



LINARI LAW FIRM

AVOCATS A LA COUR

CSSF confirms the transitional period until 10 November 2023 for compliance with EU licensing requirements under the Regulation (EU) 2020/1503 of 7 October 2020 for existing crowdfunding platforms

Digital crowdfunding platforms have for a while been offering investors, professionals and retail alike, a chance to get invest in businesses that seek financing through issue of debt or equity securities, with crowdfunding-based financing volumes going up steadily across the European Union over the past years.



And while provision of crowdfunding services in the European Union have been largely untouched by regulatory authorities until recently, this has changed with the adoption of the Regulation (EU) 2020/1503 of 7 October 2020 on European crowdfunding service providers for business and its accompanying directive, the former of which kicked-in as from 10 November 2021. As from this date, the concerned crowdfunding service providers are required to get authorized by the relevant national regulatory authority. Further to authorization, a crowdfunding services provider will be able to provide its services on a cross-border basis through the EU-wide passporting regime.

Finally, according to the most recent press release number 22/27 of 25 November 2022 of the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier or CSSF), existing crowdfunding service providers (i.e. those who have been active before 21 November 2021 under national law) are subject to transitional provisions and still have some time to obtain the authorization from the CSSF, notably, until 10 November 2023 at the latest (and provide their services in the meantime). Conversely, all new market participants must be duly authorized by the CSSF before starting to provide any crowdfunding services.

Please visit our website and social media accounts for further information on the scope of services offered by our regulatory practice or reach out to our team members directly to discuss your potential projects.