions imposed by CIRO as a result of the change in business.

(E) Except for Value-Referenced Crypto Assets and Crypto Contracts based on Value-Referenced Crypto Assets, the Filer will only offer Clients and will only allow Clients the ability to enter into Crypto Contracts based on or to trade Crypto Assets that are not themselves securities and/or derivatives.

(F) The Filer does not allow Clients to buy or deposit, or to enter into Crypto Contracts to buy or deposit, Value-Referenced Crypto Assets other than Specified Value-Referenced Crypto Assets.

(G) The Filer will not operate a "marketplace" as the term is defined in NI 21-101 and, in Ontario, in subsection 1(1) of the Act, or a "clearing agency" or "clearing house" as those terms are defined or referred to in securities or commodities futures legislation.

(H) The Filer has confirmed, and will continue to confirm, that it is not liable for the debt of an Affiliate or Affiliates that could have a material negative effect on the Filer, except as required under CIRO Rules.

(I) At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of Clients with one or more Acceptable Third-Party Custodians, unless the Filer has obtained the prior written approval of the Principal Regulator to hold a different percentage with an Acceptable Third-Party Custodian or has obtained the prior written approval of the Principal Regulator and the regulator or securities regulatory authority of the other Jurisdictions to hold at least 80% of the total value of the Crypto Assets with an entity that does not meet certain criteria of an Acceptable Third-Party Custodian.

(J) Before the Filer holds Crypto Assets with a custodian, the Filer will verify that the custodian is an Acceptable Third-Party Custodian.

(K) Before the Filer holds Crypto Assets with a custodian, the Filer will ensure that the custodian:

a) will hold the Crypto Assets for the benefit of the Filer's Clients (i) in an account clearly designated for the benefit of the Filer's Clients or in trust for the Filer's Clients, (ii) separate and apart from the assets of the Filer, the Filer's Affiliates and the Custodian's other clients, and (iii) separate and apart from the custodian's own assets and from the assets of any custodial service provider;

b) has appropriate insurance to cover the loss of Crypto Assets held at the custodian; and

c) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.

(L) For the Crypto Assets held by the Filer, the Filer will:

a) hold the Crypto Assets for the benefit of, and in trust for, its Clients separate and distinct from the assets of the Filer;

b) ensure there is appropriate insurance to cover the loss of Crypto Assets held by the Filer for the benefit of its Clients; and

c) have established, and will maintain 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.

(M) The Filer uses or will only use a Liquidity Provider that it has verified is registered or licensed, to the extent required in its home jurisdiction, to execute trades in Crypto Assets and that is not in default of securities legislation in any of the Jurisdictions.

(N) The Filer will promptly stop using a Liquidity Provider if the Filer is made aware, or a court, regulator, or securities regulatory authority in any of the Jurisdictions has determined, that the Liquidity Provider is in non-compliance with securities legislation.

(O) The Filer will promptly stop using a Liquidity Provider upon the direction of the Principal Regulator if the Principal Regulator has concerns relating to the Liquidity Provider.

(P) The Filer will evaluate the price obtained from its Liquidity Provider on an ongoing basis against global benchmarks and will provide fair and reasonable prices to its Clients.

(Q) The Filer will assess liquidity risk and concentration risk posed by its Liquidity Provider and, in so doing, will consider trading volume data (as provided in paragraph 1(e) of Appendix D), complete a historical analysis of its Liquidity Provider, and complete a relative analysis between Liquidity Providers, when the Filer adds Liquidity Providers as service providers. The Filer will also consider whether a Liquidity Provider has issued its own Proprietary Tokens and whether to limit reliance on any Liquidity Provider.

(R) Before each prospective client opens a Client Account, the Filer will deliver to the prospective client a Risk Statement and will require the prospective client to provide electronic acknowledgement of having received, read and understood the Risk Statement.

(S) The Filer will ensure that the Risk Statement delivered to each prospective client and each Client with a pre-existing Client Account is prominent and separate from other disclosures given to the Client at that time and that the acknowledgement is separate from other acknowledgements made by the Client at that time.

(T) The Filer will make available to the Client, in the same place as the Client's other statements on the Platform, a copy of the Risk Statement acknowledged by the Client.

(U) Before a Client enters into a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the Client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the Website and on the Apps.

(V) 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 Assets and,

a) in the event of any update to the Risk Statement, 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 electronic disclosures on the Platform with links to the updated Crypto Asset Statement.

(W) Prior to the Filer delivering a Risk Statement to a Client or prospective client, the Filer will deliver, or will have previously delivered, to the Principal Regulator, a copy of the Risk Statement.

(X) For each Client that is not a Permitted Client or a Registered CTP, the Filer will conduct an Account Appropriateness Assessment and establish an appropriate Client Limit prior to opening a Client Account.

(Y) On an ongoing basis, and at least every twelve months, the Filer will review its Account Appropriateness Assessment for its Clients to assess whether it remains appropriate for the Client to enter into Crypto Contracts and review the Client Limits for its Clients to assess whether the Client Limit remains appropriate and make any necessary adjustments.

(Z) The Filer will apply and monitor the Client Limits.

(AA) 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.

(BB) Except as set out in conditions (CC) and (DD), the Filer will ensure that the maximum amount of Crypto Assets, other than Specified Crypto Assets, that a Client may purchase and sell on the Platform under Crypto Contracts, does not on a net basis, exceed the Investment Limit.

(CC) The Investment Limit does not apply in Alberta, British Columbia, Manitoba, Québec, and Saskatchewan.

(DD) The Investment Limit does not apply to Permitted Clients or Registered CTPs.

(EE) In the Jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under securities legislation of that Jurisdiction.

(FF) 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.

(GG) The Filer will notify the Principal Regulator, promptly, of the loss of any amount of Crypto Assets or any material breach or failure of its, its Affiliate's, or its Custodian's system of controls or supervision, and the steps taken by the Filer, its Affiliate, or its Custodian, as the case may be, to address each such breach or failure.

(HH) The Filer will evaluate Crypto Assets in accordance with its KYP Process.

(II) The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a Client in any Jurisdiction, without the prior written consent of the Principal Regulator and the regulator or securities regulatory authority of the Jurisdictions, where the Crypto Assets were issued by or on behalf of a person or company that is, or has in the last five years been the subject of an order, judgment, decree, sanction, fine, or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal, or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting, or otherwise facilitating criminal activity, misrepresentation, violation of Canadian AML and ATF Laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct.

(JJ) Except to allow Clients to liquidate their positions in those Crypto Contracts in an orderly manner or transfer such Crypto Assets to a blockchain address specified by the Client, the Filer will promptly stop trading Crypto Contracts where the underlying Crypto Asset:

a) is determined by the Filer to be; or

b) 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

c) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be,
(i) a security and/or derivative, or
(ii) a Value-Referenced Crypto Asset that is not a Specified Value-Referenced Crypto Asset.

(KK) The Filer will not engage in trades that are part of, or designed to facilitate, the creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset, its issuers or Affiliates or associates of such persons.

(LL) Before the Filer acts as a carrying broker to a dealer, the Filer will take reasonable steps to verify that the dealer has received the prior written approval of CIRO to offer Crypto Contracts to its Clients.

Reporting

(MM) The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the New York State Department of Financial Services, the Financial Industry Regulatory Authority, the National Futures Association or any other regulatory authority applicable to a Custodian of the Filer makes a determination that:

a) the Custodian is not permitted by that regulatory authority to hold Crypto Assets of Clients; or

b) there is a change in the status of the Custodian as a regulated financial institution.

(NN) If the circumstances in (MM) arise, the Filer will identify a suitable alternative custody provider that meets the definition of an Acceptable Third-Party Custodian to hold the Crypto Assets.

(OO) The Filer will deliver the reporting as set out in Appendix D.

(PP) 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 Jurisdictions, a report of all Client Accounts for which the Client Limits were exceeded during that month.

(QQ) The Filer will deliver to the Principal Regulator, within 30 days of the end of 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 that no changes have been made to its policies and procedures on the operations of its wallets in the quarter.

(RR) In addition to any other reporting required by the Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's custodian(s) and the Crypto Assets held by the Filer's custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the terms and conditions in this Decision, in a format acceptable to the Principal Regulator.

(SS) Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Jurisdictions with aggregated 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.

(TT) The Filer will promptly make any changes to its business practices or policies and procedures that may be identified by the Filer or by the Principal Regulator to address investor protection concerns arising from the operation of the Platform.

Expiration

(UU) This Decision expires on the date that is four years from the date of this Decision.

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

In respect of the Requested Relief

"Michelle Alexander"
Michelle Alexander
Acting Senior Vice President, Trading & Markets
Ontario Securities Commission

OSC File# 2025-0415

Appendix A – Defined Terms

For the purposes of this Decision:

"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 NI 81-102;
   (iii) a custodian that meets the definition of an "acceptable securities location" in accordance with CIRO Rules and Form 1 of CIRO;
   (iv) a foreign custodian (as defined in NI 31-103) for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the 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 Jurisdiction(s);

(b) is functionally independent of the Filer within the meaning of NI 31-103;

(c) has obtained audited financial statements within the last twelve months which
   (i) are audited by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction and that meets the professional standards of that jurisdiction;
   (ii) are accompanied by an auditor's report that expresses an unqualified opinion; and
   (iii) unless otherwise agreed to by the Principal Regulator, discloses on their statement of financial position or in the notes of the audited financial statements the amount of liabilities that it owes to its Clients for holding their assets, and the amount of assets held by the custodian to meet its obligations to those custody clients, broken down by asset; and

(d) has obtained a SOC 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 Jurisdictions.

"Account Appropriateness Assessment" means an evaluation conducted by the Filer, prior to allowing a prospective client access to the Platform and on an ongoing basis and at least annually of clients permitted to access the Platform, based on applying the Account Appropriateness Factors to determine whether, and the extent to which, entering into Crypto Contracts is appropriate for the client, and includes:

(a) collecting KYC information; and

(b) using electronic questionnaires.

"Account Appropriateness Factors" include:

(a) the prospective client's or Client's experience and knowledge in investing in Crypto Assets;

(b) the prospective client's or Client's financial assets and income;

(c) the prospective client's or Client's risk tolerance; and

(d) the Crypto Assets approved to be made available to a Client by entering into Crypto Contracts on the Platform.

" Accredited Crypto Investor" means:

(a) in individual:
   (i) who, alone or with a spouse, beneficially owns financial assets (as defined in section 1.1 of NI 45-106) and Crypto Assets, if not included in financial assets, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1,000,000;
   (ii) whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that net income level in the current calendar year;
   (iii) whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that net income level in the current calendar year; or
   (iv) who, alone or with a spouse, beneficially owns net assets of at least $5,000,000; or

(b) a person or company described in paragraphs (a) to (i) of the definition of "accredited investor" as defined in subsection 73.3(1) of the *Securities Act* (Ontario) or section 1.1 of NI 45-106; or

(c) a person or company described in paragraphs (m) to (w) of the definition of "accredited investor" as defined in section 1.1 of NI 45-106.

"Act" means the *Securities Act* (Ontario).

"Aggregate Nominal Value" means the price of the outstanding units of the Value-Referenced Crypto Asset where each unit of the Value-Referenced Crypto Asset has a price equal to one dollar, or one of the similar monetary units, of the Reference Fiat Currency.

"Apps" means iOS and Android applications that provide access to the Platform.

"Canadian AML and ATF Law" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and related regulations.

"Canadian custodian" has the meaning given to it in NI 31-103.

"CIPF" means the Canadian Investor Protection Fund.

"CIRO" means the Canadian Investment Regulatory Organization.

"CIRO Rules" means the by-laws, rules, regulations and policies of CIRO.

"Client" means a client of the Filer that has successfully opened a Client Account using the Filer's Website or App to conduct trades on the Platform.

"Client Account" means an account with the Filer that allows a Client access to transact on the Platform to trade Crypto Assets via Crypto Contracts.

"Client Account Agreement" means the agreement that a Client executes prior to opening a Client Account that governs the rights and responsibilities of the Platform and the Client during the term of their relationship.

“Client Assets” includes all fiat and all Crypto Assets that a Client purchases on, or transfers onto, the Platform.

“Client Limit” means an appropriate limit on the amount of loss that a Client may incur on the Platform, based on the Filer’s application of the Account Appropriateness Factors to the Client.

“Crypto Asset” means anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token.

“Crypto Asset Statement” means a document written in plain language that the Filer creates and makes available to Clients, for each Crypto Asset, that provides Clients with the information set out in paragraph 25 of the Decision.

“Crypto Contract” means an instrument or contract between the Filer and a Client of the Filer to purchase, sell, hold, deposit, or withdraw Crypto Assets.

“CSA” means the Canadian Securities Administrators.

“CTP” means Crypto Asset trading platform.

“Custodian” means Coinbase Custody Trust Company, LLC.

“Dealer Platform” has the meaning ascribed to that term in Staff Notice 21-329.

"Eligible Crypto Investor" means:

(a) a person whose;
  (i) net assets, alone or with a spouse, in the case of an individual, exceed $400,000;
  (ii) net income before taxes exceeded $75,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
  (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded $125,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or

(b) an Accredited Crypto Investor.

“International Standards on Assurance Engagements” means the International Standards on Assurance Engagements set by the International Auditing and Assurance Standards Board, as amended from time to time.

“Investment Limit” means an amount that is calculated on a net basis, is not less than $0 CAD in the preceding twelve months, and in the case of a client that is:

(a) not an Eligible Crypto Investor, does not exceed a net acquisition cost of $30,000;

(b) an Eligible Crypto Investor, but is not an Accredited Crypto Investor, does not exceed a net acquisition cost of $100,000; and

(c) in the case of an Accredited Crypto Investor, is not limited.

"IOSCO" means the International Organization of Securities Commissions.

"KYC" means know your client.

"KYC Process" means the Filer's policies and procedures for reviewing whether it is appropriate for the Filer to open a Client Account for a potential client and the Filer's policies and procedures for ongoing evaluation of whether it is appropriate for the Filer to allow a Client to continue to have access to a Client Account, including but not limited to:

(a) applying applicable account opening KYC requirements as required under applicable legislation;

(b) satisfying the identity verification requirements applicable to reporting entities under Canadian AML and ATF Law;

(c) ensuring that a potential client holds an account with a Canadian financial institution or with Webull Securities (Canada) Limited;

(d) ensuring that a potential client, whether trading on their own behalf or trading on behalf of a Canadian client that is a legal entity, is an individual that is a Canadian citizen or permanent resident, and is 18 years of age or older;

(e) applying the Account Appropriateness Factors to potential clients to evaluate whether a potential client should be allowed to open a Client Account; and

(f) applying the Account Appropriateness Factors to existing Clients to evaluate whether these Clients should be allowed to maintain and continue to trade using their Client Accounts, which includes:
 (i) monitoring Client activity; and
 (ii) contacting Clients to discuss trading behaviour, if it indicates a lack of knowledge or understanding of Crypto Asset trading.

"KYP" means know your product.

"KYP Process" means the policies and procedures the Filer has established and applies, in accordance with NI 31-103 and CIRO Rules, and includes the Filer's:

(a) review of Crypto Assets that includes, but is not limited to, publicly available information concerning:
 (i) the creation, governance, usage, and design of the Crypto Asset, including the source code, security, and roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;
 (ii) the supply, demand, maturity, utility, and liquidity of the Crypto Asset;
 (iii) material technical risks associated with the Crypto Asset, including any code defects, security breaches, and other threats concerning the Crypto Asset and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and,
 (iv) 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;

(b) determination as to whether a Crypto Asset, available 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:

(i) consideration of statements made by any regulators or securities regulatory authorities of the Jurisdictions, other regulators in the IOSCO member jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and,

(ii) 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 Jurisdictions;

(c) review of Crypto Assets to determine whether to allow Clients on the Platform to enter into Crypto Contracts based on these Crypto Assets, initially and on an ongoing basis; and

(d) review of Value-Referenced Crypto Assets and the issuers of Value-Referenced Crypto Assets to ensure they meet the criteria in paragraphs 1, 2, 5, and 6 of Appendix C, initially and on an ongoing basis.

"Liquidity Provider" means the Prime Broker or other liquidity providers.

"MI 11-102" means Multilateral Instrument 11-102 *Passport System*.

"MI 96-101" means Multilateral Instrument 96-101 *Derivatives: Trade Reporting*.

"Money Market Fund" has the meaning ascribed to that term in NI 81-102 or in Rule 12d1-1 of the United States Investment Company Act of 1940, as the case may be.

"MSC Rule 91-507" means Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.

"NI 14-101" means National Instrument 14-101 *Definitions*.

"NI 21-101" means National Instrument 21-101 *Marketplace Operation*.

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions*.

"NI 81-102" means National Instrument 81-102 *Investment Funds*.

"OSC Rule 91-507" means Ontario Securities Commission Rule 91-507 *Derivatives: Trade Reporting*.

"Outstanding Units of the Value-Referenced Crypto Asset" means units of the Value-Referenced Crypto-Asset that have been minted and issued in exchange for funds less any units for which a request for redemption has been fulfilled.

"Permitted Client" has the meaning ascribed to that term in NI 31-103.

"Platform" means a proprietary and automated internet-based Dealer Platform, operated by the Filer, for the trading of Crypto Assets in Canada that enables Clients of the Filer to buy, sell, hold, deposit, and withdraw Crypto Assets by entering into Crypto Contracts with the Filer.

"Prime Broker" means Coinbase Canada, Inc.

"Promoter" has the meaning ascribed to that term in Canadian securities legislation.

"Proprietary Token" means, with respect to a person or company, a Crypto Asset that is not a Value-Referenced Crypto Asset, and for which the person or company or an affiliate of the person or company, acted as the issuer (and mints or burns the Crypto Asset) or a Promoter.

"Publicly Accountable Enterprise" a publicly accountable enterprise as defined in the Handbook.

"Qualified Custodian" has the meaning ascribed to that term in NI 31-103.

"Reference Fiat Currency" means the Canadian dollar or the United States dollar.

"Registered CTP" means a CTP that is registered as a restricted dealer or an investment dealer under securities legislation in one or more jurisdictions of Canada.

"Risk Statement" means the statement of risks described in paragraph 25 of the Decision.

"SOC report" means a Service Organization Controls report completed under the SOC 2 Type 1 or SOC 2 Type 2 standards of the Canadian Auditing and Assurance Standards Board, the American Institute of Certified Public Accountants, or the International Auditing and Assurance Standards Board.

"Specified Crypto Asset" means the Crypto Assets 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.

"Specified Value-Referenced Crypto Asset" means a Value-Referenced Crypto Asset that meets the terms and conditions in Appendix C to this Decision.

"Staff Notice 21-327" means CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets*.

"Staff Notice 21-329" means Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*.

"Staff Notice 21-333" means CSA Staff Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients*.

"U.S. GAAP" has the meaning ascribed to that term in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

"U.S. PCAOB GAAS" has the meaning ascribed to that term in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

"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 other value or right, or combination thereof.

"Value-Referenced Crypto Asset Holder" means a person or company with ownership or control or possession of a unit of a Value Referenced Crypto-Asset, including a CTP holding a unit of a Value

Referenced Crypto-Asset pursuant to a Crypto Contract with a Client.

"Websites" means the www.webull.ca website, or such other website as may be used to host the Platform from time to time.

Appendix B – List of Specified Crypto Assets

- Bitcoin
- Ether
- Litecoin
- Bitcoin Cash
- Solana
- A Specified Value-Referenced Crypto Asset

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

1. The Filer established that all of the following conditions are met:

(a) the Value-Referenced Crypto Asset references, on a one-to-one basis, the value of a Reference Fiat Currency;

(b) 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;

(c) 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 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 Filer ensures that the issuer of the Value-Referenced Crypto Asset makes all of the following publicly available:

(a) details of each type, class, or series of the Value-Referenced Crypto Asset, including the date the Value-Referenced Crypto Asset was launched and key features and risks of the Value-Referenced Crypto Asset;

(b) the quantity of all outstanding units of the Value-Referenced Crypto Asset and their Aggregate Nominal Value at least once each business day;

(c) the names and experience of the persons or companies involved in the issuance and management of the Value-Referenced Crypto Asset, including the issuer of the Value-Referenced Crypto Asset, any manager of the reserve of assets, including any individuals that make investment decisions in respect of the reserve of assets, and any custodian of the reserve of assets;

(d) the quantity of units of the Value-Referenced Crypto Asset held by the issuer of the Value-Referenced Crypto Asset or any of the persons or companies referred to in paragraph (c) and their nominal value at least once each business day;

(e) details of how a Value-Referenced Crypto Asset Holder can redeem the Value-Referenced Crypto Asset, including any possible restrictions on redemptions such as the requirement for a Value-Referenced Crypto Asset Holder to have an account with the issuer of the Value-Referenced Crypto Asset and any criteria to qualify to have an account;

(f) details of the rights of a Value-Referenced Crypto Asset Holder against the issuer of the Value-Referenced Crypto Asset and the reserve of assets, including in the event of insolvency or winding up;

(g) all fees charged by the issuer of the Value-Referenced Crypto Asset for distributing, trading, or redeeming the Value-Referenced Crypto Asset;

(h) whether Value-Referenced Crypto Asset Holders are entitled to any revenues generated by the reserve of assets;

(i) details of any instances of any of the following:

    (i) the issuer of the Value-Referenced Crypto Asset has suspended or halted redemptions for all Value-Referenced Crypto Asset Holders; and

    (ii) the issuer of the Value-Referenced Crypto Asset has not been able to satisfy redemption rights at the price or in the time specified in its public policies;

(j) within 45 days of the end of each month, an assurance report from a public accountant that is authorized to sign such a report under the laws of a jurisdiction of Canada or the United States of America, and that meets the professional standards of that jurisdiction, that complies with all of the following:

    (i) provides reasonable assurance in respect of the assertion by management of the issuer of the Value-Referenced Crypto Asset that the issuer of the Value-Referenced Crypto Asset has met the requirements in paragraphs 1(d)-(f) as at the last business day of the preceding month and at least one randomly selected day during the preceding month;

(ii) the randomly selected day referred to in subparagraph (i) is selected by the public accountant and disclosed in the assurance report;

(iii) for each day referred to in subparagraph (i), management's assertion includes all of the following:
(1) details of the composition of the reserve of assets;
(2) the fair value of the reserve of assets in paragraph 1(e)(i); and
(3) the quantity of all outstanding units of the Value-Referenced Crypto Asset in paragraph (b); and

(iv) the assurance report is prepared in accordance with the Handbook, International Standards on Assurance Engagements or attestation standards established by the American Institute of Certified Public Accountants;

(k) starting with the first financial year ending after December 1, 2023, within 120 days of the financial year end of the issuer of the Value-Referenced Crypto Asset, annual financial statements of the issuer of the Value-Referenced Crypto Asset that meet the following requirements:

(i) the annual financial statements include all of the following:
(1) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;
(2) a statement of financial position, signed by at least one director of the issuer of the Value-Referenced Crypto Asset, as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any; and
(3) notes to the financial statements;

(ii) the annual financial statements are prepared in accordance with one of the following accounting principles:
(1) Canadian GAAP applicable to Publicly Accountable Enterprises; or
(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; or
(3) U.S. PCAOB GAAS; and

(iv) the statements are accompanied by an auditor's report that:
(1) identifies the auditing standards used to conduct the audit;
(2) 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) if the statements are audited in accordance with Canadian GAAS or International Standards on Auditing, expresses and unmodified opinion; and
(4) if the statements are audited in accordance with U.S. PCAOB GAAS, expresses an unqualified opinion.

3. The Filer includes in the Crypto Asset Statement for the Value-Referenced Crypto Asset, 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 of this Appendix 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 Platform;

(j) a brief description of any risks to the Client resulting from the trading of a Value-Referenced Crypto Asset or a Crypto Contract in respect of a Value-Referenced Crypto Asset that may not have been distributed in compliance with securities laws;

(k) any other risks specific to the Value-Referenced Crypto Asset, including the risks arising from the fact that the Filer may not, and a Client does not, have a direct redemption right with the issuer of the Value-Referenced Crypto Asset;

(l) a direction to the Client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the Platform;

(m) a statement that the statutory rights in section 130.1 of the Act and, if applicable, similar statutory rights under securities legislation of other Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in the Decision; and

(n) the date on which the information in the Crypto Asset Statement was last updated.

4. If the Filer uses the terms “stablecoin” or “stablecoins” in any information, communication, advertising or social media related to the Platform and targeted at or accessible by Canadian investors, the Filer will also include the following statement (or a link to the following statement when impractical to include):

> “Although the term “stablecoin” is commonly used, there is no guarantee that the asset will maintain a stable value in relation to the value of the reference asset when traded on secondary markets or that the reserve of assets, if there is one, will be adequate to satisfy all redemptions.”

5. The issuer of the Value-Referenced Crypto Asset has filed an undertaking in substantially the same form as set out in Appendix B of Staff Notice 21-333 and the undertaking is posted on the CSA website.

6. To the extent the undertaking referred to in section 5 of this Appendix includes language that differs from sections 1 or 2 of this Appendix, the Filer complies with sections 1 and 2 of this Appendix as if they included the modified language from the undertaking.

7. The Filer’s KYP Process 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), (5) and (6) of this Appendix on an ongoing basis.

8. The Filer continues to have, and follows, 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, 5, and 6 of this Appendix.

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

Appendix D - Data Reporting

1. The Filer will deliver the following information to the Principal Regulator and each of the Coordinated Review Decision Makers in an agreed form and manner specified by the Principal Regulator and each of the Coordinated Review Decision Makers with respect to Clients residing in the Jurisdiction of such Coordinated Review Decision Maker, within 30 days of the end of each March, June, September and December:

   a) Aggregate reporting of activity conducted pursuant to the Platform's operations that will include the following:

      i. Number of Client Accounts opened each month in the quarter;

      ii. Number of Client Accounts frozen or closed each month in the quarter;

      iii. Number of Client Accounts applications rejected by the Platform each month in the quarter based on the Account Appropriateness Factors as described in representation 24 and Appendix A;

      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, that: (a) in the case of a Client that is not an Eligible Crypto Investor, exceeded a net acquisition cost of $30,000 at the end of each month in the quarter, and (b) in the case of a Client that is an Eligible Crypto Investor, but not an Accredited Crypto Investor, exceeded a net acquisition cost of $100,000 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;

xii. Number of Client Accounts that exceeded their Client Limit at the end of each month in the quarter;

b) The details of any Client complaints received by the Filer during the calendar quarter and how such complaints were addressed;

c) A listing of all blockchain addresses, except for deposit addresses, that hold Crypto Assets on behalf of Clients, including all hot and cold wallets;

d) The details of any fraudulent activity or cybersecurity incidents on the Platform during the calendar quarter, any resulting harms and effects on Clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activity or incidents from occurring in the future;

e) The details of the transaction volume per Liquidity Provider, per Crypto Asset during the quarter;

2. The Filer will deliver to the Principal Regulator and each of the Coordinated Review Decision Makers, in an agreed form and manner specified by the Principal Regulator and each of the Coordinated Review Decision Makers, a report that includes the anonymized account-level data for the Platform's operations for each Client residing in the Jurisdiction of such Coordinated Review Decision Maker, within 30 days of the end of each March, June, September and December for data elements outlined in **Appendix E**.

Appendix E - Data Element Definitions, Formats and Allowable Values

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

[1] Note: Digital Token refers to either data associated with a Crypto Asset, or a Crypto Asset referenced in an

Crypto Contract.

Number	Data Element	Definition for Data Element[1]	Format	Values	Example
6	Unrealized Gains / Losses	Unrealized Gains/Losses from purchases, deposits and transfers in as of the end of the reporting period.	Num(25,0)	Any value rounded to the nearest dollar in CAD. Use the market value at the time of transfers in or deposits of the Digital Token to determine the cost basis.	-30944
7	Digital Token Identifier	Alphanumeric code that uniquely identifies the Digital Token held in the account.	Char(9)	Digital Token Identifier as defined by ISO 24165. See the following link for more details on the ISO standard for Digital Token Identifiers. https://dtif.org/	4H95J0R2X
Data Elements Related to each Digital Token Identifier Held in each Account					
8	Quantity Bought	Number of units of the Digital Token bought in the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	4358.326
9	Number of Buy Transactions	Number of transactions associated with the Quantity Bought during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	400
10	Quantity Sold	Number of units of the Digital Token sold in the account during the reporting period.	Num(31,18)	Any value greater than or equal to zero up to a maximum number of 18 decimal places.	125
11	Number of Sell Transactions	Number of transactions associated with the Quantity Sold during the reporting period.	Num(25,0)	Any value greater than or equal to zero.	3325

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

Number	Data Element	Definition for Data Element[1]	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