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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

Subject Matter
Investor protection and marketing communication

Question
Can a CSP accept the investment of a prospective non-sophisticated investor or non-sophisticated investor in cases where such investor (i) wants to invest an amount in excess of the higher of EUR 1,000 or 5% of that investor's net worth but (ii) does not meet the conditions set out in points (a), (b) and (c) of Article 21(7)?

ESMA Answer

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Original language

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No, in such case, the CSP shall prevent the prospective non-sophisticated investor or non-sophisticated investor from investing. Indeed, as indicated by the European Commission in its answer to Question 5.1. [Q&A 814], Article 21(6) second paragraph which provide that prospective non-sophisticated investors and non-sophisticated investors shall not be prevented from investing does not apply to the specific situation of Article 21(7) of the ECSPR.

When preventing a prospective non-sophisticated investor or non-sophisticated investor from investing, the CSP shall clearly indicate to the investor that it acts on the basis of applicable regulatory requirements aiming at the protection of investors.