



December 18, 2023

The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON  
M5H 3S8  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Dear Madam Secretary,

Re: Ontario Securities Commission (“OSC”) Notice 11-798 – Statement of Priorities: Request for Comments Regarding Statement of Priorities for the Financial Year 2024-2025

Capita appreciates the opportunity to provide feedback on the Ontario Securities Commission's (OSC) Statement of Priorities for 2024-2025 (the "SOP"). We also wish to propose recommendations and highlight key areas for consideration as priorities in the fiscal year 2024-2025.

Capita is a fintech company backed by venture capital and angel investors from Canada and the United States. We are developing software tools to democratize entrepreneurship by reducing costs and frictions in capital formation for startups. The Capita founders' team consists of two Ontario corporate lawyers and one senior full-stack engineer. A significant portion of Capita's customers comprises early-stage founders who are building innovative technologies and creating high-paying jobs in Canada. Our goal is to revitalize Canada's entrepreneurship ecosystem by collaborating with entrepreneurs, incubators, and investor networks in Canada and abroad.

We applaud the Commission's mandate in creating a fair and efficient capital market to build the Province's social and economic prosperity. We believe a modernized and effective regulatory system is vital for attracting foreign and domestic investments in innovation, entrepreneurship, and job creation for Ontario.

We support the mandate of the Office of Economic Growth and Innovation, particularly in the creation of innovative compliance policies, including Ontario Instrument 45-507 - Self-Certified Investor Prospectus Exemption (Interim Class Order). While we understand the objective and intention of SOP's Priority No. 13 - Facilitate Financial Innovation, we recommend that such initiatives also focus on studying the challenges facing capital formation for startups and entrepreneurs. The Commission's engagement with stakeholders should also include entrepreneurs from industries with varying degrees of capital intensities and demographic groups.

**We recommend the following actions as part of SOP No. 13:**

1. Inclusion of entrepreneurs who have raised and/or are in the process of raising early-stage capital in the Commission's community engagement with stakeholders. We believe that startup founders should also have a seat at the table in the Commission's engagement with innovation hubs, accelerators, venture investors, academic institutions, and other regulators. Startup founders are directly impacted to the highest degree by any policy reforms in the regulatory framework, especially in sectors with high R&D costs and capital intensity, such as Ontario's vibrant medical technology R&D vertical.
2. Providing regulatory certainty and community awareness in the launching and subsequent renewal of Ontario Instrument 45-507 - Self-Certified Investor Prospectus Exemption. We applaud the Commission's mandate in implementing such innovative policy to increase access to capital liquidity by entrepreneurs while maintaining a high standard of investor protection. However, from our operations in the space, we discovered that a significant number of founders, investors, and administrators in incubators and angel investment networks remain unaware of such policy. Furthermore, the future renewal of such policy remains unclear as the Interim Order term is coming to an end in 2024. We urge the Commission to provide clarity on the policy to the Province's communities of founders and investors.
3. Adoption of a modernized approach in engaging with millennial and Gen Z entrepreneur and investor communities. The effective methods of community engagement between regulators and stakeholders may have changed in the last few years as Millennials and Gen Z's are stepping into the roles of entrepreneurs and investors. We applaud the Commission's past community engagement campaigns that operate in traditional modes. We recommend the Commission adopt a modernized approach in engaging with the builders, innovators, and investors in Ontario's innovation system. This can be executed through the following means:

- Provision of Office Hours to provide engagement, educational, and consultation opportunities to entrepreneurs at various startup incubators.
- Active participation in community events, including conferences and networking events.
- Educational campaigns in the form of video content on modern social media platforms, including YouTube, TikTok, LinkedIn, and Reddit. This would help amplify the Commission's reach to stakeholders in the community.

Capita is a strong supporter of a collaborative approach to modernizing the Province's securities regulatory framework. As reported by the CBC, "[Canada has fewer entrepreneurs today than it did 20 years ago.](#)" which is negatively impacting our country's leadership and competitiveness in the global economy and technology race. Capita's mission is to democratize entrepreneurship by addressing the administrative burdens and costs associated with capital formation. We are prepared to contribute our knowledge and insights to the Commission's Priority No. 13 by bringing our unique perspective as an active participant in Ontario's startup ecosystem.

Sincerely,

*Ben Su*

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