

Ontario Superior Court grants anti-suit injunction restraining Hong Kong arbitration in Binance class action

by *Practical Law Arbitration*, with *Fasken*

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In *Lochan v Binance Holdings Ltd*, 2025 ONSC 6493, the Ontario Superior Court issued an order restraining Binance and its affiliates from commencing or continuing arbitration in Hong Kong, finding the notice of arbitration a collateral attack on prior rulings *Lochan v Binance Holdings Ltd*, 2023 ONSC 6714; 2024 ONCA 784 (Binance 2023), that had already found the underlying arbitration clause void for unconscionability and public policy.

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The Ontario Superior Court of Justice has granted an anti-suit injunction restraining Binance and its affiliates from pursuing arbitration in Hong Kong against Canadian class action plaintiffs representing a certified class of Canadian investors who purchased cryptocurrency derivative products through Binance's platform. They allege that Binance operated without registration and distributed securities without a prospectus, contrary to Ontario's Securities Act, and Canadian securities laws.

Binance had previously sought to stay the Ontario proceedings in favour of Hong Kong arbitration under its terms of use. That motion had been dismissed, with the Court of Appeal affirming that the arbitration clause was void as unconscionable and contrary to public policy. The clause imposed prohibitive costs of arbitration on the plaintiffs, and was buried in an unnegotiable click contract, with the logistical complexity and expense of arbitration undisclosed.

Despite these prior rulings, Binance, through a Seychelles entity (Nest), initiated the Hong Kong arbitration. Nest claimed the Ontario action breached the arbitration agreement and it sought indemnity for costs and damages, including any adverse Ontario judgments. Justice Morgan described this tactic as a "transparent attempt to render Ontario court rulings ineffective", holding that the Hong Kong claim was "parasitic" on the Ontario action, aiming to claw back any relief awarded in Canada.

The court rejected Binance's argument that the motion was premature because the plaintiffs had not first challenged jurisdiction in Hong Kong. Requiring plaintiffs to arbitrate or contest jurisdiction in Hong Kong would be "equally unconscionable and contrary to public policy".

The court also found that Nest's role was indistinguishable from Binance's, and it acted as a non-party in name only. By issuing the notice of arbitration, Nest had "placed itself in Binance's shoes" and therefore also stood there "for the purposes of injunctive or other relief" granted by the court. Court orders against Binance were enforceable against Nest.

Ultimately, the court enjoined Binance, Nest and all affiliates from commencing or continuing arbitration against the plaintiffs or class members in Hong Kong or elsewhere. Justice Morgan concluded that the requirements for an anti-suit injunction were met: Ontario was the appropriate forum and the Hong Kong arbitration clause had already been declared void and unenforceable.

This decision reinforces Ontario courts' willingness to intervene where foreign proceedings threaten domestic rulings and consumer protection. It also signals that arbitration clauses in standard-form contracts will face close scrutiny when they create barriers in access to justice.

Case: *Lochan v Binance Holdings Ltd*, 2025 ONSC 6493 [CV-22-00683059-00CP] (21 November 2025) (Justice Morgan).

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