
03/11/2021

Documents

[Finantsinspektsiooni järelevalvepoliitika ühisrahastusteenuse osutamisele \(pdf, 0.53 MB\)](#)

Under the directive of the European Parliament and of the Council, the majority of the current crowdfunding providers in Estonia will have to start to apply to Finantsinspektsioon for an operating authorisation. Finantsinspektsioon will start to receive applications for authorisations on 10 November. Businesses have one year to get the operating authorisation.

Finantsinspektsioon has introduced a supervision policy for providers of crowdfunding services that will specifically guide those applying for authorisations. All crowdfunding businesses will need to apply for a crowdfunding authorisation if they allow private individuals and businesses to lend or invest in crowdfunding projects owned by a company. More detailed requirements for the authorisation are set out in the European Union's crowdfunding directive.

The proposal to regulate crowdfunding by law was first made by Finantsinspektsioon in 2016 with the goal of protecting investors and opening up a single European Union market with a level playing field for Estonian crowdfunding businesses. Chair of Finantsinspektsioon **Kilvar Kessler** said that the financial supervisor had worked for this and that this goal will be achieved by the European Union's crowdfunding directive coming into force on 10 November. "The opening of the market means that conditions will be the same for all crowdfunding businesses operating in the European market. Crowdfunding can be regulated primarily through uniform investor protection requirements and obligations to inform investors, and by reducing the conflicts of interests of crowdfunding businesses and managing technological risks. The role of Finantsinspektsioon as supervisor is to monitor compliance with the requirements of the directive after authorisations have been issued", he said. He explained that the new regulation and supervision will not take risks away from investors and that the failure of a crowdfunding project could cause investors to lose some or all of their investment.

All the crowdfunding businesses that need an authorisation must apply to Finantsinspektsioon. The procedure for the authorisation will assess whether the company applying has sufficient own funds, and internal control systems that suit its business. Providers of crowdfunding services have the right to continue providing those services until 10 November 2022, or until they receive an authorisation, whichever date comes first. Finantsinspektsioon recommends applying early for an operating authorisation. If the application is left until the end of the transition period, it is possible that the authorisation will not be issued by 10 November 2022, and that the applicant will then have to cease providing crowdfunding services. Those who get an authorisation will be able to provide their services internationally in other European Union member states if they have submitted the information required in the directive to Finantsinspektsioon.

[The crowdfunding directive of the European Union](#)

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