

While digital assets are now mainstream, the future remains largely uncharted. To protect what you've built and take advantage of what's next, you need the right partners — including a national team of strategic, creative, collaborative, award-winning advisors who know the rules across the country (and when they don't apply).

The digital asset industry is at the cutting edge of technology and law. BLG's legal practitioners understand the wide array of legal areas affecting digital assets, including, securities, consumer protection, trusts, privacy and commercial litigation, and routinely develop creative legal strategies to deliver strong results to clients. Businesses must strongly consider retaining experienced counsel to advance the strongest case possible when faced with an ever-changing landscape.

BLG's digital asset team has been trusted by trailblazers since 2017. We advised on the registration of Canada's first IIROC dealer to trade and custody crypto assets for institutional investors, Canada's first investment fund manager dedicated exclusively to cryptocurrency, and the first global platform to offer securities and fan tokens.

BLG was also involved in providing regulatory advice on the development of policies and procedures for Canada's first investment dealer to offer bitcoin futures and was counsel in one of the first cases in Canada where the court grappled with what cryptocurrency is in law, and how cryptocurrencies can be recovered.

Our team helped one of the first blockchain technology companies become publicly listed on a Canadian stock exchange. We later helped this company become one of the first crypto asset trading platforms to complete a public financing in Canada.

These "firsts," plus the dozens of other digital assets matters we've been involved with, demonstrate our ability to ask the right questions, understand evolving regulations across jurisdictions and navigate the unwritten rules. Our experience in related sectors makes us well positioned to provide digital asset advice.

Our financial services group understands the application of the legal requirements relating to money service businesses, payments, consumer protection, competition, privacy and market conduct rules.

Our investment management group, which holds a Band 1 ranking from Chambers, is the largest in Canada and can assist with all digital assets projects undertaken by asset managers. Our derivatives group has won the Canadian Derivatives Law Firm of the Year award ever since the category was established in 2014 by Global Capital and is actively involved in determining the application of derivatives laws to digital asset businesses. Our securities and capital markets group knows how to finance growing companies and help them access the public markets and has extensive experience in addressing the issues faced by businesses in the digital asset sector. Finally, our disputes group has extensive experience in fighting and resolving disputes relating to digital assets, including class actions.

At BLG, we strive to be more than leaders in the innovative delivery of legal services; we collaborate with our clients to help them meet their business goals and to enhance our broader communities.

We are creative problem solvers and work with regulators and industry groups, such as IIROC's Crypto-Asset Working Group and the Canadian Blockchain Consortium, to influence the direction of the digital asset sector and to give the next generation of entrepreneurs a strong start.

In addition to direct industry involvement, one of our key team members is the founder of BLG's Driven By Women initiative to support women in business. As a firm, we're active promoters of equity and inclusion, with a strong national ESG practice.

Our clients in the digital asset sector range from start-ups to Fortune 500 companies, including:

- Crypto asset trading platforms and exchanges
- Investment funds and their managers
- Financial services companies
- Crypto asset custodians
- Canadian and foreign MSBs
- Businesses that want to use cryptocurrency as a payment method
- DeFi companies
- Digital payments service providers
- Software and technology companies
- Crypto asset advisers and brokers
- Blockchain solution providers

We can help you with:

- Determining and implementing your legal obligations
- Regulatory compliance and registration
- Developing new digital asset products and services
- Creating and offering public and private crypto asset investment funds
- Advice regarding taxes, including GST/HST and advantageous business structures
- Internal and external audits, including CRA audits, tax disputes and tax litigation
- Civil, regulatory and criminal investigations and court orders, including regarding the seizure of digital assets and other fraud-related remedies
- Drafting compliant policies and procedures
- Token and other digital asset financing, both public and private
- Money services business issues
- Smart contracts solutions
- All the usual business-related issues, including privacy concerns and complying with privacy-related obligations, financing your business, taking your company public, mergers and acquisitions, intellectual property rights and information management, litigation support, and cross-border and cross-jurisdictional issues

Experience

Trading platforms and dealers

Advising on an institutional crypto asset trading platform for both an IIROC member and its foreign custodian, including obtaining novel exemptive custodial and capital relief

Acting for many of the entities granted restricted dealer status by the CSA to offer crypto asset trading platforms

Acting for a global payments provider in developing a crypto interface and API for Canadian financial institutions

Advising on the application of an exchange (marketplace) for both crypto assets and security tokens (with secondary trading) with both provincial securities commissions and IIROC

Advising on the application of a hybrid money services business / crypto asset trading platform offering multiple services (both deliverable and non-deliverable crypto)

Advising foreign and domestic money services businesses as to compliance with "dealing in virtual currencies"

Registration of an exempt market dealer to operate a web-based digital platform for the distribution of digital securities to eligible investors pursuant to prospectus exemptions

Partnered with BlockFilm to advise and assist on the launch of its global digital platform and obtained novel relief exempting it from certain securities regulatory requirements

Adviser / Investment Fund Manager

Represented the first registrant to obtain registration as an investment fund manager in Canada focused on cryptocurrency investments

Acting for the first crypto asset-focused portfolio manager in Canada

Sought approval for traditional equity portfolio managers to add cryptocurrency as an asset class or exposure to the blockchain industry, including developing proficiency waivers for individuals that do not have the usual CFA/CIM education

CIRO Dealers

Represented the first CISO (previously IIROC) dealer that is permitted to trade and custody crypto assets for institutional investors in Canada

Working with a number of CISO dealers (both order execution only and full-service brokerage) to add crypto assets as an additional asset class.

Acted for the first investment dealer in Canada to offer bitcoin futures, providing a regulatory framework and developing policies and procedures

Product Development

Assisting with the creation and formation of NFTs and the operation of NFT trading platforms

Assisting clients with the development and launch of a number of crypto asset ETFs

Obtained novel relief to allow dealers to create ETF units by delivering crypto assets

Financial services regulatory

Supporting businesses that provide crypto/virtual currency services and products to Canadians, and that need to navigate relevant laws that apply to these businesses and companies

Building anti-money laundering/anti-terrorist financing and sanctions legal and compliance programs for companies engaged in crypto/virtual currency products and services

Engaged in the development and deployment of central bank digital currencies in Canada and globally, including the related legislative, regulatory and technical matters

Supporting financial institutions, such as banks, credit unions, and trust companies, with their legislative and regulatory considerations when interacting with crypto/digital asset companies, products and services

Knowledgeable about the regulatory and business movements with respect to open banking in Canada and globally

Disputes – Regulatory

Responding to confidential regulatory investigations involving digital asset entities

Representing digital asset respondents in enforcement actions by securities regulators, law enforcement, and other government authorities

Assisting clients with asset seizure requests from law enforcement agencies, including the Royal Canadian Mounted Police

Disputes – Civil litigation

Representing a crypto exchange in class proceedings alleging violations of securities laws relating to cryptocurrency derivatives products

Resolving disputes between customers, third parties and crypto exchanges, including tracing, allegations of fraud and constructive trust

Representing counterparties and creditors in disputes with crypto exchanges

Tax and tax disputes

Advising on the tax treatment of digital assets and structures involving digital assets, including efficient tax-structuring, GST/HST implications relating to digital assets, and tax-effective employee and shareholder benefits

Assisting taxpayers holding digital assets through the course of audits by the Canada Revenue Agency and related tax disputes in the Tax Court of Canada

Corporate finance / Mergers & acquisitions

Advised a private digital transaction solutions provider in its business combination with a software company by way of three-cornered amalgamation)

Advised a private NFT platform in its SAFE private placement

Advised entities in the digital assets space in their public listing by way of a reverse takeover transaction

Advised a FinTech company in its subscription receipt financing

Advised a listed entity in its acquisition of an entity that operates a crypto asset trading platform

Advised a blockchain company in their convertible debenture private placement

Advised a dealer on the financing of a blockchain platform

Privacy and data security

Assisted in reviewing and revising external privacy policy for a crypto exchange

Providing detailed privacy and cybersecurity advice to entities, including financial institutions, looking to transact in digital assets

Intellectual property and licensing

Developing NFT marketplace terms and conditions

Advising visual artists, major consumer brands, fashion houses, film makers, and IP rights holders with respect to minting, licensing, and selling of NFTs

Advising on intellectual property issues with respect to NFT ownership, licensing, minting and selling

Trademark prosecution, branding and related issues in the metaverse and for digital assets

Licensing of digital assets, including structuring and advising on digital asset licensing programs and frameworks

Copyright and trademark infringement and enforcement of digital assets

Conducting digital asset chain of title IP rights reviews and other digital asset due diligence

Advising on and structuring sponsorships and partnerships between digital asset companies and brand owners

Related Expertise

Financial Services

Registrant Regulation & Compliance

FinTech

Corporate Finance

Tax

BLG Can Also Help You With

Investment Management

Registrant Regulation & Compliance

Banking & Financial Services

Intellectual Property

Commercial Litigation

Key Contacts

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