



**BC Notice 2016/03**

***Adoption of BC Instrument 72-505 Exemption from prospectus requirement for crowdfunding distributions to purchasers outside British Columbia***

Today, the British Columbia Securities Commission adopted BC Instrument 72-505 *Exemption from prospectus requirement for crowdfunding distributions to purchasers outside British Columbia* (BCI 72-505). This instrument provides an exemption from the prospectus requirement to allow issuers located in British Columbia to distribute securities to purchasers outside British Columbia using Multilateral Instrument 45-108 *Crowdfunding* (MI 45-108), which has been adopted in a number of Canadian jurisdictions.

The key conditions of BCI 72-505 are:

- The issuer must comply with the requirements of MI 45-108 in the jurisdiction where the purchaser is located;
- If the issuer is conducting a concurrent crowdfunding offering directed to purchasers resident in British Columbia using the prospectus exemption in BC Instrument 45-535 *Start-up Crowdfunding Registration and Prospectus Exemption* (the start-up crowdfunding exemption), the issuer must provide BC purchasers the same disclosure provided to purchasers under MI 45-108;
- The issuer must deliver to the Commission the offering document and any other materials, including ongoing disclosure, made available to purchasers that are required to be filed with or delivered to the securities regulatory authority in the purchaser's jurisdiction under MI 45-108; and
- The issuer must make the ongoing disclosure required under MI 45-108 available to all BC security holders that acquired the securities under the start-up crowdfunding exemption.

BCI 72-505 expires on May 5, 2017. BCI 72-505 is a temporary exemption while Commission staff consider ways to more easily facilitate multi-jurisdictional crowdfunding.

**Questions**

You may refer questions to:

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May 6, 2016

Brenda M. Leong  
Chair