

# BCSC IMPROVES CROWDFUNDING RULES

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On September 21, 2017, the British Columbia Securities Commission (BCSC) announced improvements to its crowdfunding exemption rules that will allow BC issuers to access Alberta investors when launching crowdfunding campaigns. The amendments also permit an increased investment, for some investors, of up to \$5,000.

The amendments to BC Instrument 45-535 Start-up Crowdfunding Registration and Prospectus Exemptions respond to extensive consultations with BC technology industry businesses and stakeholders, and they follow from the results of the BCSC's 2017 Tech Survey. Survey respondents in the crowdfunding space cited harmonization across jurisdictions and investment limits as some of their biggest concerns. Consequently, the amendments create an interface between the rules in BC and Alberta; they also increase the investment limit from \$1,500 to \$5,000, where the investor has obtained advice from a registered dealer that the investment is suitable.

As a result of these changes, start-up and early stage issuers in British Columbia will now be able to tap into a wider pool of potential investors. On a larger scale, the amendments represent another positive step toward modernizing the Canadian exempt market regulatory regime to keep pace with evolving technology, and toward exploring new avenues for smaller companies to raise capital.

The BCSC says that it intends to publish the results of the survey and its other fintech stakeholder consultations later this year.

by Allison Marks

## **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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