

Senator Andrew Bragg

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**Senate Select Committee on Financial Technology and Regulatory Technology –  
Submission**

A key to the success of innovative startups in Australia is to de-risk their first few years of development by simply underwriting their risk.

- Government could simply underwrite the risk and guarantee the repayment of bank loans for early stage startups say up to \$1M if they go bust. This way the risk appreciate of challengers will increase and even if startups fail, the money still flows within Australian economy and Gov gets tax, money doesn't disappear, it flows.

- introduction of tax holiday for startups (especially the first 3 years)

- extending ASIC sandbox to Market License and Blockchain companies and specially to support digital assets for until they get a license (currently only 1 year and limited to few types)

- encourage employees (especially Gov employees) to take unpaid leave from their 9-5 jobs to start startups while they can be paid from their own superannuations for 6 months while allow them to come back to their jobs if they failed.

- Making failure less painful for startups, currently in Australia if startup go bankrupt, founder can't be employed and he/she will look like a failure, banks won't lend him/her money, partner or wife divorces, friends look at him/her like a loser; While this culture could change, just like the way human baby can only learn how to walk by trying and failing and standing again and walking and being supported, Gov should support startups and founders that way...

- Encouraging IEOs/STOs/ICOs and putting correct framework around them... they proved to be a good way of raising capital for startups, simple way to minimize the risk is to allow STOs up to say \$1000 per retail participants and max raise of say \$20M per innovation, But this way Australia can jump ahead of all other countries and encourage well funded innovations to launch their STO here.

Allowing ASIC regulatory sandbox to operate Security Token Exchanges like NYDAX in a safe mode until they can work out their governance and regulatory. This way GOV won't block and fail startups by its delays.

Thanks,

Yousef Hosseini

Founder and CTO NYDAX

