

Markets in financial instruments: crowdfunding service providers

2018/0047(COD) - 11/09/2020 - Council position

The Council adopted its position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending directive 2014/65/EU on markets in financial instruments.

The proposed Directive is part of a package of measures to deepen the capital markets union, which also includes a [proposal for a Regulation](#) of the European Parliament and of the Council on European crowdfunding service providers for business.

The objective of the proposed Regulation and Directive is to reduce the fragmentation of the legal framework applicable to crowdfunding services in order to ensure the proper functioning of the internal market for such services while enhancing investor protection and market efficiency and contributing to the establishment of the capital market Union.

The Council's position states that crowdfunding is a financial technology solution that provides small and medium-sized enterprises (SMEs) and, in particular, start-ups and scale-ups, with alternative access to finance in order to promote innovative entrepreneurship in the Union, thereby strengthening the capital markets Union.

The Council's position on the proposed Regulation on European crowdfunding service providers for business lays down uniform, proportionate and directly applicable requirements for the provision of crowdfunding services, for the organisation, authorisation and supervision of crowdfunding service providers, for the operation of crowdfunding platforms as well as for transparency and marketing communications in relation to the provision of crowdfunding services in the Union.

In the interest of legal certainty as regards the persons and activities falling respectively under Regulation and Directive 2014/65/EU of the European Parliament and of the Council, and in order to avoid a situation where the same activity is subject to multiple authorisations within the Union, the Council's position on the proposed Directive excludes crowdfunding service providers defined in the Regulation from the scope of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.