

Crowdfunding Regulation: goes live after 10th November

Prudential requirements, development of RTS and ITS and supervision areas
26.08.2021



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Prudential requirements (Article 11)

EUR 25,000



Prudential safeguards which is higher



1/4 of the fixed overheads of the preceding year

the form of prudential safeguards:



Own funds



Insurance policy



Combination



Management of Conflicts of Interest

CFSP does not participate in any offer on its platform



Those persons are allowed to invest!

- CFSP fully discloses information
- Same investment conditions as those of other investors
- They do not have privileged rights and access to information



Development of RTS and ITS

According to Regulation ESMA and EBA should develop set of RTS and ITS specifying provisions set in the Crowdfunding Regulation.

Two deadlines are set for development of RTS and ITS:

10 November 2021

10 May 2022

Different **readiness** in the development of RTS and ITS.

It can be expected that delegated and implementing **standards will not be adopted by 10 November 2021**



List of RTS and ITS

RTS1 (ESMA)	complaint handling	Article 7(5)	10 November 2021
RTS2 (ESMA)	conflicts of interest	Article 8(7)	10 November 2021
RTS3 (ESMA)	business continuity plan	Article 12(16)	10 November 2021
RTS4 (ESMA)	application for authorization	Article 12(16)	10 November 2021
RTS5 (ESMA)	calculation of the default rates	Article 20(3)	10 November 2021
RTS6 (ESMA)	entry knowledge test and the simulation of the ability to bear loss for non-sophisticated investors	Article 21(8)	10 November 2021
RTS7 (ESMA)	key investment information sheet	Article 23(16)	10 May 2022
RTS8 (ESMA)	exchange of information between competent authorities	Article 31(8)	10 May 2022
ITS1 (ESMA)	data standards and formats, templates and procedures for reporting information on projects funded	Article 16(3)	10 November 2021
ITS2 (ESMA)	standard forms, templates and procedures for the notifications of national marketing requirements	Article 28(5)	10 November 2021
ITS3 (ESMA)	standard forms, templates and procedures for the cooperation and exchange of information between competent authorities	Article 31(9)	10 May 2022
ITS4 (ESMA)	standard forms, templates and procedures for the cooperation and exchange of information between competent authorities and ESMA	Article 32(4)	10 May 2022
RTS 1 (EBA)	individual portfolio management of loans	Article 6(7)	10 November 2021
RTS2 (EBA)	credit risk assessment and loan valuation	Article 19(7)	10 May 2022



Main requirements of RTS

RTS1 - **complaint** handling:

- Standard format for the submission of complaints
- No fixed timeframe – set out in the procedure

RTS3 – business **continuity** plan:

- Continuity of provision of critical services
- Sound administration of agreements

RTS5 – calculation of the **default rates**:

- Criteria for default loans
- Standard methodology for the calculation

RTS7 – **key investment** information sheet:

- Format requirements
- Main risk types and financial ratios

RTS2 - **conflicts** of interest:

- Effective internal rules
- Disclosure of information

RTS4 – application for **authorization**:

- Standard application template form
- Registered office and head office in a member state where application is submitted

RTS6 – entry **knowledge test** and ability to bear loss:

- Information to be requested
- Calculation of the net-worth

RTS1 (EBA) – individual **portfolio management** of loans:

- Elements to be included in the description of the method to assess credit risk
- Information to be provided on each individual portfolio



Supervisory areas





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