



## **Australian Government**

Australian Government response to the  
Senate Economics Legislation Committee report:  
Corporations Amendment (Crowd-sourced Funding) Bill  
2016 [Provisions]

December 2017

## **Contents**

Response to the Committee's Recommendations .....	3
Response to the Dissenting Report's Recommendations .....	4

## Response to the Committee's Recommendations

### **Recommendation 1**

The committee recommends that the government monitor carefully the implementation of the legislation and undertake a review of the legislation two years after its enactment transfer pricing.

The Australian Government **notes** this recommendation. As a new area of finance, the Government will be closely monitoring the implementation of the framework and the functioning of the crowdfunding market on an ongoing basis to ensure that it operates as intended and consumers have confidence in the regime.

### **Recommendation 2**

The committee recommends the Senate pass the bill.

This recommendation was addressed through the passage of the Bill. The Bill passed the Parliament with an amendment on 22 March 2017 and received Royal Assent on 28 March 2017.

## Response to the Dissenting Report's Recommendations

### **Recommendation 1**

Amendments be made to the Corporations Amendment (Crowd-sourced Funding) Bill 2016 to ensure that the compulsion to convert to an unlisted public company is dropped and the government amend the Bill to allow for a wider range of start-ups and small businesses to access the equity crowdfunding regime.

The Government has introduced the Corporations Amendment (Crowd-sourced Funding for Proprietary Companies) Bill 2017 which extends the crowd sourced equity funding framework to proprietary companies. This will provide eligibility to a wider range of start-ups and small businesses, providing them with an alternative source of finance that will help them to grow.

### **Recommendation 2**

Make amendments to the Corporations Amendment (Crowd-sourced Funding) Bill 2016 to strengthen retail investor protections, by ensuring that a five day cooling off period is instituted.

The Senate debate discussed the cooling off period (see Senate Hansard, 20 March 2017, page 1327). The Senate agreed to amend the cooling-off period from “48 hours” to “5 business days” (see Senate Hansard, 20 March 2017, pages 1329-31). This amendment was affirmed by the House of Representatives on 22 March 2017 and enacted as part of the *Corporations Amendment (Crowd-sourced Funding) Act 2017*.