

Crowdfunding in the EU



Answering this questionnaire will take about 10-15 minutes. You are allowed to skip questions that you cannot, or do not wish to, answer.

Please note that you cannot save your answers to continue at a later time. However you can print out the questionnaire and prepare your answers. (Certain questions will only appear if you replied to an earlier question. To see all the questions, give preliminary answers without clicking the "Submit" button at the end.)

Please submit your answers before 31 December 2013.

Questions marked with an asterisk * require an answer to be given.

Identification

Please tell us who you are

1. First name

*

(maximum 35 characters)

2. Family name * (maximum 35 characters)

3. What category describes you best?

*

- I might give money to crowdfunding (or already did so)
- I might raise money through crowdfunding (or already did so)
- Crowdfunding platform manager
- Regulatory or supervisory authority representative
- Bank / financial institution
- Venture capital fund
- Business angel
- Academic
- Association / interest representative
- Other



4. Please specify (maximum 100 characters)

Targeted questions

Based on your previous answer, in this section we will ask you some targeted questions.



5. Organisation's name * (maximum 100 characters)



6. Transparency register ID number (If you do not indicate your ID, your response will count as an individual contribution)



Not yet registered? You can register your organisation here: <http://ec.europa.eu/transparencyregister/info/homePage.do>



7. Gender

*

- male
- female



8. Country (of residence or establishment) *

- EU (active/present in several EU countries)
- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom
- US
- Other



9. Please specify * (maximum 20 characters)

10. Do you agree to publishing your replies on the European Commission's website? *



If you wish to contribute to the public consultation, you have to agree to publishing your replies. You have the option to request anonymity.

- Yes
- Only anonymously (without mentioning my name and organisation)



11. Have you already given money to a crowdfunding campaign?

- No
- Yes, in my country
- Yes, in another EU country



12. Were you satisfied with your crowdfunding experience?

yes

too early to tell

no



13. What was wrong? (maximum 500 characters)



14. Would you consider contributing to a crowdfunding project from another EU country, if the campaign is in your language?

Yes, it is the same to me
wherever the project comes from

Yes, but only if it is a project I
really believe in

Yes, but only if there is a
guarantee that I will not be cheated

No, I want to support local
projects

No, it is too risky to give money
to people from other countries



15. How would you describe your project?

artistic

innovative

social / philanthropic

ecological / green technology

entrepreneurial

other



16. Have you already launched a crowdfunding campaign?

no

yes




17. What was / is your campaign's funding target amount? (in €)

 18. What type of campaign did you launch?


- donation
- rewards
- product development / pre-sales
- profit sharing
- equity (shares)
- debt (bonds)
- borrowing

 19. Did you use a crowdfunding platform to host your campaign?

- yes
- no

 20. Have you tried to get financing from other sources before launching your campaign?

- No
- Yes - a bank loan
- Yes - venture capital
- Yes - business angels
- Yes - friends and family

 21. Was your campaign successful?

- yes
- no
- it is still ongoing

 22. After the successful campaign, did you obtain financing from other sources for the same project?

- No
- Yes


 23. What form(s) of post-campaign financing did you obtain?

- business angel investment
- equity (IPO)
- venture capital
- other
- bank loan

 24. BUSINESS MODEL

What types of crowdfunding campaigns does your platform host? *

- Donations
- Reward-based campaigns
- Product pre-sales
- Profit- or royalty sharing
- Equity-based (shares)
- Debt-based (bonds)
- Lending
- other

 25. Please specify *


 26. Is your platform authorised by a national authority?

- no yes, as a bank yes, as another category
- yes, as a payment service provider yes, as an investment firm


 27. Please specify (maximum 500 characters)



28. How much money was raised through your platform in 2012 (in € terms)?


 29. Does your platform accept projects and contributions from other EU countries (other than the country of establishment)? *

- no, we do not want to operate outside the country no, although we would like to yes

 30. What are the biggest obstacles that prevent your platform from being active in several Member States?

- we cannot check foreign projects' reliability
 we cannot operate in multiple languages
 we cannot process payments in multiple currencies
 we are required to get an authorisation abroad which is costly
 we do not have enough information about legal requirements abroad
 other


 31. Please specify (maximum 2000 characters)


 32. What was the average value of individual contributions through your platform in 2012? (€ terms)



In case you do not have this data for 2012, you can provide approximate figures for 2013. Please convert to €.

 33. What was the highest individual contribution? (€ terms)

 34. What was the average campaign target amount? (€ terms)

 35. What was the highest campaign target? (€ terms)



36. What was the success rate of campaigns?

%



37. Does your platform adhere to a code of conduct? *

yes

no



38. What type of functions does your platform perform?

- Checking identity of project owners
- Preliminary screening of projects (legality, compliance with platform's conditions)
- Guarantee the return of reclaimable funds
- Informing project owners and contributors of applicable fees
- Informing contributors of risks
- Facilitating the communication between contributors and project owners
- Assessing the profile of the contributors
-  *E.g. income or wealth, risk profile.*
- Providing investment advice
- Pooling funds from contributors and allocating funds to projects
- Creditworthiness or profitability assessment of proposed projects (before campaign)
- Monitoring the performance of projects after the campaign
- Acting as nominee shareholders or contributors' representative in legal proceedings
- managing conflict of interest for the platform
- Professional insurance or compensation scheme coverage to compensate contributors' losses
- Other(s)



39. Please specify (maximum 500 characters)



40. How many crowdfunding platforms operate in your jurisdiction?



41. How many platforms are authorised as investment firm?



42. How many platforms are authorised as payment service provider?



43. How many platforms are authorised as other category of firm? Describe category and indicate the number.



44. Are you aware of any consumer / investor complaints relating to any form of crowdfunding?

- no
- yes



45. Please provide details



46. What rules apply to crowdfunding in your jurisdiction?

- we do not have any cases of crowdfunding so far
- we apply the existing national and EU law to crowdfunding
- we have a specific legislation / regulation on crowdfunding



47. What rules apply to peer-to-peer lending? (maximum 2000 characters)



48. What rules apply to equity crowdfunding? (maximum 2000 characters)



49. Up to which amount can issuers raise equity without having a prospectus? (€terms)

(between 100000 and 5000000)



The Prospectus Directive leaves Member States the freedom to decide as of which amount, between €100 000 and €5 000 000, they oblige issuers to have a prospectus.



50. Do crowdfunding platforms qualify for an exemption under Art 3 of the Markets in Financial Instruments Directive (MiFID)?

- yes
- no



51. What rules apply to profit-sharing or any other forms of crowdfunding?

(maximum 2000 characters)



52. What rules apply to campaigns / platforms using pre-sales, rewards or donations? (maximum 2000 characters)



53. Are there specific taxation rules that may apply to certain forms of crowdfunding? Please describe these.

(maximum 1000 characters)



54. What do you think of financial forms of crowdfunding (lending, securities, profit sharing)?

- It contains high risks to contributors
- It has many advantages to firms and contributors
- We might start our own platform
- We might cooperate with a platform

Definition and models of crowdfunding

1. WHAT IS CROWDFUNDING?

Which elements should always be present in a crowdfunding campaign?

- open call to the public
- through the internet
- to collect funds
- during a specified time period
- for a specific project
- in the form of small contributions
- from a large number of individuals
- other elements



2. Which (further) elements should define crowdfunding? * (maximum 300 characters)

3. Should crowdfunding be reserved to projects with smaller financing needs?

- No Yes



4. Please indicate a ceiling amount

*

5. CATEGORIES


Crowdfunding can take many forms, depending on what contributors get in return for their money.


Which of these models are you familiar with?

donations

rewards

pre-sales

 contributors get something of a lower / symbolic value in exchange (e.g. CD or autograph)


 Collecting money to develop a new product. Contributors order and pay for the product before it is being produced.

profit- or royalty sharing

lending

debt (bonds)

 Contributors get a share in future profits or royalties


 Contributors lend money that they get back with or without interests

 Contributors are buying bonds

equity (shares)

hybrid models


other models / comments

 Contributors are buying shares in the company

* I think some of the above

categories should be treated as one

 6. What categorisation would you propose? What comments would you like to make? ^{*} (maximum 1000 characters)

 7. Which models should be treated as one category and why? (maximum 1500 characters)

8. Other than donations, there is also lending- or investment-based crowdfunding with social objectives. Should these be treated differently than any other lending or investment campaign for profits?

 E.g. 'social lending' with or without interests or 'impact investing'


yes

no

Benefits of crowdfunding

1. BENEFITS OF CROWDFUNDING

How high are the potential benefits of crowdfunding for the following categories?

	small	medium	high
1.1. Growth & jobs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.2. Entrepreneurs & SMEs  <i>SMEs = small and medium enterprises</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.3. Social entrepreneurs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.4. Innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.5. Research and development (R&D)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.6. Small retail investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



2. ADVANTAGES OF CROWDFUNDING FOR PROJECT OWNERS

Crowdfunding might offer numerous benefits to project owners. How would you rate these?

	small	medium	high
2.1. Market testing and market validation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.2. Crowdfunding helps reach more people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.3. Speed of fundraising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.4. Less dependence on traditional forms of financing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.5. Reduced costs of finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.6. Flexibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.7. Feedback, advice and other non-financial resources from contributors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



3. ADVANTAGES OF CROWDFUNDING FOR CONTRIBUTORS

What features of crowdfunding are attractive to contributors?

	irrelevant	somewhat attractive	very attractive
3.1. An investment opportunity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.2. Direct involvement in the project	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.3. Doing some good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.4. Helping the local community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.5. Helping a friend	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.6. Directly selecting projects worth financing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.7. It is a new trend that looks cool	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. ARE THERE OTHER BENEFITS FROM CROWDFUNDING? (maximum 2000 characters)

5. WHAT SPECIFIC ADVANTAGES DO FINANCIAL FORMS OF CROWDFUNDING HAVE? (PROFIT-SHARING, LENDING, EQUITY AND DEBT) If earlier you suggested different categories, please describe the advantages of those. (maximum 1000 characters)

Risks of crowdfunding



1. Risks to project owners

Please rate the following risks for project owners.

	Negligible	Acceptable	Too high	I'm not sure
<p>1.1. IPR PROTECTION Business ideas described on the internet are not adequately protected</p> <p> IPR stands for intellectual property rights</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.2. REPUTATIONAL RISKS that project (owner) is considered as second class because (s)he could not obtain traditional sources of finance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.3. FAILURE IN PUBLIC - If the campaign is not succesful, it is a failure in public	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1.4. OVERFUNDING RISKS - if too much money is collected entrepreneur may need to substantially revise the business plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Risks of crowdfunding (all crowdfunding models)

How would you rate the following risks? Do you think any of these risks are too high and should be reduced in order for people to trust crowdfunding?

	Negligible	Acceptable	Too high	I'm not sure
6.1. FRAUD - project owner or platform does not use the money for the stated purpose	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.2. PROJECT FAILURE - project owner tries his best, but the project fails and does not deliver what was promised to crowdfunders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.3. MISLEADING ADVERTISING - project is presented as all rosy, and people contribute without knowing the risks they take	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.4. CONTRIBUTORS DO NOT GET BACK THE MONEY they could reclaim in case of an unsuccessful campaign	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. ARE THERE OTHER RISKS IN THE DONATION, REWARD OR PRE-SALE MODELS OF CROWDFUNDING?

(maximum 1000 characters)


8. Could a scandal undermine contributors' confidence?

yes

no

9. Equity crowdfunding (contributors buying shares) - risks and complexity

How would you rate the following risks and the overall complexity of crowdfunding where contributors are offered shares in a company?

	Negligible	Acceptable	Too high	I'm not sure
9.1. Investors overvalue the project (pay more for the shares than what they are worth)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.2. Project fails and investors lose the capital they invested	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.3. Investors are not able to exercise shareholder rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.4. The company issues new equity and dilutes the investment value of first round investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.5. Lack of exit options (investors are not able to sell-on the equity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.6. Investment not being profitable (even if the project does not fail, it may not be able to pay dividends)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.7. Complexity  How difficult is it for a contributor to understand and manage this form of crowdfunding - compared to other forms?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Lending - risks and complexity

How would you rate the following risks and the overall complexity of crowdfunding where contributors lend money?

	Negligible	Acceptable	Too high	I'm not sure
10.1. Lenders do not know the credit-risk of the borrower	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.2. Project fails and lenders do not get back the money they lent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.3. Lenders do not receive the promised interests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.4. Complexity  <i>How difficult is it for a contributor to understand and manage this form of crowdfunding - compared to other forms?</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. DO YOU SEE OTHER RISKS IN FINANCIAL FORMS OF CROWDFUNDING (profit-sharing, lending, securities)? (maximum 1500 characters)

Identifying the role of the EU

1. Where would EU action be useful?

What EU level action(s) would help reap the benefits of crowdfunding? For which forms of crowdfunding would these actions be useful?

- a: donations
- b: rewards
- c: pre-sales
- d: profit sharing
- e: lending
- f: equity/debt (shares/bonds)

	a	b	c	d	e	f
1.1. Raising awareness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2. Combining public funding and crowdfunding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3. Coordinating self-regulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4. Sharing national experiences & regulatory best-practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5. Providing easier market access to all EU countries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.6. Protecting contributors from risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. What are the obstacles to market access for donation, reward or pre-sale campaigns/platforms? *

(maximum 500 characters)

3. Do you have in mind other areas of action for the EU that would help reap the benefits of crowdfunding?

(maximum 1000 characters)



4. Should all crowdfunding platforms be obliged to

- Inform project owners and contributors of applicable fees
- Guarantee the processing of payments
- Check the identity of the project owner
- Check the legality of the projects proposed



5. What other measures would protect contributors appropriately, especially in the case of "direct crowdfunding campaigns" that do not use a platform?

(maximum 1500 characters)

Financial forms of crowdfunding (profit sharing, equity, debt, lending)

12. What do you think of EU law on financial services as applied to crowdfunding today?

- I am not familiar with EU law on financial services
- It is adequate and does not need to be changed
- It should be calibrated to better fit crowdfunding
- It is not well suited to crowdfunding; a new, tailor-made legal framework is needed



13. Which specific measures should be calibrated and how?

(maximum 5000 characters)



14. A European legal framework for financial forms of crowdfunding should be

- optional - campaigns / platforms with cross-border reach can choose to comply with EU rules, rather than several different national rules
- some common minimum standards applying to every campaign / platform
- exactly the same rules applying to every campaign / platform
- other




15. Please specify what other design would be optimal for an EU framework (you can elaborate on the specific rules later) (maximum 250 characters)

Access to markets and protection of contributors

16. Crowdfunding platforms' responsibilities - financial models

Should responsibilities of platforms hosting campaigns with lending or equity/debt (shares / bonds) be harmonised at a European level?

	No harmonisation  Crowdfunding platforms can decide whether they perform a given function or not.	Yes, for lending	Yes, for equity / debt
16.1. to inform contributors of investment risk or credit risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.2. to assess the profile of the investor  Risk profile, income, wealth, education, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.3. to perform due diligence / credit risk assessment of projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.4. to monitor the performance of the projects after a successful campaign	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.5. to act as nominee shareholder or contributors' representative in legal proceedings related to a project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.6. to manage conflicts of interest within the platform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.7. to cover eventual losses to contributors through compensation scheme or insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. What other duties should financial crowdfunding platforms have? (maximum 300 characters)

18. Should contributors be advised to diversify their investments into crowdfunding?

yes no

19. Should there be a minimum or a maximum amount set for individual contributions?

No Minimum Maximum



20. What minimum amount for which crowdfunding model(s) (€ terms) (maximum 200 characters)



21. What maximum amount for which crowdfunding model(s)? (maximum 250 characters)



22. What other measures would be needed to grant access to markets but also address the risks of financial forms of crowdfunding? (maximum 2000 characters)



23. What framework would suit crowdfunding with social goals? How to verify social objectives or impact? What level of investor protection is needed? (maximum 3000 characters)

24. Do you have any other comments?

(maximum 2000 characters)