
To Whom it may Concern regarding the Treasury call for industry feedback on CSEF legislation,

Aiming for a final solution day one is too complex and fraught with risks. Any effective and comprehensive solution needs to evolve over time.

Our feedback, after consulting widely with the businesses, industry partners, advisors and investors we have worked with to raise capital for high growth businesses, is for a simple “first iteration” solution that is a quick but effective. This first iteration should maintain status quo but make a significant improvement.

We believe that lean methodology (the process of making small iterations that are market tested and validated) which is so effectively applied to startups should apply here for the creation of CSEF legislation. This would follow a similar path to the USA which allowed successful market testing for intermediaries and platforms such as Angellist and Crowdfunder.com whilst the SEC implemented appropriate regulations for retail investors.

With that in mind we suggest the government implement a first iteration and minimum viable product (MVP) with the following:

- Amendment/removal of the class order restricting advertising of offers, to allow general solicitation
- Section 708 \$2m limit and 20 retail investor limit be raised to \$2m and 50 retail investors
- Definition of sophisticated investor be reduced from \$2.5m and \$250k to \$1m and \$100k
- 50 shareholder limit before becoming a public company be increased to 100 shareholders
- No requirement for intermediary licensing or additional regulation until they offer services to retail investors. Once retail investor are included appropriate licensing and regulation should apply

These changes have the following benefits:

- they can be easily and quickly implemented as they are within the existing Corporations Act framework
- they would allow CSEF to start immediately, focused only on sophisticated investors
- it does not risk retail investors prematurely
- it widens the pool of potential investors beyond the current, extremely restrictive, definition of sophisticated investors
- it would allow the CSEF regulations for retail investors to be phased in over time, but not delay implementing a solution that provides much of the benefits the final solution will entail
- it is in alignment with the Government's focus on reducing red tape. This will not prematurely inhibit the development of CSEF platforms with the complexity of a new licensing framework until retail investors are included

I would be very happy to assist with the messaging of these changes to the public through our investment forum events, media activities, G20 YEA and Global Entrepreneurship Week.

Yours Sincerely,



Jeremy Liddle
Co-Founder, CEO & Director, CapitalPitch
President, G20 YEA Australia
Host, Global Entrepreneurship Week Australia
Member, G20 Turkey SMEs Entrepreneurship Task Force
Jeremy@CapitalPitch.com

More Information on Jeremy Liddle:

Jeremy Liddle believes entrepreneurial thinking is changing the world. He is co-founder and CEO of CapitalPitch, the world's first capital raising accelerator. As the President for the G20 Young Entrepreneurs Alliance (YEA) Australia and Director of Entrepreneurship at ENYA he hosted the 2014 G20 YEA Summit in Sydney 2014. He specialises in entrepreneurship ecosystems, mindset and policy advice for high growth entrepreneurial SMEs. Jeremy also represents Australia, youth employment and entrepreneurship at the United Nations and Global Entrepreneurship Week. Jeremy is a Tedx speaker who has won many awards and is also author of the Book "From Idea to Start-up". He sits on the B20 task force for SMEs and Entrepreneurship on top of consulting for various UN agencies, intergovernmental and NGO's.

More Information on CapitalPitch:

A video about the founding of CapitalPitch - <https://youtu.be/A-vMcceOmvo>

Entrepreneurial businesses solve the world's biggest problems, but 97.3% of startups fail at fundraising. We graduate startups into scaleups using an online 6 step accelerator and then connect them to investor syndicates through an equity funding platform.

CapitalPitch is the world's first capital raising accelerator.

Our purpose is to:

- Build startups & scaleups into a valuable asset class by securing the highest quality deal flow & returns for investors
- Become the globally recognised gold stamp for "Investor-Ready" businesses
- Stay engaged with businesses through their lifecycle and ensure they create a liquidity event
- Build a movement of founders so awesome investors feel inspired and grateful for the opportunity to get involved
- Provide all the tools Businesses need to get Investor-Ready and then connect them to a network of certified advisors and investors so they can raise capital more efficiently than ever before.