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Additional Information

Level 1 Regulation
Regulation 2020/1503 - European crowdfunding service providers for business

Topic
Underwriting and placing

Subject Matter
General provisions

Question
Can a CSP offer a crowdfunding project to a sole investor?

ESMA Answer

23-09-2022

Original language

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The offering of a crowdfunding project to a sole investor does not constitute a crowdfunding service as defined in point (a) of Article 2(1) of the ECSPR. Indeed, point (a) of Article 4(1) refers to the use of a crowdfunding platform, which, according to point (d) of the same article, needs to be publicly accessible (i.e. open to the public).

Consequently, ESMA is of the view that the offering of a crowdfunding project to a sole investor does not constitute a crowdfunding service.

However, pursuant to Article 12(13) of the ECSPR, a CSP may engage in other activities than those covered by the authorisation referred to in Article 12 of the ECSPR. A CSP can therefore engage into the activity of offering crowdfunding project to a sole investor on this basis provided that it complies for that activity with other applicable Union or national law.