

Accredited Investor Guidelines for Self Certification

Australia[\[edit\]](#)

s 708(8) of the [Corporations Act 2001](#) is found in Chapter 6D (Fundraising). It defines "sophisticated investor" so as to exclude them from certain disclosure requirements.[2]

That section provides for an accountant to issue a certificate stating that an individual meets the criteria prescribed in the *Corporations Regulations 2001*, namely net assets of at least \$2.5 million, or a gross income for each of the last 2 financial years of at least \$250,000.[3]

There is a second definition of "sophisticated investor" in s 761GA of the [Corporations Act 2001](#) in Chapter 7 (Financial services and markets). It defines sophisticated investors so that they can be treated as wholesale (rather than retail) clients.[4]

According to [ASIC](#), a person with a sophisticated investor certificate is a sophisticated investor for the purpose of Chapter 6D, and a wholesale client for the purpose of Chapter 7.[5]

Canada[\[edit\]](#)

An "Accredited Investor" (as defined in NI 45 106) is:

- 1 a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador); or
- 2 an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (a); or
- 3 an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
- 4 an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or
- 5 an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or
- 6 a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or

7 a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or

8 an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 of NI 45 106 [Minimum amount investment] or 2.19 of NI 45 106 [Additional investment in investment funds], or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45 106 [Investment fund reinvestment];

9 a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; or

10 a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors (as defined in NI 45 106); or

11 an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser.

European Union[\[edit\]](#)

Retail clients requesting treatment as 'elective' professional clients (as defined by [Markets in Financial Instruments Directive](#) (MiFID)) must satisfy at least two of the following *quantitative* criteria in assessing the client's expertise, experience and knowledge:[\[citation needed\]](#)

- the client has carried out trade transactions, in significant size (at least EUR 50,000), on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
- the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
- the client works or has worked in the financial sector for at least one year in a professional position which requires knowledge of the transactions or services envisaged.

Israel[\[edit\]](#)

1 An investment trust or fund manager

2 A management company or Provident fund as defined in the Israeli Provident fund law

3 An insurance company

4 A banking corporation and auxiliary corporation as defined in the Israeli Banking law (Licensing), other than a joint services company

5 A registered (licensed) investment adviser

6 An exchange member

7 A underwriter qualified to under section 56(c) of the Israel Securities Act

8 Corporation (except a corporation incorporated for the purpose of receiving investment advisory services, investment marketing or portfolio management) with equity of more than ILS50 million. See foreign accounting rules, international accounting standards and generally accepted accounting principles in the United States as defined under Sections 17(b)(1) and 36 of the Israel Securities Act for the definition of "Equity".

9 A natural person that gave consent in writing to be considered eligible for the purposes of this Law and that meets at least two of the criterion below

- Owns a total value of cash, deposits, financial assets and securities as defined in Section 52 of the Israel Securities Act which exceeds ILS12 million.
- Has expertise and skills in capital markets or was employed at least one year in a professional position that requires expertise in capital markets.
- Has made at least 30 transactions per quarter for the last four quarters. This does not include transactions made by the person's portfolio manager on a non discretionary basis

10 A corporation which is wholly owned by accredited investors based on the criteria above

11 A corporation incorporated abroad whose activities are similar to those of the corporations set out above

Singapore[\[edit\]](#)

In Singapore, Accredited Investor is defined in Section 4A(1)(a) of the Securities and Futures Act (SFSA), Chapter 2899.[6]

1 NET Personal assets exceeding SGD 2 million (or equivalent in foreign currency). Or

2 Income in preceding 12 months of not less than SGD 300,000 (or equivalent in foreign currency). Or

3 A corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by — (A)the most recent audited balance-sheet of the corporation; or (B)where the

corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;

4 The trustee of such trust as the Authority may prescribe, when acting in that capacity; or

5 Such other person as the Authority may prescribe.

United States[\[edit\]](#)

"The federal securities laws define the term accredited investor in Rule 501 of Regulation D and as amended by the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#) as:

1 a bank, insurance company, registered investment company, business development company, or small business investment company;

2 an employee benefit plan, within the meaning of the [Employee Retirement Income Security Act](#), if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

3 a charitable organization, corporation, or partnership with assets exceeding \$5 million;

4 a director, executive officer, or general partner of the company selling the securities;

5 a business in which all the equity owners are accredited investors;

6 a [natural person](#) who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, or has assets under management of \$1 million or above, excluding the value of their primary residence;^[7]^[8]

7 a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;^[9] or

a [trust](#) with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes."^[1]