



Regulators give green light to launch Finhaven Private Markets*

First-of-its-kind marketplace in Canada connecting issuers with accredited investors using safe, secure DLT (blockchain) and digital securities.

VANCOUVER, BC, CANADA, December 2, 2020 /EINPresswire.com/ -- Effective November 13, 2020, Finhaven Private Markets (operated by Finhaven Capital Inc., a registered exempt market dealer) is authorized by various Canadian securities regulators to operate a digital securities platform built on permissioned distributed ledger technology.

Finhaven Capital Inc. ("Finhaven Private Markets") was granted relief in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec from securities law requirements for marketplaces and clearing agencies. The relief is conditional on the firm fulfilling tailored requirements to protect investors and support market integrity, including a requirement to retain an independent monitor and provide fulsome regular reporting to securities regulators. The relief and requirements package was created by securities regulators in consultation with the Canadian Securities Administrators Regulatory Sandbox Committee.

"This is a significant milestone for our organization," says Finhaven CEO DH Kim. "We have been working with securities regulators to ensure their concerns and interests are central to and reflected in our marketplace design and this relief package speaks to that hard work. We look forward to continuing working with regulators to bring a simple, safe and secure paperless custodial and settlement solution to all market participants in Canada."

When launched, Finhaven Private Markets will be a first-of-its-kind marketplace in Canada connecting issuers with accredited investors using safe, secure Distributed Ledger Technology (blockchain) and digital securities. The private marketplace connects companies to new sources of capital and provides increased trading opportunities for security-holders of private companies. Accredited investors and permitted clients who meet assets and/or income thresholds in securities legislation can invest in digital securities offered by non-reporting issuers (whose securities do not trade publicly), hold them in a digital wallet, and trade those digital securities among themselves by way of privately negotiated trades.

Finhaven Capital Inc. is a wholly-owned subsidiary of Finhaven Technology Inc. ("Finhaven") — a Vancouver-based financial services and technology company with a capital markets platform built on Distributed Ledger Technology and digital securities.

The relief and requirements package holds Finhaven Private Markets (operated by Finhaven Capital Inc.) to terms and conditions tailored to provide investor protection and requires the firm to:

- make its investor and issuer onboarding standards and rules transparent on its website
- rigorously reviewing potential investors at the outset so that the only accredited investors approved as clients are knowledgeable about and experienced in the exempt market and investors for whom exempt securities of non-reporting issuers are a suitable part of their portfolios
- conduct a thorough due diligence review of issuers and their digital securities offerings and get approval from an independent advisory board before accepting an issuer to the platform
- for every digital securities purchase:
 - reconfirming the investor's accredited investor qualification
 - disclose the specific risks of digital securities an investor proposes to purchase
 - remind an investor of its obligation to provide a suitability recommendation and that it is done through a suitability algorithm
 - require an investor to carefully review the purchase terms
 - deliver an automated suitability assessment for every digital securities purchase
- for every purchase and sale, require an investor to carefully review the terms of that trade before submitting an order
- for every proposed purchase or sale, block a transaction in which a purchaser has not got sufficient funds and a seller has not got sufficient securities
- retain an independent monitor to oversee and report directly to securities regulators about:
 - the firm's effectiveness in overseeing secondary trading for compliance with securities legislation (like prohibitions on fraud and market manipulation) and Finhaven Private Markets' own trading rules
 - the firm's effectiveness in managing systems security and cybersecurity risks
- provide robust reporting on a regular basis about investor and issuer activity levels, client complaints and their resolutions, conflicts management, and material changes

About Finhaven*

Finhaven is a Vancouver-based financial services and technology company with a capital markets technology platform built on distributed ledger technology (DLT) and digital securities that

removes friction from the buying, selling and handling of securities, automating the exchange of documents and that slows the current system down. Finhaven Private Markets (the market-facing name for Finhaven Capital Inc., a registered exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec) is a marketplace built on the Finhaven Investment Platform to connect private companies with accredited investors, providing private companies access to new capital and investors access to new opportunities. For more information about Finhaven, please visit finhaven.com. For more information about Finhaven Private Markets, please visit finhaven.ca.

*Finhaven is the operating name of Finhaven Technology Inc. Finhaven Private Markets is the operating name of Finhaven Capital Inc., a registered exempt market dealer in Canada and a subsidiary of Finhaven Technology Inc.

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