ESMA_QA_2950

Submission Date
16/10/2026

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
Crowdfunding service providers that charge registration, membership, or other access fees ("investment club" crowdfunding platforms)

Question
How does the ECSPR apply to crowdfunding service providers that charge registration, membership, or other access fees?

ESMA Answer

16-10-2026

Original language

Regulation (EU) 2020/1503 (ECSPR) establishes a harmonised framework for the provision of crowdfunding services across the Union, whilst granting flexibility to CSPs in the design of their business models.

Article 2(1)(d) of the ECSPR requires that crowdfunding services be provided through a publicly accessible internet-based information system. ESMA notes that the existence of registration processes (1), as well as the application of membership or access fees, does not in itself prevent a platform from being considered publicly accessible. When operating such arrangements, CSPs should ensure that:

- the platform remains accessible via the public internet;
- the platform's access conditions are transparent, objective and applied without discrimination (2);
- investors and prospective investors are effectively granted access to crowdfunding offers and enabled to invest on the basis of transparent, objective and non-discriminatory criteria;
- prior to any payment, prospective investors have access to sufficiently clear and meaningful information. That information should enable them to understand the nature of the platform, its services, the fees applied, the types of projects offered, and the key characteristics and risks associated with those projects (3);
- investment decisions on crowdfunding projects remain individual to each investor. The CSP continues to match project owners and investors and does not act as fund operator (4). Nor does it provide discretionary management, except where it provides individual portfolio management of loans in accordance with Article 3(5) of the ECSPR.

In this context, ESMA considers that the application of upfront membership or other access fees may raise investor protection concerns when, in particular:

- the fees are required before investors, or potential investors are allowed to access any key information about crowdfunding projects or CSP services;

- the fees' purpose, allocation, or beneficiary is not clearly disclosed;
- the fees may create conflicts of interest, including when finfluencers, third parties or related persons can benefit from them.

ESMA therefore would expect that when CSPs operate membership or other access fee-based models:

1. The application of relevant registration, membership or access fees is transparently disclosed in advance to potential investors in accordance with Articles 3(2) and 19(1) of the ECSPR;
2. CSPs comply with entry knowledge tests, loss-bearing simulations, investor categorisation procedures, conflict of interest requirements and all other requirements established under the ECSPR;
3. Prior to the payment of any registration, membership, or access fee, prospective investors satisfying the same objective criteria can access sufficient information relating to the crowdfunding offers available on the platform at that time, free of charge.

With regard to point (i) above, ESMA considers that, when fees are required to access a platform, investors and potential investors should receive clear, detailed and free-of-charge information on at least: (a) the nature of the fees; (b) the amount to be paid and the frequency of payment; (c) the investor's position once the fees have been paid. It should also be clear whether such fees: (a) only grant access to the platform, (b) grant access to a specific section of the platform where projects are presented, or (c) constitute an advance on the investment and are deducted when an investment is made (5). Investors should also be provided with a clear and prominent warning that after paying the registration, membership or access fees they may not find projects in which they wish to invest.

With regard to point (ii), ESMA notes that whilst the ECSPR does not explicitly require that the assessment under Article 21(7) of the ECSPR (6) be performed prior to granting access to a platform, the design and sequencing of access conditions, including fees, should not impair the effectiveness of those safeguards or the ability of non-sophisticated investors to make informed and responsible investment decisions.

In this context, ESMA considers that when a CSP operates a membership-based or fee-based access model, the investor categorisation, entry knowledge test, loss-bearing capacity assessment, and related warnings under Article 21 of the ECSPR should be completed before a non-sophisticated investor is required to pay any registration, membership, or access fee. Such sequencing better supports the effectiveness of the application of investor-protection safeguards established under Article 21 of the ECSPR and reduces the risk that non-sophisticated investors incur costs before receiving the categorisation, the assessment and warnings which are intended to inform their participation in crowdfunding investments.

In addition, ESMA recalls that where a CSP uses finfluencers – such as, but not limited to, high profile public figures (e.g., well known sport personalities) – to encourage potential investors to pay upfront fees to access its platform, investors and prospective investors should be able to understand the nature of any commercial relationship, remuneration or other incentives that may influence such promotional communications (7).

Competent authorities should pay particular attention, in their supervisory activities, to business models involving upfront fees, in order to ensure that CSPs act honestly, fairly and professionally in accordance with the best interests of their clients. Competent authorities should assess such arrangements on a case-by-case basis taking into account the economic reality of the business model, the admission policy, the information regarding the level and timing of fees, as well as the available crowdfunding projects, and the overall application of the investor protection requirements laid down in the ECSPR (8).

Endnotes

1. As confirmed by Recital 12 of the ECSPR, according to which "*In order to deliver their services, crowdfunding service providers operate publicly accessible internet-based information systems, including those systems that require user registration*.".

2. As already noted in the ESMA Final Report on Draft technical standards under the ECSPR (ESMA35-42-1183): "*ESMA is of the opinion that if a CSP were to apply an operating scheme in which, under certain conditions, the CSP may prevent the investor or potential investor from making the investment, also such a scheme would need to comply with the principle of non-discrimination. This means that the conditions for the application of such an operating scheme should be objective and predetermined by the CSP, in the sense that the scheme applies to all investors or potential investors who meet the same conditions (without any discrimination among investors) and is clearly disclosed to the clients or potential clients of the CSP*" (point (e), page 16 of the Final Report).

3. Based upon Article 3(2) of the ECSPR which requires CSPs to "*act honestly, fairly and professionally in accordance with the best interests of their clients*", read together with Article 19(1) ECSPR, which requires that all information from CSPs to clients "*about themselves, about the costs, financial risks and charges related to crowdfunding services or investments, about the crowdfunding project selection criteria, and about the nature of, and risks associated with, their crowdfunding services shall be fair, clear and not misleading*".

4. As underlined in Recital 22 of the ECSPR, the Regulation aims to facilitate direct investment and to avoid creating regulatory arbitrage opportunities for financial intermediaries regulated under other legal acts of the Union, in particular Union legal acts governing asset managers.

5. Where a registration, membership or access fee constitutes an advance on an investment, is allocated to a particular crowdfunding offer or is otherwise payable in connection with an offer to invest or expression of interest, ESMA considers that CSPs should ensure that the arrangements do not circumvent the rights granted to non-sophisticated investors under Article 22 of the ECSPR.

6. According to Article 21(7) of the ECSPR, before a non-sophisticated investor invests more than the higher of EUR 1,000 or 5% of their net worth, the CSP must ensure that such investor receives a risk warning, gives explicit consent, and demonstrates understanding of the investment and its risks.

7. See the ESMA Factsheet on finfluencers, which highlights the importance of transparency regarding commercial relationships and incentives in financial promotions: https://www.esma.europa.eu/document/finfluencers-tips-responsible-promotion.

8. In accordance with Delegated Regulation 2112/2022 on the authorisation as CSP, applicants shall provide the authorising NCA with a description of the arrangements to make the crowdfunding platform an internet-based information system, publicly accessible and without discriminatory access.