Manager

Financial Innovation and Payments Unit

Financial System

The Treasury

Langton Crescent

PARKES ACT 2600

2 June 2017

Dear Sir / Madam

I welcome the opportunity to make a submission on the Corporations Amendment (Crowd-Sourced Funding for Proprietary Companies) Bill 2017 (the Bill).

By way of background my involvement in the crowdfunding industry is as follows:

Owner and CEO of ReadyFundGo – Australian reward based platform helping start-ups get off the ground and existing businesses grow.

Founder of a donation based platform – Inspire a Star

Director of the Crowdfunding Institute of Australia.

As a result, I have a vested interested in maintaining the reputation of the crowdfunding industry. I am keen to ensure adequate investor protection is maintained whilst at the same time good quality small and medium size enterprises have the funds to thrive.

Firstly, I welcome the fact that the Bill has been issued and at this time as opposed to waiting for the operation of the framework for public companies. I recognise the hard work that has gone into getting this draft issued and understand that by compressing the timeframe there will be issues to work through.

I am in favour of the majority of the provisions around the additional reporting obligations and restrictions on related party transactions.

The areas where I would suggest that further consideration is given are as follows:

1. Audit requirement - proprietary companies that raise more than $1 million from CSF offers require an audit.

I would consider that all companies raising funds from a CSF offer should be required to have an audit.

As it stands a poorer quality company raising $950,000 is not required to have an audit whereas a potentially better quality company raising $1.2 m is required to do so. I would suggest that both organisations who are taking funds from the public should be subject to an annual audit. This would prevent decisions being made to raise $900,000 through the CSEF regime specifically to circumvent the audit requirement.

1. Whether shares would be better defined as “ordinary” shares rather than voting shares.
2. Whether exemption from the takeover provisions in Chapter 6 should not be given and instead all companies being subject to the same provisions with adequate detail being provided to CSEF shareholders on the platforms and again at the time of transition.
3. Whether once a CSF share is subsequently disposed of / transferred it does not cease to be a CSF share. Currently it seems that a proprietary company could inadvertently cross the 50 non-employee shareholder thresholds.

Thank you again for the opportunity to express views.

Yours faithfully

Jill Storey

CEO ReadyFundGo