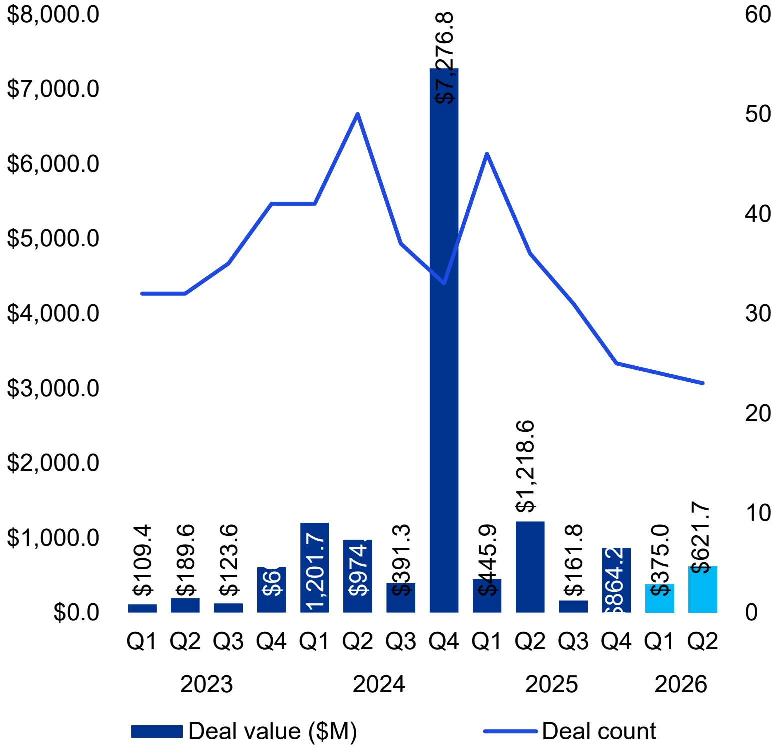
Country insights : Canada

After some major divestitures and take-privates, fintech dealmaking cools

Total fintech investment activity (VC, PE and M&A) in Canada
2023-2026*



- Canadian's fintech ecosystem has always benefited and/or had to account for the major banking incumbents as trusted brands and primary financial intermediaries for most consumers. But, the slowing in fintech dealmaking is primarily driven by a shift in emphasis to digital-asset players' consolidation, and lending platforms' looking to raise selectively.
- Regulations like the OSC leading provincial regulators to rein in trading platform rules have kept on encouraging crypto companies' consolidation as well.
- The Retail Payments Activities Act brought payment service providers under Bank of Canada supervision, with registration required through 2024 and 2025, formalizing oversight of the payments layer. Of course, a key deadline for registered payments providers to submit the first mandatory annual report was end of Q1 2026, which could eventually end up encouraging earlier-stage startups beyond digital assets to consolidate, if reporting costs prove too high.

"In a concentrated banking market like Canada, even small shifts in regulation and market access can have an outsized impact. As fintechs gain greater access to critical infrastructure and investors focus on proven value creation, we expect innovation to increasingly translate into sustainable growth."

Geoff Rush
Partner and National Industry Leader, Financial Services, KPMG Canada and Global Head of Banking and Capital Markets, KPMG International

KPMG Canada

Source: Pulse of Fintech H1'26, Global Analysis of Investment in Fintech, KPMG International (data provided by PitchBook),
*as of 30 June 2026.