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Additional Information

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

Topic
Control functions (Compliance, Risk and Audit)

Subject Matter
Authorisation and supervision of CSPs

Question
Can a legal person with a single member of the management body be authorised as a crowdfunding service provider?

ESMA Answer

16-12-2022

Original language

(Published as Crowdfunding Q&A 6.1)

NCAs may consider the authorisation as CSP of a legal entity with a management body composed of a single member as the ECSPR does not contain a provision formally requiring more than one person to be member of the management body of a CSP.

ESMA is of the view that NCAs may authorise a legal person with a single member of the management body when the applicant demonstrates that, taking into account the nature, scale and complexity of the crowdfunding services it intends to provide, its organisation is adequate to ensure, both from a workload and expertise standpoints, an effective and prudent management of the CSP.

In such cases, the authorising NCA can, as part of its on-going assessment of the CSP, subsequently request the appointment of one or several additional members of the management body of the authorised CSP when it appears that changes in the nature, scale and complexity of the services provided by the authorised CSP justify so.