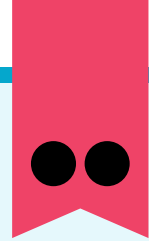


Get Smarter About Crypto



Crypto assets are digital assets. They are distributed through a digital ledger system called a blockchain. It records crypto transactions through a network of computers and manages the chain of custody of the crypto asset.

Cryptocurrency

The most common type of crypto asset is cryptocurrency. It is intended to work like a digital currency. Unlike traditional currencies, cryptocurrencies are not issued or backed by a government or central bank.

Bitcoin is the most popular cryptocurrency but there are many others with different specifications and functions. At this time, most cryptocurrencies are not primarily used for purchasing or trading goods or services. Investors hold cryptocurrencies because they hope their cryptocurrencies will increase in value.

Other crypto assets

There are many types of crypto assets, including:

- **Digital tokens:** they have specific functionality, permissions and terms associated with them. For example, non-fungible tokens (NFTs) allow investors to have ownership of a unique asset, often digital artwork.

- **Crypto funds:** allow you to access crypto assets without directly buying, owning or trading them. These funds may appeal to investors who see the potential of the technology but don't want the complexity of owning the assets themselves.

How to buy

There are many ways to buy crypto assets, such as:

- **Crypto asset trading platforms:** online trading services that allow investors to buy and sell crypto assets. There are few crypto asset trading platforms registered in Ontario. Others may join the list as the OSC continues its discussions and review of applications.
- **Initial coin offerings (ICO):** involve businesses seeking to raise funds by issuing crypto assets.
- **Kiosks:** physical ATMs or online services.

Wallets and keys

When you buy crypto assets, you hold the assets in a digital address on a blockchain. Wallets are technologies or products that help you manage the keys associated with your assets on the blockchain. Your digital wallet comes with an assigned public key and a private key, which are comprised of a string of letters and numbers.

- **Public key:** you can share it to receive transactions. It identifies your account on the network and can be searched in a ledger.
- **Private key:** you must keep this information safe. It is used by you to unlock transactions. It proves you are the owner of the transaction.

Risk

Crypto asset prices can be very volatile and increase or decrease many times during the day. Crypto assets can also be vulnerable to fraud, manipulation and cyber attacks. While some crypto assets fall under Ontario securities law, others may not. Watch for these red flags of crypto fraud:

- **High pressure sales tactics:** you get multiple calls from a company telling you to act now or you'll miss out.
- **Too good to be true:** you're shown online account details with unrealistic, rapid growth, to try to get you to invest even more money.
- **Guarantee of high returns:** you're promised unrealistic returns, such as 300% growth.
- **No experience needed:** you're told not to worry about a lack of trading knowledge.
- **Trojan horse:** you're told to download an app on your computer that actually gives the fraudsters access to your computer (such as AnyDesk).
- **Paying more to get less:** you're told to provide more money before you can make withdrawals.

Before you invest, check registration of the firm/trading platform at [CheckBeforeYouInvest.ca](https://www.checkbeforeyouinvest.ca)

Learn more at [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)

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