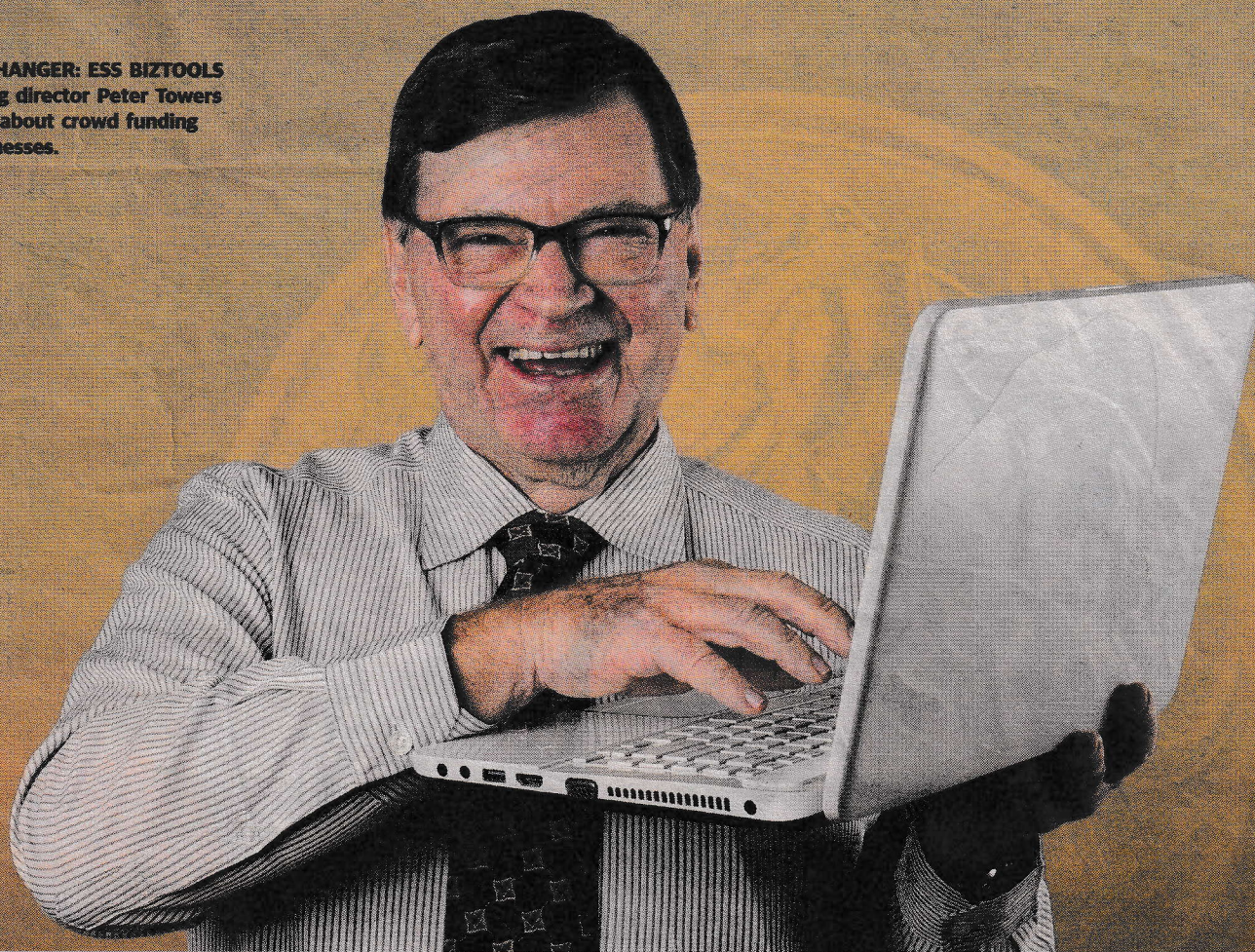


Laws open way for 'crowd fund' firms

GAME-CHANGER: ESS BIZTOOLS managing director Peter Towers will talk about crowd funding for businesses.



TONY RAGGATT

OUR small and medium-sized proprietary companies can now join the world of Crowd Sourced Funding Equity Raising thanks to laws passed in the Senate last week.

Townsville business advisory firm ESS BIZTOOLS will present a free national webinar on the topic in the city next week to help potential candidates take advantage of this style of funding which has been available in countries including New Zealand for seven years.

ESS BIZTOOLS managing director Peter Towers said it was a tremendous opportunity that could help areas like Townsville retain wealth and jobs these kinds of companies can create.

"This is a tremendous opportunity for ambitious small to medium enterprises that wish to expand their businesses, create new business opportunities or develop new types of technology but have been unable to borrow the funds necessary or lack the ability to provide security for loans," Mr Towers said.

"In exchange for some eq-

uity in their companies, the system has now been put in place to enable private companies in Australia to raise capital from the public."

The Senate passed the Corporations Amendment (Crowd Source Funding for Proprietary Companies) Bill 2017 last week and the legislation is expected to operate from mid-October.

Mr Towers said the Government had imposed strict regulations to control the Crowd Sourced Funding Equity Raising by appointing nine businesses with Australian Financial Services Li-

censes to be gatekeepers or Crowd Sourced Funding Intermediaries.

These gatekeepers would review the documentation being supplied to investors.

"The final documentation – a Crowd Sourced Funding Offer Document – has to be uploaded to the selected Crowd Sourced Funding Intermediary's website where it is available for review by potential investors," Mr Towers said.

Crowd Source Funding Equity Raising provides a new source of capital raising for companies which have

been restricted in the amount raised and the number of investors they can have.

Mr Towers said private companies with less than \$2 million in consolidated assets and annual revenue that has their principal place of business and a majority of directors in Australia could use Crowd Sourced Funding Equity Raising. Those eligible could raise up to \$5 million in any 12-month period.

ESS Small Business will present its webinar from 12.30pm on September 26. To register go to www.esssmallbusiness.com.au