

For Immediate Release**June 23, 2021****Canadian securities regulators adopt new nationally harmonized start-up crowdfunding rules**

Vancouver – The Canadian Securities Administrators (CSA) today adopted harmonized rules for securities crowdfunding.

[National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions*](#) introduces a single, uniform set of rules that replaces and enhances the requirements currently in effect in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

“These rules expand the ability of small businesses and start-ups to use securities crowdfunding to gain access to capital,” said Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers.

Following [stakeholder consultation](#), the CSA made targeted amendments to improve the effectiveness of start-up crowdfunding as a capital-raising tool, including:

- Increasing the maximum total amount that an issuer can raise under the crowdfunding prospectus exemption in a 12-month period to \$1.5 million (from the current \$500,000).
- Increasing the maximum investment a purchaser can make in an offering to \$2,500 (from the current \$1,500), with a higher limit of \$10,000 if a registered dealer advises that the investment is suitable for the purchaser.
- Removing barriers preventing federal and provincial co-operatives or associations from using the start-up crowdfunding prospectus exemption.
- Requiring funding portals relying on the registration exemption to certify on a semi-annual basis that they have sufficient financial resources to continue operations for the following six months.
- Requiring issuers to have operations other than the acquisition of an unspecified business before using the start-up crowdfunding prospectus exemption.

[National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions*](#) can be found on the websites of the above noted CSA members.

Since 2015, about 110 distributions of securities have taken place under the existing start-up crowdfunding prospectus exemptions, with an average investment of \$576 from each investor.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For media inquiries, please contact:

Pascale Bijoux
Canadian Securities Administrators
media@acvm-csa.ca

Elise Palmer
British Columbia Securities Commission
mediarelations@bcsc.bc.ca

For investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).

For inquiries from market participants (issuers and registrants, or their representatives), please refer to the list of subject matter experts at the end of the [Notice](#).