

ARTICLE FOR ACCOUNTANTS DAILY

Crowd Sourced Funding Creates New Income Streams for Accountants

“Accountancy firms will be able to stay ahead of the game and create new income streams by offering professional advice to SME companies that wish to take advantage of the amendments to the Crowd Sourced Funding Legislation which enables eligible private companies to raise capital from the public”. Peter Towers, Managing Director, ESS BIZTOOLS said today.

“The Senate passed the Corporations Amendment (Crowd Sourced Funding for Proprietary Companies) Bill 2017 on 12th September 2018. The legislation will be operational 28 days after Royal Assent. The legislation is expected to be operational from approximately 15th October 2018”.

“This is a tremendous opportunity for accountants to guide clients and prospects on the processes that are required, if the private company is going to be able to qualify as a Crowd Sourced Funding Company”.

“By being proactive in this space and offering a wide range of solutions for SME clients, accountants will:

- ensure a higher average fee per client
- improve the accountancy firm’s retention rate and double as a new client lead generation strategy
- generate a variety of interesting and challenging work for the accountancy firm team – resulting in improved team morale, productivity, staff retention and a more attractive “workplace” for potential recruits

The main features of the legislation are:

- Private companies, with less than \$25 million in consolidated assets and annual revenue that have their principal place of business and a majority of directors in Australia, can utilise CSF.
- Eligible companies can raise up to \$5 million in any 12-month period.
- CSF can only be raised via a licensed CSF Intermediary’s platform.
- Companies making a CSF offer must prepare a CSF Offer Document which includes prescribed minimum information.
- Retail investors have an investment limit of \$10,000 per company in any 12-month period

ESS BIZTOOLS will be releasing an updated Crowd Sourced Funding Product Package, which will assist accountants to guide a client through all aspects of the Crowd Sourced Funding process on 26th September 2018 with a free webinar presentation on Thursday, 27th September 2018 at 12.30pm AEST.

Further information can be obtained from Peter Towers:

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