

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 time¹ (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.

¹ 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

Please refer your questions to any of the following:

Elliott Mak
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
604 899-6501
emak@bcsc.bc.ca

James Leong
Senior Legal Counsel, Capital Markets
Regulation
British Columbia Securities Commission
604 899-6681
jleong@bcsc.bc.ca

Denise Weeres
Director, New Economy
Alberta Securities Commission
403 297-2930
denise.weeres@asc.ca

Gillian Findlay
Legal Counsel, Corporate Finance
Alberta Securities Commission
403 297-3302
gillian.findlay@asc.ca

Heather Currie
Legal Counsel
Alberta Securities Commission
403 592-3054
heather.currie@asc.ca

Tony Herdzik
Deputy Director, Corporate Finance
Financial and Consumer Affairs Authority
of Saskatchewan
306 787-5899
tony.herdzik@gov.sk.ca

Mikale White
Legal Counsel
Financial and Consumer Affairs Authority
of Saskatchewan
306 798-3381
mikale.white@gov.sk.ca

Chris Besko
Director, General Counsel
The Manitoba Securities Commission
204 945-2561
Chris.Besko@gov.mb.ca

Erin O'Donovan
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
416 204-8973
eodonovan@osc.gov.on.ca

Louise Harris
Accountant, Compliance and Registrant
Regulation
Ontario Securities Commission
416 593-2359
lharris@osc.gov.on.ca

Marc-Olivier St-Jacques
Senior Policy Advisor
Autorité des marchés financiers
514 395-0337, extension 4424
Toll-free: 1 877 525-0337
marco.st-jacques@lautorite.qc.ca

Jason Alcorn
Senior Legal Counsel
Financial and Consumer Services
Commission of New Brunswick
506 643-7857
jason.alcorn@fcnb.ca

Abel Lazarus
Director, Corporate Finance
Nova Scotia Securities Commission
902 424-6859
abel.lazarus@novascotia.ca

Gabriel Perras
Analyst
Autorité des marchés financiers
514 395-0337, extension 4388
Toll-free: 1 877 525-0337
gabriel.perras@lautorite.qc.ca

Alicia Love
Senior Legal Counsel
Financial and Consumer Services
Commission of New Brunswick
506 658-2648
alicia.love@fcnb.ca

Peter Lamey
Legal Analyst, Corporate Finance
Nova Scotia Securities Commission
902 424-7630
peter.lamey@novascotia.ca