



Will Bill C-249 Boost Crypto Investments in Canada?

Description

Canada appears to be the most bullish country on cryptocurrencies. Oil-rich Alberta wants to diversify its economy and become the [global crypto hub](#). To add to its corporate treasury, accounting firm KPMG made direct investments in crypto assets, including **Bitcoin** ([CRYPTO:BTC](#)) and **Ethereum** ([CRYPTO:ETH](#)).

On February 9, 2022, parliament member Michelle Rempel Garner introduced Bill C-249 to encourage the [growth](#) of the crypto-assets sector. MP Garner said, “Canada should be attracting billions of dollars in investment in the fast-growing crypto-asset industry. Today I introduced a bill, the first of its kind in Canada, to make sure this becomes a reality.”

The framework mentioned in the bill focuses on lowering barriers to entry into the cryptocurrency sector. It should also protect people working in the sector and minimize the administrative burden.

Hut 8 Mining welcomes the creation of a federal framework to regulate [digital assets](#) and consultation with industry leaders. The company said it would help position Canada as a world leader in Blockchain innovation.

However, the proposal comes at a time when BTC, ETH, and cryptos in general, are in a slump. Although interest in the assets is growing, investors should beware. Oanda’s senior analyst Ed Moya said cryptocurrencies will remain very volatile going forward, and he warned that many risks can trigger a 40% drop out of nowhere.

Economic and innovative potential

Bill C-249’s proponent believes crypto assets have significant economic and innovative potential for Canada. MP Garner said, “To be a world leader, Canada needs to make sure crypto asset experts and investors are telling us what policies they need, or what policies they don’t need. This bill requires the minister of finance to formally ensure that their voices help lead policy development.”

The bill seeks to create a mechanism to formally engage the expertise of crypto-asset talent in policy

development and not to establish a particular policy for cryptocurrency regulation. It should give experts a voice or say in what policy they need or don't need.

Crypto slump

Bitcoin and Ethereum are off 37.2% and 39.2% from their peaks on November 8, 2021, and still losing year to date. Some observers said the flash crash late last year and the weak start to 2022 show the volatile nature of cryptos. More wild price swings are coming.

Still, KPMG invested in BTC and ETH, despite the nosedive, saying institutional adoption of crypto assets and blockchain technology will continue to grow. The firm added it will become a regular part of the asset mix. Paul Beaudry, Bank of Canada deputy governor, sees no significant risk to the financial system, given the current level of cryptocurrency adoption.

Risk factors

Government crackdowns and tighter regulations, including the decentralized finance (DeFi) space, threaten the cryptocurrency industry. Nonetheless, Fidelity director Jurrien Timmer said Bitcoin could reach US\$100,000 as soon as 2023.

However, Carol Alexander, professor of finance at Sussex University, predicted that the top crypto will tank to US\$10,000 in 2022. She said Bitcoin has no fundamental value, and Ethereum could be the crypto of choice. The second-largest crypto has edge, because it serves an essential and fundamental role in DeFi, a part of Web 3.

CATEGORY

1. Cryptocurrency
2. Investing

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/07/03

Date Created

2022/02/14

Author

cliew

default watermark

default watermark