

ESMA_QA_802

Status: Answer Published

Additional Information

Level 1 Regulation

Regulation 2020/1503 - European crowdfunding service providers for business

Topic

Information to clients on topics other than costs and charges

Additional Legal Reference

Article 10(4) ECSPR

Subject Matter

General provisions

Question

How can a CSP organize the provision of payment services?

ESMA Answer

Original language

A CSP may provide payment service itself or through a third party (Article 10(4) of the ECSPR). It may alternatively put in place and maintain arrangements to ensure that project owners accept and proceed to payments (including funding of crowdfunding projects) only by means of a duly authorised payment service provider (Article 10(5)).

In order to provide payment services, a CSP shall be authorised in accordance with Directive (EU) 2015/2366. This authorisation shall be granted prior to the provision of any payment service by the CSP. For the purpose of Article 10, payment services shall mean any business activity set out in Annex I of Directive 2015/2366.

Likewise, when the CSP provides payment services through a third party, this third party must be authorised pursuant to Directive (EU) [2015/2366](#) prior to the provision of any payment service by the CSP.

When putting in place an arrangement pursuant to Article 10(5), the CSP shall notably:

- ensure that the payment service provider selected by the project owner is duly authorised in accordance with Directive EU 2015/2366;
- enter into written and legally binding arrangements with the project owner whereby the latter commits irrevocably to only accept fundings from the selected payment service provider (or any replacement provider duly authorised in accordance with Directive EU 2015/2366 provided that (i) the relevant national competent authority is clearly informed prior to such replacement and that (ii) the changes are made in compliance with the legal arrangements applicable between the CSP and the project owner);

report the existence of such arrangements to its national competent authority together with a description of the procedures and systems established by which the funds from the investors will be sent to the project owner and by which the investors will receive the remuneration of the capital invested.