

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