

## CSA Staff Notice 45-324

### *Update on the Start-up Crowdfunding Registration and Prospectus Exemptions*

February 21, 2019

#### *Introduction*

On May 14, 2015, the securities regulatory authorities of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia, (the **participating jurisdictions**) adopted substantially harmonized registration and prospectus exemptions (together, the **start-up crowdfunding exemptions**) that allow start-ups and early stage businesses to raise capital in these jurisdictions. The participating jurisdictions implemented the start-up crowdfunding exemptions by way of local blanket orders, as amended from time to time<sup>1</sup> (the **start-up crowdfunding exemptions orders**). The start-up crowdfunding exemptions orders expire on May 13, 2020.

Staff (**we**) of the Canadian Securities Administrators are developing a national instrument with the same key features as the start-up crowdfunding exemption orders, with targeted amendments to improve harmonization and the effectiveness of crowdfunding as a capital raising tool for start-ups and early stage businesses. Subject to obtaining the necessary approvals, we will publish for comment a proposed national instrument that will replace the start-up crowdfunding exemption orders. We anticipate that the proposed national instrument will not be implemented by May 13, 2020.

#### *Extension of the start-up exemption orders*

In order to accommodate the timing of the proposed national instrument, staff of the participating jurisdictions expect that the start-up crowdfunding exemptions orders will be amended to remain available for issuers and funding portals until the proposed national instrument is adopted.

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<sup>1</sup> For example, please refer to Multilateral CSA Notice 45-317 *Amendments to Start-up Crowdfunding Registration and Prospectus Exemptions* and Multilateral CSA Notice 45-319 *Amendments to Start-up Crowdfunding Registration and Prospectus Exemptions*.

## Questions

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