

# Press release – Final vote on EU rules for crowdfunding platforms



The new rules aim to help crowdfunding services to function smoothly in the internal market and to foster cross-border business funding in the EU, by providing for a single set of rules on crowdfunding services.

The uniform set of criteria will apply to all European Crowdfunding Service Providers (ECSP) up to offers of EUR 5 000 000 (from EUR 1 000 000 proposed by the Commission), calculated over a period of 12 months per project owner.

## **Protecting investors: clear information and transparency**

Investors would be provided with a key investment information sheet (KIIS) drawn up by the project owner for each crowdfunding offer or at platform level. Crowdfunding service providers would need to give clients clear information about the financial risks and charges they may incur, including insolvency risks and project selection criteria.

## **Authorisation and supervision**

A prospective ECSP would need to request authorisation from the national competent authority (NCA) of the member state in which they are established. Through a notification procedure in a member state, ECSP would also be able to provide their services cross-border. Supervision would also be carried out by national competition authorities, with the European Securities and Markets Authority (ESMA) facilitating and coordinating cooperation between member states.

## **Next steps**

With no proposal to reject the Council's positions and no amendments tabled, the text was deemed adopted. The rules will start to apply one year after its

publication in the Official Journal of the EU.

## **Background**

Crowdfunding is increasingly popular as an alternative financing tool for start-ups as well as for small and medium enterprises (SMEs) at an early stage of company growth. A crowdfunding service provider operates a digital platform open to the public to facilitate prospective investors or lenders to be matched with businesses that seek funding.

*Vote: Monday, 5 October*

*Procedure: ordinary legislative procedures, second reading (with an agreement)*