



Capital Markets Union and Fintech: Commission welcomes political agreement to boost crowdfunding in the EU

Brussels, 19 December 2019

The European Commission welcomes the provisional political agreement reached yesterday evening between the European Parliament and the Council on its proposal to boost [Crowdfunding](#) in the EU.

The proposal, a key building block of the [Capital Markets Union](#), aims to harness the opportunities presented by emerging technology-enabled innovations in the financial sector, known as FinTech. With this agreement, 12 out of 13 Capital Markets Union legislative proposals have been adopted or agreed at EU level.

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for People said: *"I welcome the agreement reached on our crowdfunding proposal. This is an important source of alternative financing for many innovative European entrepreneurs and start-ups, which may struggle to access traditional financing channels. An EU crowdfunding licence would help crowdfunding platforms scale up in Europe. This will allow investors to match up with companies from all over the EU, bringing more opportunities for firms and entrepreneurs to pitch their ideas to a wider base of investors."*

This political agreement is subject to final endorsement by the European Parliament and the Council. Once adopted, the new regulatory framework will harmonise the rules for investment-based and lending-based crowdfunding platforms operating in the European Union. It will make it easier for them to operate cross-border in the EU, thanks to a single licence. It will also ensure a high-level of investor protection. Businesses from all over Europe will be able to more easily reach out to a significantly larger pool of potential investors and thus increase their chances of success.

Background

Crowdfunding is an emerging alternative form of financing that connects those who can invest money directly with those who need financing for a specific project. It usually refers to public online calls to contribute finance to specific projects. It is increasingly establishing itself as an important part of the funding escalator for young companies.

For more information

[Crowdfunding explained](#)

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