

The Latest Developments in Ontario's Jurisdictional Quagmire with Global Crypto Asset Platforms

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June 30, 2026

Overview

The court's jurisdiction in the crypto asset space has become a timely and widely debated issue, with several recent decisions shaping this rapidly evolving area of law.

Previously, the Court of Appeal for Ontario weighed in on this issue in *Shirodkar v. Coinbase Global, Inc.*,¹ confirming that the ability to access a foreign trading platform within Canada may not be, alone, enough for a court to exercise its jurisdiction over a foreign defendant. You can find our previous comment on Coinbase [here](#).

The Ontario Superior Court of Justice has now revisited this issue in *Iakovlev v. ePayments*.² The decision in *ePayments* highlights that the ability to access a service provider from Ontario will not automatically mean that the Court can or will exercise jurisdiction over particular claims or a foreign defendant.

Background

ePayments Systems Limited (ePayments) operated as a payment intermediary and was integrated with DSX Global (UK) Limited (DSX Global), a separate crypto asset trading platform. Neither DSX Global nor ePayments were registered to operate in Ontario or in Canada generally.

The plaintiff, Alexandre Iakovlev, an Ontario resident, registered with ePayments. As part of the registration process, he claimed he (1) disclosed his Toronto residency, and (2) accessed the ePayments platform in Ontario. Through ePayments, he purchased crypto assets that were held in a DSX Global account. After DSX Global went bankrupt, Iakovlev commenced proceedings to recover the lost funds from ePayments. ePayments asked the Court to dismiss the proceedings against them for jurisdictional reasons.

Global Virtual Presence and Vague Ontario Ties Will Not Ground Jurisdiction

The Court dismissed the action against ePayments, concluding that Ontario did not have jurisdiction over it:

- Website access and global registration is not enough to establish a presence in Ontario: The Court held that ePayments was not carrying on a business in Ontario. ePayments is a globally accessible website and users could create accounts and log in from anywhere, including Ontario. The Court emphasized that ePayments had no data-gathering, targeted advertising, or other Ontario-focused activity. The mere fact that the platform could be accessed in Ontario was not enough to establish an Ontario presence.
- Vague ties to the province cannot ground jurisdiction: The Court refused to assume jurisdiction because the plaintiff could not show that the key portions of their claim were connected to or occurred in Ontario. There was no clear evidence nor any meaningful connection to Ontario given (1) the Court concluded that the funds did not originate from Ontario, and (2) the financial institutions holding the crypto assets and assets themselves were situated outside of Canada.
- The Court will look for evidence of “carrying on business in Ontario”: ePayments only maintained a virtual presence in Ontario. The Court noted that there must be some “substantial aspect” of a business undertaking in Ontario, which can include: (1) if there are any employees or key decision-makers for the company in the jurisdiction, (2) any physical presence in the jurisdiction such as a physical office, (3) any licenses or registration to operate in the jurisdiction, or (4) any targeted advertising to local residents.

Conclusion and Key Takeaways

This case reaffirms that having website and registration access to a crypto asset trading platform in Ontario will likely not be enough to establish jurisdiction over foreign entities. The Court will look at factors such as direct advertising to Ontario users, whether there are any employees in the jurisdiction, and any registrations with the relevant regulatory authority, coupled with the ability to register and access platforms to establish jurisdiction.

¹ *Shirodkar v. Coinbase Global, Inc.*, [2025 ONCA 298](#) (Coinbase).

² *Iakovlev v. Epayments Systems Ltd.*, [2026 ONSC 1296](#) (ePayments).