

**Submission Date**

19/12/2023

# ESMA\_QA\_2053

Status: Answer Published

## **Additional Information**

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### **Level 1 Regulation**

Regulation 2020/1503 - European crowdfunding service providers for business

### **Topic**

Appropriateness

### **Subject Matter**

Sophisticated investors

### **Question**

Can a crowdfunding service provider only accept sophisticated investors?

## ESMA Answer

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19-12-2023

Original language

There is no provision in the ECSPR preventing a CSP from only accepting sophisticated investors. However, such a practice shall not prevent a CSP from complying with all relevant provisions of the ECSPR and shall not be used as a way to circumvent the application of the consumer protection provisions of the ECSPR.

In this context, it is reminded that point (d) of Article 2(1) provides that a crowdfunding platform shall be accessible to the public for it to be in the scope of the ECSPR. As a consequence, access to the website of a crowdfunding platform cannot be reserved or restricted to a preselected group of investors.

A CSP may however decide to only accept subscriptions from investors or potential investors accessing the website of the platform that qualify as sophisticated within the meaning of point (j) of Article 2(1) of the ECSPR. The website of the crowdfunding platform shall, in such case, be very clear on this policy and, at the same time, avoid encouraging investors that would otherwise benefit of the protections awarded to non-sophisticated investors to apply to be treated as a sophisticated investor.

Likewise, CSP shall only deliver the approval referred to in point (j) of Article 2(1) of the ECSPR to investors meeting very strictly the conditions set out in Annex II of the ECSPR.