

# ADOPTION OF AMENDMENTS TO START-UP CROWDFUNDING BLANKET ORDERS

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In 2015, securities regulators in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia (the Participating Jurisdictions) adopted substantially harmonized registration and prospectus exemptions proposed under Multilateral Instrument 45-108 – Crowdfunding (MI 45-108). The start-up crowdfunding exemptions (the Crowdfunding Exemptions), which aim to provide start-up and early stage companies with an alternative to raise capital with fewer disclosure requirements, were discussed in our bulletin [Certain Canadian Securities Regulators Adopt Crowdfunding Prospectus Exemption for Start-ups](#). The Participating Jurisdictions implemented the Crowdfunding Exemptions by way of local blanket orders (Exemption Orders).

Effective June 30, 2016, the Participating Jurisdictions (except British Columbia) have made additional amendments<sup>[1]</sup> to the Exemption Orders and corresponding start-up forms and guides (the Amendments).

The Amendments reflect the new filing requirements relating to exempt market filings that came into force on May 24, 2016, specifically the new requirement in all Participating Jurisdictions (except British Columbia) that issuers with exempt market filings electronically file their offering document and report of exempt distribution through the System for Electronic Document Analysis and Retrieval (SEDAR). Although issuers in British Columbia will continue to file through [BCSC eServices](#), they are now required to file a new Form 45-106F1 Report of Exempt Distribution.

The Participating Jurisdictions anticipate that the Amendments will provide additional clarification regarding the expectations on funding portals and issuers relying on the Crowdfunding Exemptions. The Amendments also include changes of a housekeeping nature.

For further information regarding the Amendments, please see [Multilateral CSA Notice 45-319 Amendments to Start-up Crowdfunding Registration and Prospectus Exemptions](#).

Those interested in the Crowdfunding Exemptions are encouraged to review the details in Multilateral Instrument 45-108 – *Crowdfunding* or seek legal advice to determine if this exemption is a good fit for your start-up's capital raising needs

by Andjela Vukobrat

[1][ps2id id='1' target=''] On January 25, 2016, the Participating Jurisdictions, with the exception of British Columbia, [amended the Exemption Orders](#) to allow a funding portal registered as a restricted dealer and authorized under the terms and conditions of MI 45-108 to facilitate the distribution of securities under the start-up crowdfunding prospectus exemption.

### **A Cautionary Note**

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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