

Crowdfunding

What is crowdfunding?

Crowdfunding is the practice of raising funds from the general public through the internet in order to finance a business or project. The basic principle behind crowdfunding is to collect small quantities of money from a large quantity of people.

How does it work?

There are various types of crowdfunding. With the first type of crowdfunding, people make a donation without getting anything in return. With the second type of crowdfunding, people receive payment in kind in exchange for their contribution, for example a CD in exchange for financial support to a musician. With the third type of crowdfunding, people invest in a company or lend money to a company. In exchange for this investment, the investors get a share of this company's potential profit.

What rules apply to crowdfunding?

When people invest in a company through crowdfunding, certain rules apply. Platforms that wish to offer this type of crowdfunding must obtain an authorization. If the investment exceeds certain thresholds, a prospectus must also be issued stating all the necessary information and risks.

What is the FSMA's role?

The FSMA is responsible for issuing authorizations for crowdfunding platforms and supervising the operation of these platforms. If a prospectus is needed, the FSMA must approve it.

Where can you get more information?

You can find more information on crowdfunding on [this website](#) and on Wikifin.be ([French](#) - [Dutch](#)).

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