

BusinessPlus+ Newsletter

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Private Companies can raise capital to solve funding problems

The difficult economic circumstances currently prevailing in Australia and indeed the whole World, have really brought Crowd Sourced Funding Equity Raising to the fore in discussions relating to how are businesses going to access funding once the special support programs (JobKeeper/JobSeeker) from the Australian government and the insolvency relief that has recently been extended to 31st December 2020, has been terminated.

There are opportunities for small businesses and medium-sized enterprises to be able to raise up to \$5 million in a 12-month period from the public as a Crowd Sourced Funding Equity Raising company which is available to virtually any private company in Australia. The company does not have to have any special status, nor does it have to be registered on the Australian Stock Exchange.

Since Crowd Sourced Funding Equity Raising commenced in Australia about 2 years ago, the number of companies utilising this funding tool to raise capital has slowly increased each month. There is an expectation in the marketplace that there will be a significant increase in the number of companies wishing to utilise Crowd Sourced Funding Equity Raising from 1st October onwards.

The real benefit for company directors looking at the fund-raising landscape at present is that, if you use Crowd Sourced Funding Equity Raising to raise the funds as your business requires, there is:

- No security required.
- No personal guarantees required.
- No monthly repayment of principal and interest required.

Should you want to know more about the use of Crowd Sourced Funding Equity Raising, why not make an appointment with your CBSW director and they will be able to give you an overview and an introduction to a Crowd Sourced Funding Intermediary.

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