

Markets in financial instruments: crowdfunding service providers

2018/0047(COD) - 09/11/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Caroline NAGTEGAAL (ALDE, NL) on the proposal for a directive of the European Parliament and of the Council amending Directive 2014/65/EU on markets in financial instruments.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal.

The proposal aims to amend the scope of Directive 2014/65/EU in order to exempt crowdfunding service providers from the obligations arising from Directive 2014/65/EU on markets in financial instruments. The objective is to broaden access to finance for innovative companies, start-ups and other unlisted companies.

The amended text underlined in this respect that crowdfunding is a financial technology solution that provides SMEs, and, in particular, start-ups and scale-ups, **with alternative access to finance, in order to promote innovative entrepreneurship in the Union**, thereby strengthening the Capital Markets Union (CMU).

That in turn contributes to a more **diversified financial system** that is less dependent on bank financing, therefore limiting systemic and concentration risks.

In view of the lack of transparency in the markets for virtual currencies, a new recital invited the Commission to **keep virtual currencies under constant review** and to propose clear guidelines setting out the conditions that a virtual currency must meet in order to be considered a financial instrument. If the Commission concludes that it is necessary to regulate virtual currencies, it should submit a proposal on this subject to the European Parliament and the Council.