

Summary of CSF authorisation additional questions

Will the applicant use a documented process to:

- (a) ensure an offering company is an eligible CSF company and that the offer is an eligible CSF offer?
- (b) check that the CSF offer document contains the required information and is worded and presented in a 'clear, concise and effective' manner, and determine when it will decide not to publish, or continue to publish, the CSF offer document?
- (c) ensure that it operates its offer platform in accordance with the obligations under its AFS licence and crowd-funding service authorisation?
- (d) ensure that it operates its application facility in accordance with the obligations under its AFS licence and crowd-funding service authorisation?
- (e) ensure that it operates its communication facility in accordance with the obligations under its AFS licence and crowd-funding service authorisation?
- (f) ensure that it only accepts applications from retail clients made on the application facility, and only where the retail client has not exceeded the investor offer cap and has completed the prescribed risk acknowledgement?
- (g) handle application money in compliance with the obligations under its AFS licence and crowd-funding service authorisation for dealing with application money?
- (h) ensure that it notifies persons via the offer platform of their cooling-off rights in compliance with the obligations under its AFS licence and crowd-funding service authorisation?
- (i) ensure that it has in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to its activities in providing the crowd funding service?
- (j) check the identity of an offering company and its officers, including whether the company's officers are of good fame and character and whether the company's officers have knowingly engaged in misleading or deceptive conduct in relation to the CSF offer?

C11 proof: Crowd-funding service statement

Obligations in relation to offering companies and CSF offer documents

This proof includes:

- (a) the standard terms of your hosting agreement with eligible CSF companies;
- (b) a description of your arrangements, systems and written policies and procedures to:
 - (i) check the identity of an offering company, its directors, officers and senior managers;
 - (ii) check that the offering company satisfies the eligibility requirements in s738H;
 - (iii) check that the CSF offer document contains all required information and is worded and presented in a 'clear, concise and effective manner'; and
 - (iv) ensure that the checks conducted by you are conducted to a reasonable standard; and

- (c) a description of your arrangements, systems, and written policies and procedures to decide when you will not publish, or continue to publish a CSF offer document—including how you will determine whether:
 - (i) you are satisfied as to the identity of the offering company or its directors or officers;
 - (ii) you have reason to believe that:
 - (A) the CSF offer is not eligible to be made under Part 6D.3A;
 - (B) any director or officer of the offering company is not of good fame or character; or
 - (C) relevant parties have knowingly engaged in conduct that is misleading or deceptive or likely to mislead or deceive in relation to the CSF offer (including conduct that may be deemed to be misleading or deceptive); and
 - (iii) you are prevented from publishing, or continuing to publish the offer document, or you are required to either close or suspend an offer, because the offer document is defective.

Obligations in relation to investors, the offer platform and the application and communication facilities

This proof also includes:

- (d) a description of your systems and written procedures to ensure compliance with the obligations to:
 - (i) prominently display:
 - (A) the general risk warning;
 - (B) details of the rights to, and method for, withdrawal under s738ZD; and
 - (C) your fees and pecuniary interests in connection with a CSF offer;
 - (ii) publish the CSF offer in, or together with the CSF offer document on your offer platform;
 - (iii) take certain actions if you become aware the CSF offer document is defective;
 - (iv) complete the required checks and determinations after you are given a replacement or supplementary offer document under s738W;
 - (v) meet the requirements for making, opening, closing, suspension, removal and completion of offers; and
 - (vi) follow the procedure for the withdrawal of applications and the return of the application money; and
- (e) A description of your systems and written procedures to ensure you comply with the requirements to:
 - (i) ensure applications for the issue of securities under a CSF offer are only accepted when made through the application facility;
 - (ii) ensure retail clients:
 - (A) complete the prescribed risk acknowledgement before making an application; and;
 - (B) do not exceed the investor cap; and
 - (iii) ensure that no applications can be made if a CSF offer is suspended or closed;

- (f) a description of your systems, arrangements and written procedures:
 - (i) for dealing with applications through the application facility—including details of the order in which applications will be dealt with, the circumstances in which they will or may be rejected and how you will determine whether the minimum subscription for a CSF offer has been achieved;
 - (ii) for complying with your obligations relating to the provision, oversight and use of a communications facility for each CSF offer;
 - (iii) for complying with your obligations in relation to application money—including the cooling-off period for retail clients and withdrawal of applications by a method specified on the offer platform;
 - (iv) to ensure you and your associates do not provide, or arrange to provide, financial assistance to a retail client to acquire securities on your offer platform; and
 - (v) for managing conflicts of interest that may arise wholly, or partially, in relation to your activities in providing the crowd funding service; and
- (g) a pro forma balance sheet with surplus liquid funds (SLF) of at least \$50,000 (prepared on the assumption that you will hold application money in excess of \$100,000 from clients for CSF offers).