

28 July 2022

Circular on [Regulation \(EU\) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business](#) (the 'Regulation' or 'ECSPR')

European Commission publishes approved technical standards and a draft delegated regulation aiming at extending the transitional period of the Crowdfunding regulation until 10 November 2023

This circular is being addressed to Crowdfunding Service Providers, or other entities envisaging to apply for specific permission to provide Crowdfunding services.

This circular shall be read in conjunction with ECSPR, the delegated regulations and previous circulars issued by the Authority.

Purpose of the Circular

The Authority would like to inform market participants that on the 12 July 2022, the Economic and Monetary Affairs Committee of the European Commission has issued a batch of documents in relation to the ECSPR.

[Draft Delegated Regulation](#) extending the transitional period for continuing to provide crowdfunding services in accordance with national law as referred to in Article 48(1) of the Regulation

Article 48(1) of the ECSPR allows for a transitional period with respect to crowdfunding services provided in accordance with national law. The transitional period ends on 10 November 2022.

The Commission is proposing to prolong the transitional period for crowdfunding services provided in accordance with national law (i.e. authorised before 10 November 2021) until 10 November 2023, by means of this Delegated Act.

Following the Commission's request on 29 March 2022 for a technical advice to the European Securities and Markets Authority ('ESMA'), and the subsequent reply on 19 May 2022, the Commission undertook its assessment, which concluded that the risk of disruptions for some large national markets is indeed high and hence an extension of the

transitional period for crowdfunding services provided in accordance with national law is necessary. This extension is granted to all the providers of crowdfunding services currently operating under national law.

RTSs and ITS

The ECSPR requires ESMA and EBA to submit draft regulatory technical standards ('RTS') and implementing technical standards ('ITS') on a variety of topics. Apart from issuing Consultation Papers on the respective website seeking for stakeholders' views, ESMA sought also the advice of the ESMA Securities and Markets Stakeholder Group's (SMSG) established under Regulation (EU) No 1095/2010.

The draft technical standards were submitted to the European Commission for adoption. In accordance with Articles 10 and 15 of Regulation (EU) 1095/2010, the European Commission had to decide whether to adopt the technical standards within 3 months.

In this respect, on 13 July 2022 the European Commission published the following:

- [RTS 1 on individual portfolio management of loans, pursuant to Article 6\(7\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 2 on complaints handling, pursuant to Article 7\(5\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 3 on conflicts of interest, pursuant to Article 8\(7\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 4 on business continuity plans, pursuant to Article 12\(16\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 5 on application for authorisation, pursuant to Article 12\(16\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 6 on default rates of loans, pursuant Article 20\(3\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 7 on entry knowledge and ability to bear losses tests, pursuant to Article 21\(8\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 8 on key investment information sheet, pursuant to Article 23\(16\) of Regulation \(EU\) 2020/1503;](#)
- [RTS 9 on exchange of information between competent authorities, pursuant to Article 31\(8\) of Regulation \(EU\) 2020/1503;](#)
- [ITS 1 on project reporting, pursuant to Article 16\(3\) of Regulation \(EU\) 2020/1503;](#)
- [ITS 2 on notification of national marketing requirements, pursuant to Article 28\(5\) of Regulation \(EU\) 2020/1503;](#)
- [ITS 3 on cooperation and information exchange among competent authorities, pursuant to Article 31\(9\) of Regulation \(EU\);](#) and
- [ITS 4 on cooperation and information exchange with ESMA, pursuant to Article 32\(4\) of Regulation \(EU\) 2020/1503;](#)

Way Forward and Contacts

Any queries or requests for clarifications on the contents of this Circular should be addressed to the Authority via email on MarketInfrastructures@MFSA.mt.