

Equity crowdfunding bill to clear final hurdle

03 March 2017

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After a number of setbacks, the *Corporations Amendment (Crowd-sourced) Funding Bill 2016 (CSF Bill)* will soon end its long journey through Parliament and become law in Australia. We covered the features of the CSF Bill in our alert here, but it essentially establishes a regulatory framework to facilitate crowd-sourced equity funding (**Equity Crowdfunding**) by small, unlisted public companies.

The CSF Bill was introduced to Parliament on 24 November 2016, following a failed attempt to introduce an earlier iteration of the bill in 2015. There was fierce opposition from the Labor Party and industry stakeholders, who criticised the requirement for a private company to convert to an unlisted public company to access the Equity Crowdfunding regime. However, following a positive recommendation from the Senate's Economics Legislation Committee, the CSF Bill is set to become law with the recent support of the Greens sufficient for it to pass through the Senate without Labor Party support. When Parliament returns on 20 March 2017, the Senate should pass the CSF Bill, with the laws coming into effect six months from royal assent.

The exclusion of private companies from the CSF Bill's framework places Australia at odds with the Equity Crowdfunding regulations in the United Kingdom, United States and New Zealand. Although the implementation of a crowdfunding regime in Australia is long overdue, we expect the debate over it to continue until Equity Crowdfunding is not restricted to public companies.

For more information on the features of the CSF Bill and proposed framework for Equity Crowdfunding in Australia please contact HopgoodGanim Lawyers' [Corporate advisory and governance](#) team.

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