

**From:** Francois Soto [REDACTED]  
**Sent:** Tuesday, January 30, 2024 1:35 AM  
**To:** comments <[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)>  
**Subject:** Rules for public investment funds holding crypto assets - Feedback

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To whom it may concern,  
I think some of the proposed amendments to NI 81-102 are good, but others require going back to the drawing board.

The Recognized Exchange Requirement is too severe and limits the offering of crypto products to only Bitcoin and Ethereum. Canada has been a pioneer with crypto assets so far and should remain that way. A good motto would be to avoid fixing what's not broken.

A better approach, at least in my humble opinion, would be to restrict crypto assets for investment funds only to those crypto assets that have worldwide institutional-grade liquidity and top 5 market cap.

Another way of looking at this would be the following:

How can regulators allow extremely risky securities like penny stocks on the TSX Venture Exchange to be acquired by the public while at the same time forbidding them to invest (in the near future) in \$20 billion market cap crypto assets only because the crypto asset does not have a futures market in Canada?

I know it is a different asset class, but the return-to-risk relationship is on the same spectrum for all asset classes, so the comparison remains relevant. The penny stock does not have derivatives, has less than 1/10000 of the liquidity by the largest market cap crypto assets, and has been subject to massive manipulation for the last five decades. The largest market cap crypto assets are traded on more than ten regulated and unregulated exchanges, etc. It's just food for thought.

Thank you for taking the time to read my comment.

Best,

Francois Soto, CFA, MBA, FRM, CIM