

Submission Date

16/12/2022

ESMA_QA_831

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 the marketing effort of a CSP focus on a specific project or a specific category of projects?

16-12-2022

Original language

(Published as Crowdfunding Q&A 5.18)

Yes, subject to certain conditions.

The first sub-paragraph of Article 27(2) of the ECSPR provides that prior to the closure of raising funds for a given crowdfunding project, no communication shall disproportionately target planned, pending or current individual crowdfunding projects or offers. This provision aims at ensuring that CSPs treat all crowdfunding projects (with ongoing fundraising) on their platform fairly and on an equal footing.

Consequently, when preparing marketing communications, CSPs should aim at not focusing exclusively or too heavily on a crowdfunding project or on a group of crowdfunding projects. However, CSPs can organise the content of their marketing communications on the basis of objective criteria, such as, but not limited to, the following:

1. the marketing communication is focused on crowdfunding projects in a certain business field and/or operating with a certain demonstrated sustainable development objective,
2. the marketing communication is focused on crowdfunding projects aiming at developing a business activity in a given geographical location,
3. the marketing communication focuses on crowdfunding projects based on their funding stage (e.g., marketing communication focusing on offers recently added to the crowdfunding platform or offers with calls for funding about to reach the closing date).

The first sub-paragraph of Article 27(2) of the ECSPR does not prevent CSPs from issuing marketing communications focusing exclusively or heavily on projects for which fundraising is closed. In such cases, CSPs should ensure that such marketing communications comply at all times with the requirements of Articles 3(2) and 3(3).