

DESIGNATION ORDER
for the purposes of National Instrument 81-102 *Investment Funds*
(Section 187(1)(c.1)(v) of the *Securities Act*, R.S.B.C.1996, c.418)

Background

1. Paragraphs 2.3(1.3)(b)(i) and (ii) of National Instrument 81-102 *Investment Funds* (NI 81-102) provide that in British Columbia, an alternative mutual fund may purchase, sell, use or hold a crypto asset, if the crypto asset is fungible and trades on an exchange recognized in British Columbia or designated for the purposes of the paragraph, or the crypto asset is fungible and is the underlying interest of a specified derivative that trades on an exchange recognized in British Columbia or designated for the purposes of the paragraph.
2. Paragraph 2.3(1.4)(b) of NI 81-102 of National Instrument 81-102 *Investment Funds* (NI 81-102) provides that in British Columbia, a mutual fund may enter into a specified derivative of which the underlying interest is a crypto asset if the specified derivative trades on an exchange recognized in British Columbia or designated for the purposes of that subsection.
3. The exemptions in paragraphs 2.3(1.3)(b)(i) and (ii) and paragraph 2.3(1.4)(b) of NI 81-102 aim to provide reporting issuer alternative mutual funds and reporting issuer mutual funds the ability to purchase, sell, use or hold crypto assets, or enter into specified derivatives of which the underlying interest is a crypto asset, as applicable, provided that the crypto asset or specified derivative is traded in the normal course through the facilities of a designated exchange in accordance with the rules of the designated exchange. These rules aim to protect investors by requiring that such trading be subject to the market integrity and price discovery requirements imposed by the designated exchange, and are essential in determining the appropriateness of a crypto asset as a portfolio holding for a reporting issuer alternative mutual fund or a reporting issuer mutual fund.
4. The exchanges listed in Schedule A (the NI 81-102 Designated Exchanges) have been recognized by at least one securities regulatory authority in a jurisdiction of Canada, and are subject to securities laws including, among other things, rules regulating trading on recognized exchanges and rules against market manipulation in National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*.
5. An exchange is required to be recognized or obtain an exemption from recognition under the Act if it is doing business as an exchange in British Columbia.
6. The NI 81-102 Designated Exchanges are exchanges that are not recognized in British Columbia. Where a NI 81-102 Designated Exchange is exempted from the recognition requirement in British Columbia, pursuant to the *Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems* dated September 1, 2020, that NI 81-102 Designated Exchange would be subject to oversight by a lead regulator who will share information relating to marketplace participants, shareholders or market operations with exempting regulators (including the Commission), and an exempting regulator may request the lead regulator to conduct an oversight review of an exchange if it has specific concerns regarding the operations of an exchange. In addition, where an exchange is not required to be recognized or exempted from the recognition requirement in British Columbia, the Commission would be authorized under the Act to collect and use information from another securities regulatory authority about any exchange, whether or not they are recognized or exempt from recognition in British Columbia.
7. Permitting a fund to invest its portfolio assets in a crypto asset that is traded on an exchange or a specified derivative for which the underlying interest is a crypto asset that is traded on an

exchange, provided that the exchange is recognized in a jurisdiction of Canada promotes capital markets efficiency while maintaining appropriate investor protection.

Interpretation

8. Terms defined in the *Securities Act* (British Columbia) or in NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Order

9. The Commission designates the NI 81-102 Designated Exchanges for the purposes of paragraphs 2.3(1.3)(b)(i) and (ii) and paragraph 2.3(1.4)(b) of NI 81-102 under section 187(1)(c.1)(v) of the Act.

Dated July 16, 2025.

“Brenda M. Leong”

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Securities Act, 187(1)(c.1)(v)

SCHEDULE A

Aequitas NEO Exchange
Alpha Exchange Inc.
American Stock Exchange
Australian Stock Exchange
Board of Trade of the City of Chicago, Inc.
Boston Stock Exchange
BrokerTec Futures Exchange
CBOE Canada Inc.
CBOE Futures Exchange, LLC
Chicago Board Operations Exchange
Chicago Mercantile Exchange, Inc.
Commodity Exchange, Inc. (COMEX)
Euronext.liffe
Eurex
Hong Kong Futures Exchange
ICE Futures U.S., Inc.
ICE NGX Canada Inc.
International Petroleum Exchange of London
International Securities Exchange
Kansas City Board of Trade
London International Financial Future and Operations Exchange
Merchants' Exchange
Minneapolis Grain Exchange
Montreal Exchange Inc.
Nasdaq CXC Limited and Ensoleillement Inc.
New York Board of Trade
New York Mercantile Exchange, Inc.
Nodal Exchange LLC
NQLX LLC
NYSE Arca Inc.
OneChicago
Osaka Securities Exchange
Philadelphia Board of Trade
Philadelphia Stock Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
The Island Futures Exchange
Tokyo Stock Exchange
Tokyo International Financial Futures Exchange
TSX Inc.
Winnipeg Commodity Exchange