

Thursday 3 December 2015

Statement from Alex Malley, chief executive of CPA Australia on the introduction of the Corporations Amendment (Crowd-sourced Funding) Bill 2015

Enabling crowd-sourced equity funding is a genuinely important development. It's an innovation for business which is a natural accompaniment to the digital age.

Should it pass, the Bill means we'll have a new way of linking entrepreneurs and their ideas with global investors in order to provide them the funding options to take their new products or services to the world.

Confident, outward-looking and innovative businesses that have easier access to funding than was previously the case will be more likely to invest in new equipment, new products and new markets. And when businesses are confident and expanding, jobs are created.

It hasn't gone unnoticed that New Zealand and Malaysia have stolen a march on us in setting up regulatory frameworks to make crowdfunding in those countries a reality. What this Bill shows is that Government is moving to ensure we're not left behind, and that we are still in game.

Yes, crowd-sourced equity funding is not without challenges, including appropriate investor protections which the Government has sought to address in the legislation.

Given the potential high risk nature of this investment, ASIC will have a very important role in monitoring entities involved in crowdfunding and educating the community.

It will also be important for policy makers to monitor whether the proposed changes to the disclosure, governance and audit requirements for eligible companies are sufficient to protect and inform investors and support the creation of a liquid secondary market where investors can dispose of their investment.

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