

Regulation of Crowdfunding in the Czech Republic

Abstract

This thesis focuses on the regulation of crowdfunding in the Czech republic and on the recently adopted European Crowdfunding Service Providers Regulation. The aim of this thesis is to analyse the setting of its scope of the Regulation, both in relation to the setting of crowdfunding services and in relation to exempted areas.

The first chapter is dedicated to the concept of crowdfunding, the way this modern phenomenon functions and its different kinds. It also looks at statistics available in this field that bring relevant findings for the regulatory approach towards this sector.

The second chapter then identifies the fundamental legislation of both European union and national origin applicable before the European Crowdfunding Service Providers Regulation was adopted, which remain applicable for some cases at the present time also.

The third chapter focuses on the adoption of the European Crowdfunding Service Providers Regulation itself, which represents a first separate piece of legislation dedicated to this sector, and also the reasons which lead to its adoption.

The fourth chapter deals with the setting of the crowdfunding services according to the European Crowdfunding Service Providers Regulation and areas that it does not cover. It is divided into several parts according to the analyzed areas. It first addresses the definition of a loan according to the European Crowdfunding Service Providers Regulation and crowdfunding models that exist in practice but are not covered by the Regulation. That is for example the case of assignment of a receivable through crowdfunding or models using credit linked notes. The next subchapter focuses on the exclusion of ICOs from the scope of the European Crowdfunding Service Providers Regulation, the suitability of such approach and the differences and similarities between the two areas. The following part deals with donation-based and reward-based kinds of crowdfunding, its exclusion from the scope of the European Crowdfunding Service Providers Regulation and the regulatory approach towards this sector. The next part of this chapter is then dedicated to the crowdfunding services provided to consumers as project owners and its exclusion from the scope of the European Crowdfunding Service Providers Regulation that brings about a number of questions concerning the applicable legislation. The last subchapter then summarizes the limitation of the scope of the European Crowdfunding Service Providers Regulation to a certain total value of consideration received.

The last chapter then discusses the limited possibilities of secondary trading of investments within crowdfunding and the boundaries of the electronic bulletin board, which the crowdfunding services providers can operate.

Klíčová slova: Crowdfunding, Financing, ECSPR