

WHAT IS CROWDFUNDING?

Crowdfunding is a web-based process that

THERE ARE SEVERAL WAYS TO PARTICIPATE

gives businesses a way to collect small amounts of money from a large number of people. Businesses use crowdfunding to raise money for a specific project.

REWARDS-BASED

PRESALE

INVESTOR -

Give money to a business in exchange for bonds, shares or other securities. You'll earn interest or participate in the future growth of that business if the value of the securities increases.

There are a number of online platforms that offer crowdfunding opportunities.



DONOR

Overseen by your provincial securities INVESTOR-BASED CROWDFUNDING IS SOMETIMES CALLED



It's a cost-effective way for new companies to raise small amounts of



Allows investors to

regulator.

money, and an easy way for you to support a business you care about.

participate in potential future business growth.

Nova Scotia

lautorite.qc.ca

fcaa.gov.sk.ca

Saskatchewan

Québec

nssc.novascotia.ca

HOW TO -GET STARTED

FIND A PORTAL

Contact your provincial securities regulator to find a crowdfunding portal in your area:

Alberta albertasecurities.com

British Columbia bcsc.bc.ca

Manitoba mbsecurities.ca

New Brunswick fcnb.ca

DO YOUR HOMEWORK

Choose a reliable funding portal, review the offering document and research the business owners and industry.

UNDERSTAND THE RISKS

Many start-up businesses fail, and returns are uncertain. Check out our infographic on "The risks of start-up crowdfunding" for more info.

MAKING AN INVESTMENT

Check with your local regulator to see what the contribution limits are in your area.

WHAT DO I GET BACK

IN EXCHANGE FOR YOUR CASH INVESTMENT, YOU'LL GET ONE OF THESE TYPES OF SECURITIES:

- Equity securities, such as common shares or preferred shares
- Limited partnership units
- Convertible securities, such as warrants that are convertible into either common shares or preferred shares
- Debt securities, such as bonds

CHOOSE AN INVESTMENT OPPORTUNITY THAT WORKS FOR YOU.

Start-up crowdfunding is risky. Make sure you understand the risks and conditions of your investment. For more information on how to protect yourself and find a start-up crowdfunding opportunity that works for you, check out our "The risks of start-up crowdfunding" infographic.

