



Legal Update

Central Bank updates guidance for Crowdfunding Service Providers

The Central Bank of Ireland (the "Central Bank") recently published an updated version of its Questions and Answers ("Q&A") document relating to the regulation of crowdfunding service providers in Ireland. Guidance on three new issues has been included as further detailed below.

Background

The Central Bank has been appointed as the competent authority in Ireland for the authorisation and supervision of crowdfunding services pursuant to the European Union (Crowdfunding) Regulations 2021 (S.I. No. 702 of 2021). The Central Bank also issues Q&A documents on regulatory topics including one pertaining to crowdfunding. The Q&A is a living document and is not intended to constitute legal advice but is periodically updated to serve as a helpful guide. ESMA publishes separate Q&As at the European level, including on this topic.

Transitional Period

Firms which provided crowdfunding services in Ireland prior to November 2021 are subject to a transitional arrangement that allows them to continue to provide services in advance of full authorisation. This transitional period has been extended to November 2023, although the Central Bank had recommended applications be submitted by 10th May 2023 at the latest to facilitate timely authorisation.

The New Q&As

The updated Q&A document issued by the Central Bank addresses issues pertaining to three topics. These are:

- (i) The supporting evidence required regarding prudential requirements for applicants;
- (ii) Supporting evidence required under Section 5 of the Individual Questionnaire for certain key roles; and
- (iii) Further details of ongoing regulatory reporting requirements once an entity has been authorised as a crowdfunding service provider.

How can Clerkin Lynch help?

The financial services regulatory team at Clerkin Lynch advises on all aspects of the regulation of Crowdfunding services in Ireland and can assist with applications for authorisation or queries regarding ongoing operations and regulatory compliance. Please contact us for further information or assistance.



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