



TMX Group Ltd. to Launch Crypto Exchange, But the Market Still Faces Challenges Worldwide and in Canada

Description

Last week, **TMX Group Ltd.** ([TSX:X](#)), which operates cash and derivatives markets, announced that it would [open a cryptocurrency brokerage service](#) through the launch of its Shorcan Digital Currency Network subsidiary. It will focus on Bitcoin and Ether cryptocurrencies. TMX Group stock rose 1.14% on the trading day following the announcement.

Bitcoin continued its plunge on March 26, as its price fell below \$8,000 after **Twitter Inc.** announced a ban on cryptocurrency advertisements. The move comes as somewhat of a surprise as Twitter CEO Jack Dorsey has been an outspoken advocate for Bitcoin, even going so far as to predict that it will be the “single global currency” sometime in the future. Twitter follows other tech giants **Alphabet Inc.** and **Facebook Inc.** in banning online advertisements to promote cryptocurrencies as well as initial coin offerings. The private sector has contributed to a pile-on in 2018 that began with a number of nations looking to clamp down on exchanges.

Japan, France, and Germany have made calls for more regulations on cryptocurrencies moving forward, citing concerns over terrorist financing and money laundering as a driver for the initiative. Advocates for cryptocurrencies have been keen to point out that money laundering equated with the use of cryptocurrencies makes up a small fraction of known cases. There is, however, far from a consensus on how states should regulate cryptocurrencies going forward.

Canada has taken a decidedly liberal attitude regarding cryptocurrencies so far, but regulators are starting to take notice. After a crackdown in China, cryptocurrency miners have targeted Canada for its low-cost energy. Officials in the Quebec region of Brome-Missisquoi recently imposed a three-month ban on the creation of data mining centres. Hydro-Quebec has also floated the idea of raising rates for cryptocurrency miners going forward considering the extensive power needs of the industry.

There are also signs that the federal government may be preparing more detailed regulations on digital currencies in the near future. The Standing Committee on Finance held a statutory review of the Proceeds of Crime and Terrorist Financing Act on March 21. There will be more meetings to follow. Bitcoin and cryptocurrency advocates have warned that regulations could work to stifle an industry that

has tremendous growth potential in Canada.

In any case, this move from TMX Group will represent a significant challenge to already-active exchanges in Canada. Coinsquare, a top exchange in Canada, is [reportedly eyeing](#) a \$150 million initial public offering in September. Coinsquare aimed to enhance transparency and investor trust by pursuing an IPO. Currently, Coinsquare has over 100,000 verified users and has ambitions to grow that number to over half a million by the end of 2018.

TMX Group stock has climbed 6% in 2018 thus far and is up 12.2% year over year. The stellar reputation of TMX Group will serve as stiff competition for other exchanges that have come under fire from consumer advocates, as cryptocurrency mania has grown more mainstream. It remains an attractive long-term addition today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:X (TMX Group)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/07/20

Date Created

2018/03/27

Author

aocallaghan

default watermark

default watermark