



CANADIAN ANTI-FRAUD CENTRE BULLETIN

Using Cryptocurrency Safely

2021-01-26

FRAUD: RECOGNIZE, REJECT, REPORT

As the value of cryptocurrencies reach new highs, the Canadian Anti-Fraud Centre (CAFC) wants to remind Canadians to recognize that fraudsters also seek to benefit from the growing interest in crypto currency markets. Data breaches, thefts, exit scams and frauds tied to initial coin offerings have all been documented in 2020.

The following are some general guidelines and best practices to reject fraud and protect your virtual assets.

How to protect yourself

- Be careful when sending cryptocurrency. Once the transaction is completed, it is unlikely to be reversed.
- As proceeds of crime and anti-money laundering regimes around the world create regulatory frameworks that treat businesses dealing in crypto currencies as money service businesses, Canadians need do their research to ensure they are using reputable and compliant services.
- Retain your cryptocurrency with well-known and reputable exchanges, and purchase any hardware wallets directly from the manufacturer.
- Learn the differences between cold wallets and hot wallets. Cold wallets are not connected to the internet and hot wallets are connected to the internet. On the one hand, you are in control of your virtual assets where on the other hand, you may be exposing your cryptocurrency to the risk of theft and/or relying on a third party exchange to manage your virtual assets.
- Use strong and unique passwords for different online accounts. In the case of a data breach, fraudsters may try using credential stuffing tactics to access your crypto currency wallet.
- Consider using multi-factor authentication to secure your accounts and/or authorize transactions. This is an added layer of security that helps to reduce fraud.
- Beware of phishing emails, store your private keys safely and NEVER share this information. If you lose these keys, you may also lose your virtual assets. The same is true for any 12 or 24 word passphrases.
- Learn [more tips and tricks for protecting yourself from fraud](#).

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1-888-495-8501 or report online at www.antifraudcentre-centreantifraude.ca.



Royal Canadian Mounted Police
Gendarmerie royale du Canada



Competition Bureau
Canada

Bureau de la concurrence
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Ontario Provincial Police

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