

# NEWS RELEASE

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## **BCSC bans unregistered, offshore crypto trading platform from operating in B.C.**

*Vancouver* – The B.C. Securities Commission (BCSC) has banned the operator of an unregistered and unauthorized crypto trading platform from trading in or purchasing securities and derivatives on behalf of British Columbians.

The BCSC panel also prohibited LiquiTrade Ltd., which is incorporated in the Cayman Islands, from engaging in any promotional activities in B.C., and ordered it to pay an administrative penalty of \$500,000.

The BCSC's prohibition of LiquiTrade's trading in or purchasing derivatives effectively means it can no longer legally facilitate B.C. residents' trading in crypto assets under its current model.

LiquiTrade began operating a crypto trading platform known as LATOKEN in 2020. Like many other crypto trading platforms, LATOKEN doesn't let users directly buy and sell crypto assets; instead, users buy and sell *contractual rights* to crypto assets, and those contractual rights are derivatives.

A BCSC panel [found](#) in July 2024 that LiquiTrade, through the LATOKEN platform, created a derivatives trading market, promoted derivatives, and operated as an exchange, even though LiquiTrade and LATOKEN weren't registered or authorized to engage in any of those activities in B.C.

There is no evidence that any B.C. residents lost funds as a result of LiquiTrade's misconduct, and the number of B.C. customers was relatively small. But the panel said, "LiquiTrade chose to work outside of important requirements which are designed to mitigate some risks faced by investors in this province."

Since the BCSC hearing in November 2023, LiquiTrade added Canada to the list of countries from which it will not accept users. In July 2024, shortly after a BCSC panel found that LiquiTrade had committed misconduct, a BCSC investigator tried to open an account

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with a Canadian telephone number, and later with an email address that was traceable to Vancouver; those attempts were unsuccessful. However, when he disguised his location with virtual private network software, he was able to obtain a crypto deposit address.

Regardless of where they are located, platforms that facilitate Canadians' buying and selling of crypto assets must register with provincial or territorial securities regulators and abide by certain conditions to help protect investors. A [list](#) of crypto trading platforms authorized to do business with Canadians is available on the website of the Canadian Securities Administrators, of which the BCSC is a member.

The BCSC's action against LiquiTrade is part of an ongoing, coordinated effort by Canadian securities regulators to ensure that crypto trading platforms comply with securities legislation in Canada.

## **About the B.C. Securities Commission ([www.bcsc.bc.ca](http://www.bcsc.bc.ca))**

The B.C. Securities Commission, an independent provincial government agency, strives to make the investment market benefit the public. We set rules, monitor compliance by industry, take action against misconduct, and provide guidance to investors and industry. As guardians of B.C.'s investment market, we're committed to maintaining a market that is honest, fair, competitive and dynamic, enabling British Columbians to thrive.

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