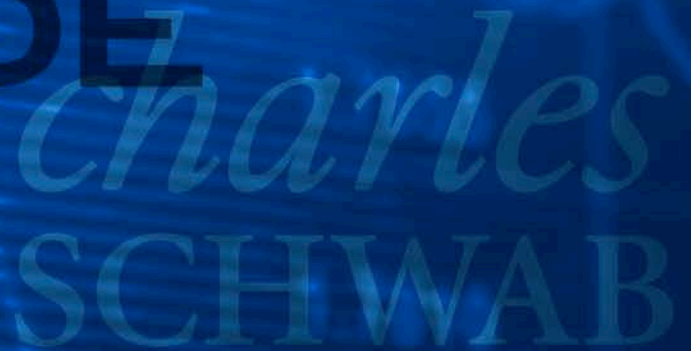


ONLINE U.S. BROKERS GUIDE: TOP FIRMS THE COMPLETE MANUAL



I receive many requests for guidance on finding an online broker in the U.S., and especially a broker that allows residents of the United States to buy American OTC (over-the-counter) and TSX-V/TSX/CSE (Canadian Securities Exchange) stocks. This is an important topic because you don't want to miss out on all of the incredible opportunities in American and Canadian small-cap companies.

After all, the last thing you'd want is to receive an alert on a company that's about to double or triple in price only to miss out on the profits because your broker only offers a small selection of stocks to buy or has restrictions on small-cap or international stocks. Fortunately, our research team has the scoop on which brokers allow American OTC and TSX-V/TSX/CSE stock investing in the U.S.

As a precautionary note, please be aware that if you buy or sell a stock that's listed on a Canadian exchange, you may be responsible for paying foreign taxes on any international capital gains and/or dividends. Therefore, you can consult a licensed and registered tax expert to learn more about how investing in Canadian stock exchanges may impact your tax situation.

With that said, the first thing to know is that many Canadian stocks have an American OTC exchange equivalent. Consider, for example, a Canadian electric scooter ride-sharing service company called [LOOPShare Ltd.](#) If you see an alert on that company, it will probably look something like this: TSX-V: LOOP/OTC: LPPPF.

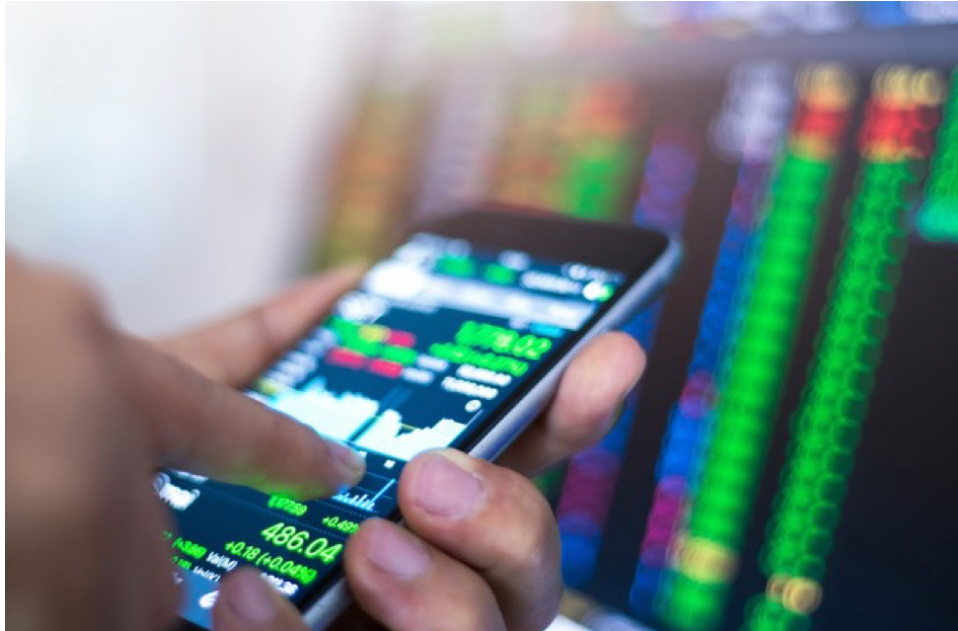


Courtesy: kiplinger.com

That's an indication that there are two different versions of the same stock: a Canadian TSX-V/TSX/CSE-listed stock with the ticker symbol LOOP and an equivalent American OTC exchange-listed stock with the ticker symbol LPPPF. Many (but not all) publicly-traded Canadian companies will do this in order to make their shares more easily available to U.S.-based residents.

Equivalent Canadian and U.S. stocks like LOOP and LPPPF aren't guaranteed to make the exact same price movements percentage-wise, but generally speaking, since they represent ownership in the same company, the price percentage movements will usually be very similar.

Therefore, whenever you're considering buying stock shares in a Canadian exchange-listed company, I highly recommend checking to see if there's a U.S. exchange-listed version available. If so, this will expand your options for purchasing shares in that particular Canadian company.



Courtesy: usnews.com

Still, there's nothing wrong with buying the Canadian exchange-listed version of a stock if you know how to go about doing that. Please note that you may be asked to convert your currency into Canadian dollars (CAD) before buying or selling the shares. The USD-to-CAD exchange rate is constantly changing, so you'll definitely want to monitor this when making an investment.

At the time of this writing, popular U.S. brokers like eTrade and Schwab do not allow U.S.-based residents to purchase Canadian exchange-listed stocks. Once again, however, they'll often allow the purchase of the U.S. OTC exchange versions: for instance, eTrade and Schwab allow the purchase of LPPPF stock shares.

One very popular broker that may allow you to buy Canadian TSX-V/TSX/CSE-listed stocks from the U.S. is Interactive Brokers. In fact, they're known for international stock trading and their fairly reasonable commission and fee structure, which can be viewed [here](#) (please note that this is not an endorsement of any particular broker, so be sure to do your due diligence on fees, commissions, etc.).

Another broker that may allow U.S.-based residents to purchase Canadian exchange-listed stock shares is PennTrade. Interestingly, PennTrade's [commissions page](#) features the tag line "Low commission, high value," but then states that the commission for Canadian stocks is "as low as" \$34.95. I'll let you decide whether that's affordable for your budget, but in PennTrade's favor, it's worth mentioning that the account minimum of \$1,500 is pretty reasonable.



Courtesy: stocktrading.net

Yet another broker that may permit residents in the U.S. to buy Canadian TSX-V/TSX/CSE-listed stocks is Questrade. This broker's commission and fee schedule seems reasonable enough: I'll let you [check their page](#) and see if Questrade is right for you.

Two other brokers that may allow U.S.-based citizens to buy Canadian exchange-listed stocks are CIBC (their commissions and fees page is [here](#)) and Qtrade (whose fees and commissions page is [here](#)). With all of these brokers, make sure to read the fine print carefully in their terms and conditions, especially when it comes to fees and minimum balances, as well as inactivity fees.

As for buying U.S. OTC-listed stocks, there are plenty of brokers that allow U.S. residents to participate. eTrade, Schwab, Fidelity, TradeStation, Merrill Edge, and TD Ameritrade are some of the more popular U.S. brokers, and while the popular app Robinhood appears to have some restrictions, it might be worth investigating to see if a stock you're interested in is available there.

Now that you have the rundown on the popular choices in brokers for U.S. residents, we encourage you to investigate each one carefully and select one or more brokers that best suit your financial needs. Your efforts will pay off when you've found a great broker that allows you to profit handsomely in the stock market.

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