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 (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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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

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