



3 Ways You Can Buy Cryptocurrencies in Your TFSA

Description

After two years of the [cryptocurrency industry](#) becoming more popular, and even now, while it's in the midst of a major sell-off, it's clear that this new asset class is here to stay. So naturally, investors will be wondering whether they should bother to buy cryptocurrencies and use a TFSA to do so.

Blockchain technology continues to be developed and the solutions and innovations created have tonnes of real-world potential over the long run. So naturally, taking advantage of the major sell-off in these cryptocurrencies and crypto stocks is one of the best ways to invest in 2022.

Because cryptocurrencies have so much growth potential, though, gaining exposure in your [TFSA](#) makes a lot of sense. With all the opportunity to grow your capital significantly, investing in your TFSA could end up saving you money in taxes.

It's crucial to ensure that you're buying high-quality investments and doing it for the long run, though. TFSA contribution room is valuable, so you don't want to lose money and therefore contribution room on poor or speculative investments.

In addition, investing for the long run helps to mitigate risk, especially in the highly volatile cryptocurrency industry. So if you're looking to gain exposure to cryptocurrencies and buy crypto stocks in your TFSA, here are three of the best ways to do so.

A top ETF to buy for Bitcoin exposure

There's no question that **Bitcoin** ([CRYPTO:BTC](#)) is an excellent long-term investment. There are several catalysts that could cause Bitcoin's price to continue to grow over the long haul. And because it's the most popular cryptocurrency with a market cap of more than US\$835 billion, there are many ways for investors to gain exposure.

One of the most common and straightforward is to buy a fund like the **CI Galaxy Bitcoin ETF** ([TSX:BTCX.B](#)), which offers investors exposure directly to the price of Bitcoin.

So if Bitcoin's price doubles over the next year, you can expect the [ETF](#) to double over the next year. However, it's much easier to buy, will likely cost you less in transaction fees than buying the actual Bitcoin, and you never have to worry about losing it.

In addition, over the long run, your returns will likely be higher because any of the gains you make holding the ETF aren't taxable if you buy the cryptocurrency in your TFSA.

This Ethereum ETF is one of the best cryptocurrencies to buy in your TFSA

Another excellent investment if you're bullish on cryptocurrencies and blockchain technology is a fund that offers exposure to **Ethereum** ([CRYPTO:ETH](#)), the second-most valuable cryptocurrency. Ethereum offers a lot of potential itself, and for many different reasons than Bitcoin.

Its technology has allowed the creation of several new and innovative products, including several [metaverses](#), play-to-earn video games, [NFTs](#), and much more.

So buying an ETF that offers all the same advantages as the Bitcoin ETF is another excellent way to utilize your TFSA and gain exposure to the high-potential cryptocurrency industry.

A top crypto stock to buy for exposure to the entire industry

Lastly, if you're bullish on cryptocurrencies but don't want to buy an investment that only offers exposure to a single coin, **Galaxy Digital** ([TSX:GLXY](#)) is the perfect stock for your TFSA.

Galaxy Digital is a multi-segmented financial services company that's growing rapidly as the interest in cryptocurrencies grows. Its segments serve retail investors, institutional investors, high-net-worth individuals, and even blockchain and cryptocurrency companies themselves.

In addition, it also has its own cryptocurrency mining segment and offers exposure to several high-potential projects in the space.

So if you're bullish on cryptocurrencies but want to utilize the power of your TFSA, Galaxy Digital is one of the best crypto stocks to buy now.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. TSX:BTCX.B (CI Galaxy Bitcoin ETF)
2. TSX:GLXY (Galaxy Digital)

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