Canadian Securities Administrators
Autorités canadiennes en valeurs mobilières

Joint Canadian Securities Administrators and Canadian Investment Regulatory Organization Staff Notice 91-307

Guidance related to Event Contracts: Compliance with Regulatory Requirements

August 27, 2026

Introduction

Staff of the Canadian Securities Administrators (the **CSA**) and staff of the Canadian Investment Regulatory Organization (**CIRO**) (together, **we**) are issuing this Notice to provide guidance on the application of securities and derivatives legislation to certain products commonly described as event contracts, prediction contracts or prediction market contracts (collectively, **Event Contracts**).

In light of growing interest in prediction markets in Canada, this Notice focuses on Event Contracts based on sports or entertainment events or outcomes and sets out CSA and CIRO staff's views on the applicable regulatory framework for those products. Further guidance on Event Contracts based on other types of events will follow.

Background

Event Contracts are products whose settlement is based on the outcome of an underlying future occurrence or event. These products may be structured in different ways, including contracts with a fixed or contingent payout depending on the outcome of the event.

Event Contracts may reference a broad range of underlying events. In some cases, the characterization of these products and other applicable facts and circumstances may raise questions as to whether they fall within the scope of securities or derivatives legislation[1], or may fall within another regulatory framework applicable in Canadian provinces or territories.

[1] Or commodity futures legislation in certain CSA jurisdictions.

Regulatory Framework

CSA staff recognize that Event Contracts may fall within the broad definitions of securities or derivatives under securities and derivatives legislation. However, securities and derivatives legislation, related rules, and guidance, contemplate that certain instruments are outside the scope of that framework, or are otherwise excluded, depending on the facts and circumstances.

CSA staff's view is that Event Contracts based on sports and entertainment events or outcomes should not be regulated within securities and derivatives legislation.

CIRO staff do not consider it appropriate to facilitate or approve an application by their dealer members to trade these types of Event Contracts.

Further Guidance

In addition to Event Contracts based on sports or entertainment events or outcomes, which are addressed in this Notice, other categories of Event Contracts may raise questions as to whether they are appropriately characterized as securities or derivatives. Assessment of these products is ongoing.

In the interim, as a reminder[2], the CIRO investment dealer members that have been authorized to facilitate trading in Event Contracts are subject to certain terms and conditions imposed by CIRO, in consultation with CSA staff. Under these terms and conditions, the CIRO investment dealer members may only facilitate trading of a limited set of Event Contracts that are traded and cleared through certain U.S. regulated exchanges and clearing houses, namely those that are based on economic, environmental or financial indicators.

Facilitating trading in Event Contracts outside the permissible categories under these terms and conditions has not been authorized by CIRO or the CSA. In addition, we continue to review these terms and conditions, which may be subject to further restrictions or other changes for these dealer members and any others in the future.

We emphasize that anyone trading, or facilitating trading, in Event Contracts which are securities or derivatives, must follow applicable requirements under securities and derivatives legislation, such as registration or recognition requirements. Such requirements include, in some Canadian jurisdictions, Multilateral Instrument 91-102 *Prohibition of Binary Options,* which prohibits any person from advertising, offering, selling or otherwise trading a binary option having a term to maturity of less than 30 days, with or to an individual.

[2] See the bulletin published by CIRO on March 26, 2026 and the media advisory published jointly by the CSA and CIRO on April 2, 2026.

Questions

Please refer your questions to any of the following:

Michael Brady
Deputy Director, Capital Markets Regulation
British Columbia Securities Commission
604 899-6561
mbrady@bcsc.bc.ca

Janice Cherniak
Senior Legal Counsel, Market Regulation
Alberta Securities Commission
403 355-4864
janice.cherniak@asc.ca

Caroline Smith
Senior Legal Counsel, Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
306 787-9492
caroline.smith@gov.sk.ca

Arian Poushangi
Associate General Counsel
Manitoba Securities Commission
204 619-6385
arian.poushangi@gov.mb.ca

Alison Beer
Head of Derivatives, Legal
Ontario Securities Commission
416 597-7813
abeer@osc.ca

Greg Toczylowski
Associate Vice President, Derivatives
Ontario Securities Commission
416 593-8215
gtoczylowski@osc.ca

Dominique Martin
Chair, CSA Derivatives Committee
Senior Director, Markets and Derivatives
Autorité des marchés financiers
514 395-0337, ext. 4351
dominique.martin@lautorite.qc.ca

Xavier Boulet
Senior Policy Coordinator
Autorité des marchés financiers
514 395-0337, ext. 4367
xavier.boulet@lautorite.qc.ca

Ray Burke
Manager, Corporate Finance
Financial and Consumer Services Commission of New Brunswick
506 643-7435
ray.burke@fcnb.ca

Peter Lamey
Legal Analyst, Corporate Finance
Nova Scotia Securities Commission
902 424-7630
peter.lamey@novascotia.ca

Phil Devault
Vice President, Member Regulation Policy
Canadian Investment Regulatory Organization
514 392-3412
pdevault@ciro.ca

Sheel Chaudhuri
Policy Counsel
Canadian Investment Regulatory Organization
514 340-7669
schaudhuri@ciro.ca