



21 December 2016

Committee Secretary,
Senate Economics Legislation Committee
PO Box 6100
Parliament House
Canberra
ACT 2600

Via email: economics.csen@aph.gov.au

Dear Mr Mark Fitt

Inquiry into Corporations Amendment (Crowd-sourced Funding) Bill 2016

Chartered Accountants Australia and New Zealand welcomes the opportunity to provide a submission to the Senate Economics Legislation Committee on their Inquiry into *Corporations Amendment (Crowd-sourced Funding) Bill 2016* (the Bill). We have made submissions to Treasury on their earlier consultations in February and August 2015 as well as to the Senate Inquiry in 2016. Appendix A includes more information about Chartered Accountants Australia and New Zealand and Appendix B includes our submission to the Senate Inquiry into the 2015 Bill. We have focused our feedback on the key amendments in this Bill.

Key points

We support the change of the turnover threshold to \$25million. This now aligns to the small company reporting threshold. We had previously recommended that the thresholds be aligned to those in existing reporting frameworks.

However, we note the gross assets threshold is also \$25million. The small company gross assets threshold is \$12.5million. As previously noted, we recommend that the crowd sourced funding limits are aligned to existing limits. We recommend that this is revised to \$12.5million.

We also note the change to the cooling off period from 5 days to 48 hours for investors. Crowd-sourced funding is a new form of investment for many investors in Australia, we recommend the cooling off period is 5 days at this initial stage of adoption. Once crowd-sourced funding becomes more established, this cooling off period can then be reviewed and revised as appropriate.

Should you have any queries concerning the matters discussed above or wish to discuss them in further detail, please contact [REDACTED]

Yours sincerely

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Head of Leadership & Advocacy

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Chartered Accountants Australia and New Zealand ABN 50 084 642 571 (CA ANZ).
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Appendix A

Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation accounting professionals across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.