

**For Immediate Release
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Regulators Publish Crowdfunding Exemption and Registration Framework for Funding Portals

Toronto – The securities regulatory authorities in Manitoba, Ontario, Québec, New Brunswick and Nova Scotia (collectively, the participating jurisdictions) today published in final form Multilateral Instrument 45-108 *Crowdfunding*, which introduces a crowdfunding prospectus exemption for issuers as well as a registration framework for funding portals.

The MI 45-108 crowdfunding regime will enable businesses to benefit from greater access to capital from a large number of investors online, through a funding portal operated by a registered dealer. “This new crowdfunding regime is another way to facilitate capital raising for start-ups and small and medium-sized enterprises while protecting the interests of investors,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers.

Among the measures adopted to protect investors, issuers will be required to distribute their securities through a registered funding portal. These funding portals will fulfill certain gatekeeper functions that include reviewing the issuer’s disclosure and obtaining background checks on the issuer and its directors, executive officers and promoters.

In addition, investment limits based on the investor’s income and financial resources have been adopted as a means of reducing their exposure to a risky investment. When using the crowdfunding prospectus exemption, issuers will only be able to offer non-complex securities, will be prohibited from advertising and will be subject to a standard of liability on the information they present to investors.

The MI 45-108 crowdfunding regime will coexist and is viewed to be complementary with the start-up crowdfunding exemptions by those jurisdictions that adopted it on May 14, 2015 in Manitoba, Saskatchewan, Québec, New Brunswick and Nova Scotia.

Provided all necessary Ministerial approvals are obtained, MI 45-108 will come into force in the participating jurisdictions on January 25, 2016.

The Financial and Consumer Affairs Authority of Saskatchewan (FCAA) will be republishing MI 45-108 for a 60 day comment period.

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

For more information:

Kristen Rose
Ontario Securities Commission
416-593-2336

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Andrew Nicholson
Financial and Consumer Services Commission, New Brunswick
506-658-3021

Tanya Wiltshire
Nova Scotia Securities Commission
902-424-8586

Noel Busse
Financial and Consumer Affairs
Authority of Saskatchewan
306-798-4160