

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2015 - 2016

**Department/Agency: Treasury**

**Question: AET 3695-3697**

**Topic: Crowd sourced equity funding**

**Reference: written - 29 February 2016**

**Senator: Wong, Penny**

**Question:**

In relation to the bill recently introduced by the government to establish a crowd sourced equity funding scheme in Australia:

3695. How many submissions were received in the recent consultation on the bill?

3696. Can you provide an itemised list of the organisations or individuals making those submissions?

3697. Please provide a breakdown of the key recommendations for changes to the bill made in the submissions.

**Answer:**

3695. Sixteen organisations were contacted as part of the consultation on the draft Corporations Amendment (Crowd-sourced Funding) Bill 2015, with submissions being provided by twelve organisations.

3696. The organisations that provided submissions were:

- CrowdfundUP
- Equitise
- Fat Hen Ventures
- TMeffect
- Addisons Lawyers
- Australian Shareholders Association
- Clearpoint Counsel
- CrowdReady
- Institute of Public Accountants
- Law Council of Australia
- Pitcher Partners
- PwC

3697. Submissions that raised drafting and implementation issues associated with the Bill recommended:

- the commencement period be shorter than 9 months after Royal Assent;
- the meaning of ‘general investor’ be aligned with the meaning of ‘retail client’ as used in the corporations law currently;
- the meaning of ‘eligible CSF company’ be modified;
- the consents needed for publication of an offer document be relaxed under certain circumstances;
- the prescribed checks that an intermediary is to conduct to a ‘reasonable standard’ as part of its gatekeeper obligations be supported by further direction;
- the scope of an intermediary’s obligation to undertake certain checks and their liability relating to defective offer documents be clarified; and
- the application of advertising rules be modified and social media advertising be permitted.

Of these submissions, some raised views that either supported or opposed certain design aspects of the crowd-sourced equity funding framework. For example, the assets and turnover test, the licensing of intermediaries and investor caps. These suggestions had been raised in prior consultation processes and considered in detail by the Government during the development of the Bill.