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23/09/2022

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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

Subject Matter

Investor protection and marketing communication

Question

Can an entity linked to a crowdfunding service provider by control as defined in point (35)(b) of Article 4(1) of Directive 2014/65/EU take or have a participation in an offer on the crowdfunding platforms managed by the crowdfunding service provider?

ESMA Answer

23-09-2022

Original language

(Published as Crowdfunding Q&A 5.15)

Yes, the provision set out in Article 8(1) only applies to the CSP. Entities linked to the crowdfunding service provider can be accepted as investors in crowdfunding projects offered on its platforms provided that the requirements set out in Article 8 of the ECSPR and especially paragraphs (2), (3), (4), (5) and (6) are duly complied with. However, the provision of Article 8(4) shall not be used a mean to circumvent the rule set out in Article 8(1). NCAs will notably monitor that CSPs do not set up ad hoc entities for the purpose of circumventing the prohibition of Article 8(1).