Equity crowdfunding - The Autorité des marchés financiers adopts a new prospectus exemption for startups

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The Lavery GO inc. Program team is happy to inform you that the *Autorité des marchés financiers*(AMF) announced yesterday the implementation of an equity crowdfunding exemption which allows startups to raise up to $500,000 in capital per year. Under this exemption, startups whose head office is located in Quebec may offer their shares to public investors through an online participative financing portal that is either relying on the exemption from the dealer registration requirement or is operated by a registered dealer and by using the pre-established offering documents which are available on this portal.

The highlights of this crowdfunding exemption are as follows:

> The issuer may raise up to $250,000 per offering, subject to a limit of two offerings per calendar year.
> Investors may invest up to $1,500 per offering; however, there is no limit as to the number of offerings to which an investor may participate.
> The shares acquired under this exemption cannot be resold except under another prospectus exemption or a prospectus.

The crowdfunding exemption will also be implemented in British Columbia, Saskatchewan, Manitoba, New Brunswick and Nova Scotia.

This new exemption is excellent news for startups as it will allow them to access a new source of capital to support their development. It also sets up the tone for the much expected *Regulation 45-108 respecting Crowdfunding*, which is still under discussion among the Canadian Securities Administrators.

For more information respecting this equity crowdfunding exemption, please contact Étienne Brassard or Guillaume Synnott.

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