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FOR IMMEDIATE RELEASE

FAIR Canada Responds to CSA/CIRO Notice on Prediction Markets

Toronto, ON, August 27, 2026 – FAIR Canada is responding to today's joint notice from the Canadian Securities Administrators (CSA) and the Canadian Investment Regulatory Organization (CIRO), that clarifies that event contracts based on sports and entertainment outcomes should not be regulated under Canada's securities and derivatives framework. FAIR Canada supports this regulatory clarity but remains concerned about the risks that permitted prediction market contracts may pose to retail investors.

"Canada's capital markets are intended to support investment, capital formation, economic growth, and market efficiency," said JP Bureaud, Executive Director of FAIR Canada. "Before additional event contracts are approved, regulators should require clear evidence that they provide meaningful public interest benefits and that robust safeguards are in place to protect retail investors. Innovation alone is not a sufficient basis for regulatory approval."

Prediction market contracts allow individuals to speculate on the outcome of future events. While proponents often characterize these products as innovative financial instruments, many function more like gambling products than investments that support capital formation, economic growth, market efficiency or serve legitimate risk-management functions. FAIR Canada is concerned that prediction market contracts may expose retail investors to significant losses, divert capital away from productive investment, and raise broader market integrity concerns.

Dealers that facilitate trading in event contracts also benefit from higher trading volumes regardless of whether their clients make or lose money. This creates a commercial incentive for dealers to expand the range of available contracts and encourage greater participation, creating conflicts between their business interests and the interests of their clients.

FAIR Canada will continue to contribute to the policy discussion and encourages regulators to place investor protection, market integrity, and the public interest at the centre of any future decisions regarding event contracts.

About FAIR Canada

FAIR Canada is a national, independent, non-profit organization dedicated to advancing the interests of individual investors through advocacy, research, education, and collaboration.

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