



Altfinator

ACCESS TO ALTERNATIVE FINANCING

ALTERNATIVE FINANCE REGULATORY FRAMEWORK

AF Regulatory Framework
Slovakia

SLOVAKIA

AF Regulatory Framework



REGULATORY FRAMEWORK



There is still no specific regulation addressing the use of Crowdfunding activities in Slovakia.



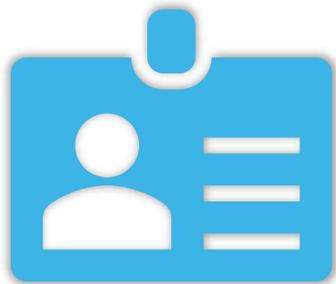
Some Crowdfunding models enjoy a relatively easy regulatory environment whereas some may fall under very strict regulation.



The Securities and Investment Services Act governs, among others, provision of the investment services and so-called 'ancillary services' which are subject to the license issued by the NBS.

REGULATORY FRAMEWORK

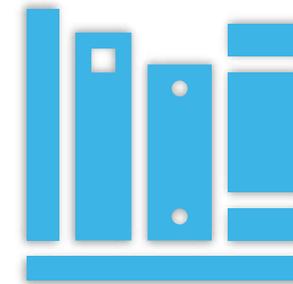
BANKING REGULATION OF SLOVAKIA



**GENERAL LICENSING
REQUIREMENTS**



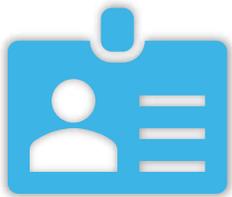
**PROSPECTUS
REQUIREMENTS**



**OTHER
REQUIREMENTS**

REGULATORY FRAMEWORK

LICENSING REQUIREMENTS



GENERAL LICENSING REQUIREMENTS

Equity & Lending Models.

The Securities and Investment Services Act governs, among others, provision of the investment services which are subject to the licence issued by the NBS.

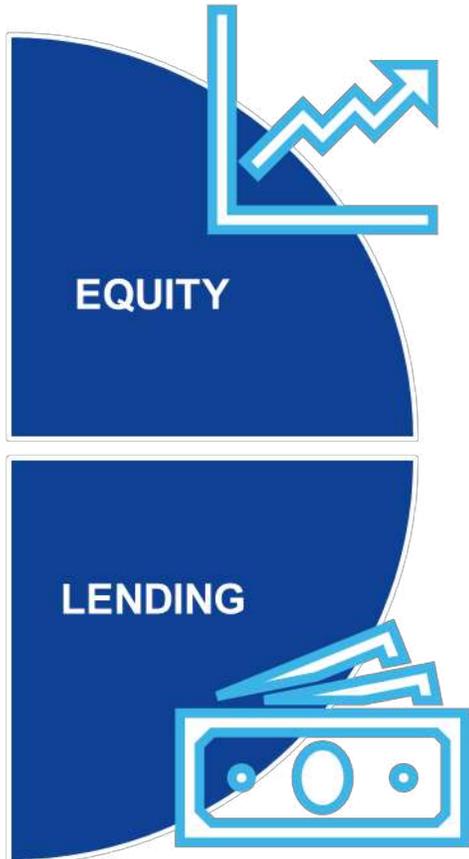
There are no explicit exemptions for Crowdfunding platforms from the licencing Requirements.

Donation & Rewards Models.

The donations or rewards models are not specifically regulated.

REGULATORY FRAMEWORK

LICENSING REQUIREMENTS



General license requirements

Investment and ancillary services and financial instruments includes:

Investment services

- Reception and transmission of client orders.
- Execution of orders on behalf of clients.
- Dealing on own account.
- Portfolio management.
- Investment advice.
- Underwriting or placing of financial instruments on a firm commitment basis.
- Operation of multilateral trading facilities.

Ancillary Services

- Safekeeping and administration of financial instruments.
- Custodianship and related services.
- Granting credits or loans to an investor.
- Advice on capital structure and business strategy.
- Foreign exchange services.
- Investment research and financial analysis.
- Services related to the underwriting of financial instruments.

Financial Instruments

- Transferable securities.
- Money market instruments.
- Fund shares or securities issued by foreign collective investment undertakings.
- Options, futures, swaps, forwards and any other derivative contracts.
- Derivative instruments for the transfer of credit risk.
- Financial contracts for differences.

REGULATORY FRAMEWORK

LICENSING REQUIREMENTS



PROSPECTUS REQUIREMENTS

Equity & Lending Models.

According to the Slovak law, any public offering of securities is subject to the prospectus requirements. Exemptions from this requirements to offer of securities addressed:

- Solely to qualified investors.
- To fewer than 150 natural persons or legal persons per Member State, other than qualified investors.
- To investors who acquire securities for a total consideration of at least €100K per investor.
- An offer of securities having a denomination per unit of at least €100K.
- An offer of securities with a total consideration of less than €100K, which limit shall be calculated over a period of 12 months.

Donation & Rewards Models.

There is no explicit requirement to provide and publish prospectus in case in case of donations or rewards models.

REGULATORY FRAMEWORK

OTHER REQUIREMENTS

European Union Alternative Investment Fund Managers Directive (AIFMD)

- Implemented under Act No 203/2011 on the collective investment.
- Applicability: Depending on the particulars, both project companies and operating companies may constitute an AIF.
- If a Crowdfunding wants to structure its operation as an AIF, it must comply the requirements under this directive.

Payment Services Directive

- The Act No. 492/2009 Coll., on payment services, implemented the Payment Services Directive.
- Transfer of funds through the platform operator may constitute money remittance service → Licence as a payment service provider.

REGULATORY FRAMEWORK

ADDITIONAL REGULATION

**PUBLIC
COLLECTIONS
ACT**

**ACT NO.
297/2008
COLL., ON
PROTECTION
CRIME AND
FINANCING OF
TERRORISM**

**ACT NO.
483/2001
COLL., ON
BANKS**

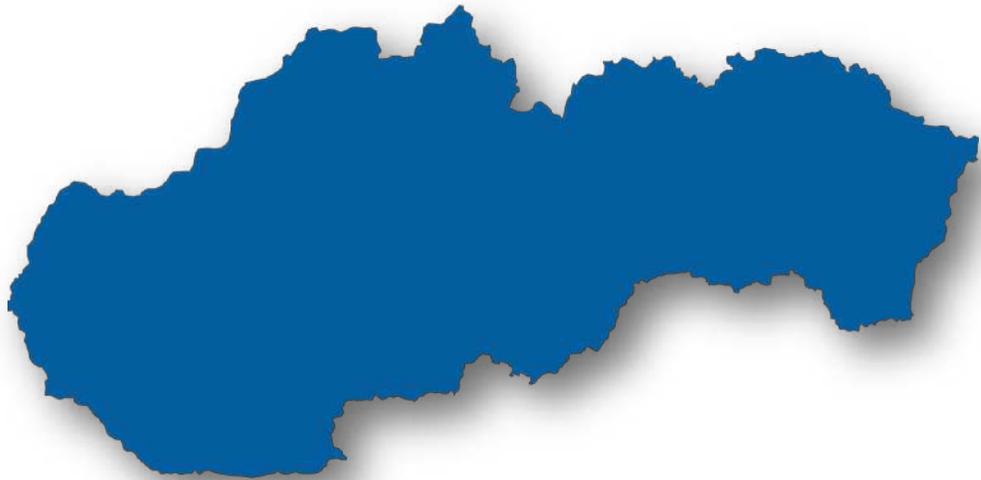
**ACT NO. ACT
NO. 455/1991
COLL., ON
TRADE
LICENCING**

**ACT NO.
129/2010
COLL., ON
PROVISION OF
CONSUMER
CREDIT**

**ACT NO.
122/2013
COLL., ON
PROTECTION
OF PERSONAL
DATA**

REGULATORY FRAMEWORK

BARRIERS FOR CROSSING BORDERS – APPLICABLE LAW



Slovak financial and investment regulatory laws are applicable to financial services and investment services that are provided in Slovakia or to Slovakia on a cross border basis.

REGULATORY FRAMEWORK

BARRIERS FOR CROSSING BORDERS



Crowdfunding Platforms Addressing Slovak Investors or Companies

- Slovak regulatory law is applicable since Slovak investors are approached in Slovakia and it may apply depending on whether the Slovak market is approached.
- Three licence options are available for foreign Crowdfunding Platforms: Full Licence, Branch Licence or EU Passport.
- The company/project has prospectus obligations which can be met through:
 - The approval of the prospectus by the NBS.
 - By approval of the prospectus in its home Member State.
 - By approval of the prospectus outside the EU with subsequent approval by the NBS subject to certain equivalency provisions.

REGULATORY FRAMEWORK

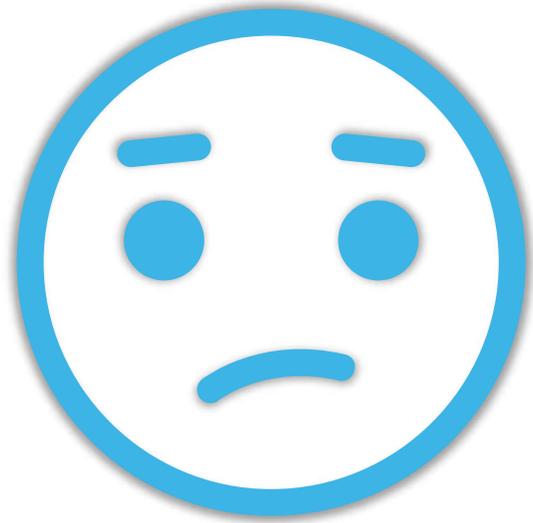
BARRIERS FOR CROSSING BORDERS

Slovak Crowdfunding Platforms Addressing Foreign Investors or Companies

- Primarily governed by the laws of that EU country.
- If there is a sufficient link to the Slovak market as well as links with other EU markets, a Slovak Full Licence needs to be obtained.
- If the Slovak Platform is already licenced in Slovakia, it can either rely on: an EU Passport or establish a branch in that EU country subject to the applicable laws of that country.
- The company/project has prospectus obligations which can be met through:
 - The approval of the prospectus by the NBS.
 - By approval of the prospectus in its home Member State.
 - By approval of the prospectus outside the EU with subsequent approval by the NBS subject to certain equivalency provisions.



REGULATORY BEST PRACTICES - SLOVAKIA



Given the uncertainties of the Slovak regulatory framework that actually hinder the emergence of the AF ecosystem, no best practices can be provided from the current state of the Slovak alternative finance ecosystem.

INITIATIVES TO ENCOURAGE AF



APPROPRIATE REGULATORY FRAMEWORK. It can significantly stimulate AF ecosystem growth, whether it should be subject to the existing legislative framework or if separate regulation should be adopted.



REGULATORY SANDBOXES would stimulate the spread of AF in Slovakia. Temporary exemption may be granted from certain legal requirements based on a case-by-case evaluation, thereby ensuring that the business potential, the risks and shortcomings of the existing regulatory environment are assessed appropriately.



AF EDUCATION. Promote financial education amongst small business owners to address the lack of awareness of alternative financing instruments and skills required to access.



INNOVATION ALTERNATIVE FINANCE HUBS. As a regulatory instrument. The development of them would enable direct contact between the regulatory or supervisory authority and Slovak AF players.

BIBLIOGRAPHY

- https://www.wardynski.com.pl/wp-content/uploads/2017/10/ECN_Crowdfunding_Review_2017.pdf
- https://eurocrowd.org/wp-content/blogs.dir/sites/85/2018/06/CF_FactSheet_Slovakia_June2018.pdf

CIVITTA

CIVITTA EESTI AS
Estonia
www.civitta.com

POLITECNICO
MILANO 1863

POLITECNICO MILANO 1863
Italy
www.polimi.it



INNOMINE
Hungary
www.innomine.com



CROWDFUNDINGHUB
Netherlands
www.crowdfundinghub.com

LOBA ® CUSTOMER
EXPERIENCE
DESIGN

GLOBAZ SA
Portugal
www.loba.pt



DOCOMO DIGITAL
Italy
www.docomodigital.com



PEDAL CONSULTING SRO
Slovakia
www.pedal-consulting.eu



ZABALA
Spain
www.zabala.eu

mediapark

MEDIAPARK
Lithuania
www.mediapark.com



UNIVERSITY OF MANCHESTER
United Kingdom
www.research.mbs.ac.uk/innovation



ECWT
Norway
www.ecwt.eu



This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under Grant Agreement No. 792040

WWW.ALTFINATOR.EU

INFO@ALTFINATOR.EU