

CIRO Custody and Segregation Project - Appendix 1 - Digital Asset Custodian Requirements

| | Tier | Tokenized Asset Custodian | Tier 1 Crypto Custodian | Tier 2 Crypto Custodian | Tier 3 Crypto Custodian | Tier 4 Crypto Custodian |
|-------------------------------------------|------------------------------------------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Permitted Percentage Limit | 100% | 100% | 100% | 75% | 40% |
| Minimum Capital | Canadian | ASL criteria | \$100,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 |
| | Foreign | ASL criteria | \$150,000,000 | \$100,000,000 | \$100,000,000 | \$100,000,000 |
| Institutional Grade Infrastructure | SOC 2 (Type 2) Report - Security and Availability | x | x | x | x | x |
| | SOC 2 (Type 2) Report - Confidentiality and Processing Integrity | x | x | x | | |
| | Crypto Asset Specific Assurance - all Custody Related Services | | | x | | |
| | Crypto Asset Specific Assurance - Custody Technology | | | | x | |
| | Independent Penetration Testing | | | x | x | x |
| | External Assurance over Cybersecurity Controls | | | x | | |

| | | | | | | |
|-------------------------------|-----------------------------------------------------------------------------------------|--------------|---|---|---|---|
| Controls and Insurance | Procedures for Crypto Asset Storage | x | x | x | x | x |
| | Procedures for Third Party Risk Management and Business Continuity (Representations) | | | | x | |
| | Procedures for Third Party Risk Management and Business Continuity (External Assurance) | | | x | | |
| | Insurance - Property + Crime (alternate coverage for cold wallets) | | | | x | x |
| | Insurance - Property + Crime (all locations) | x | x | x | | |
| Legal and Jurisdiction | Registration - as a bank or Trust Company | ASL criteria | x | x | x | x |
| | Acceptable Custody Agreement | x | x | x | x | x |
| | Insolvency/Trust Documentation | | | x | x | x |
| | Regulatory Supervision | | x | x | x | |
| | Regulatory Information Sharing Agreement | | x | x | x | |