



## **45-110 Proposed National Instrument 45-110 Start-up Crowdfunding Registration and Prospectus Exemptions [CSA Notice and Request for Comment]**

### **Vested Technology Comments on CSA Proposed National Instrument 45-110**

**Vested Technology Corp.** is a British Columbia based equity crowdfunding portal that provides private start-up companies a platform on which they can raise funds via crowdfunding.

Vested has raised over \$1.6 Million in funds for over 40 companies, in over 4,700 online transactions since 2016, utilizing the crowdfunding exemption.

Vested Technology Corp. ("Vested") welcomes most of the changes to the crowdfunding rules as proposed by the Canadian Securities Administrators on February 27, 2020 with comment below.

Please see our comments below with respect to specific items in the proposed Instrument.

- Enhanced harmonization will enable a greater use of crowdfunding across Canada, help to fill a funding gap, and allow more retail investors to support small businesses. Harmonizing the rules across all Provinces in Canada will also streamline the crowdfunding process.
- While the maximum total amount that could be raised by a business under the crowdfunding prospectus exemption per year would increase from \$500,000 to \$1 million, we support a much higher amount (and that a broader range of companies be able to participate). Other countries that have adopted crowdfunding, such as the UK, Australia and the U.S., have higher crowdfunding limits (ranging from \$5M AUS to €8M) and their programs are gaining significant traction within the capital markets.
- Cross border crowdfunding with other International jurisdictions should be considered, such as in the UK.
- While we welcome the proposal to increase the maximum investment an investor can make in a distribution to \$2,500 (from \$1,500), with a higher limit of \$5,000 if the purchaser obtains advice from a registered dealer, again we think the limit should be higher.

The investor cap should be raised to \$5,000 per distribution, or \$10,000 with advice.

Accredited investors should be able to invest without caps utilizing the crowdfunding portal (as they may already invest an unlimited amount under the accredited investor exemption).

- MI 45-108 should be repealed.

Sincerely,

David Patterson, CEO  
David Brook, COO

Vested Technology Corp.