

Decree of the Ministry of Finance

on the content and structure of the crowdfunding recipient's disclosure obligation

In accordance with the decision taken by the Ministry of Finance, the following is enacted by virtue of section 21 of the Crowdfunding Act (734/2016):

Chapter 1

General provisions

Section 1

Scope of application

This Decree lays down provisions on the disclosure obligation of the crowdfunding recipient, as referred to in section 11 of the Crowdfunding Act (734/2016).

Section 2

Availability and up-to-dateness of the crowdfunding basic information document

The crowdfunding recipient must make a document containing key crowdfunding information (*basic information document*) available to investors throughout the period of validity of the offer.

The information contained in the basic information document must be kept up to date. If changes take place in the information during the period of validity of the offer, the basic information document must be updated without undue delay.

Chapter 2

Format, language and maximum length of crowdfunding basic information document

Section 3

Format

The basic information document must, in terms of its content and format, be clear, easy to read and understandable.

The information of the basic information document must be presented in the order prescribed for it in chapter 3.

Section 4

Language

The basic information document must be prepared in Finnish or Swedish.

Section 5

Maximum length

The basic information document must be no longer than six A4-size pages, unless otherwise provided by the special characteristics of the crowdfunding recipient or offer.

Chapter 3

Content of the crowdfunding basic information document

Section 6

Basic information

The name of the document must be at the top of the first page of the basic information document: Basic information on the crowdfunding recipient and the investment instrument.

The following explanatory text must be below the name of the document: This document contains basic information on the crowdfunding recipient and the investment instrument. This basic information document is not marketing material; the crowdfunding recipient must provide this information in accordance with the Crowdfunding Act. It is recommended that you familiarise yourself with this document in order to understand where you are investing and the risks associated with the investment.

The first page must show:

- 1) the name of the crowdfunding recipient;
- 2) the investment instrument to be offered;
- 3) the amount of funds to be collected;
- 4) the purpose of the funds to be collected;
- 5) the name of the crowdfunding intermediary.

Section 7

Risks

The key risks associated with the crowdfunding recipient's business and the investment instrument must be listed on the first page of the basic information document.

Of the following statements, those concerning the risks relating to the investment offered must be included in the basic information document:

- 1) you may lose the capital you invest partly or completely;
- 2) you may not necessarily receive any return at all on your investment;
- 3) you perhaps may not be able to sell the investment instrument at the time you wish, or not at all;
- 4) the transferability of the investment instrument is limited;
- 5) the crowdfunding recipient has no established business activity;
- 6) you may not exercise your right to vote in the crowdfunding recipient;
- 7) the crowdfunding recipient has filed for restructuring in accordance with the Restructuring of Enterprises Act (47/1993).

Section 8

Information on the crowdfunding recipient

The basic information document must contain the following information on the crowdfunding recipient:

- 1) business name, business identity code and contact information;
- 2) legal form, domicile and registration date;
- 3) board of directors, managing director and auditor;
- 4) largest shareholders and their shares of ownership and votes;
- 5) membership of a group of companies;
- 6) description of business activity;
- 7) description of financial situation;
- 8) significant recent events;
- 9) additional information on the purpose of the funds to be collected.

The description of financial situation referred to in subsection 1(7) above must include information on the crowdfunding recipient's income, assets, debts and liabilities.

Section 9

Information on the investment instrument and the offering

The basic information document must contain the following information on the financial instrument or security, other than those referred to in the Securities Markets Act (746/2012), comprising the investment instrument and its offering:

- 1) key rights and restrictions generated by the investment instrument as well as its characteristics (transferability, voting rights granted by shares and, when the investment instrument is a loan, the assumed rate of return and possible collateralisation);
- 2) total amount of investment instruments to be offered;
- 3) subscription price;
- 4) costs to be charged from the investor;
- 5) terms of subscription and payment;
- 6) acceptance of subscriptions and delivery of investment instruments to investors;
- 7) other special terms and conditions of the offer;
- 8) information concerning the administration of customer funds;
- 9) the tax treatment of the investment instrument, in brief.

Section 10

Information on guarantor and collateral

If the investment instrument has a guarantor or collateral, the basic information document must contain information on the guarantor or collateral:

- 1) the name of the guarantor or the provider of collateral;
- 2) contact information of the guarantor or the provider of collateral;
- 3) the nature of the guarantee or collateral;
- 4) other factors ascertained about the guarantor or provider of collateral.

Section 11

Other information to be provided in the basic information document

The basic information document must contain the following statement: This basic information on the crowdfunding recipient and the investment instrument is up to date; and, after the statement, the date on which the basic information document was published.

The basic information document must state where and how additional information can be obtained free of charge about both the crowdfunding recipient and the crowdfunding intermediary as well as information provided in accordance with the crowdfunding intermediary's obligation to disclose information.

Section 12

References to other sources of information

The basic information document may contain references to other sources from which investors may receive additional information, but true and sufficient information for investors must be included in the basic information document.

The crowdfunding recipient must make available to investors its most recent financial statements, articles of association or other corresponding document, and its trade register extract or corresponding English-language documents.

Section 13

Deviating from the requirements relating to the content of the basic information document

Notwithstanding that which is prescribed above in this Decree, if the value of the offer is less than EUR 2,000, the crowdfunding recipient does not need to publish information other than that referred to in sections 6 and 7, section 9(1-7) and section 10.

Instead of the information referred to in chapter 3, the crowdfunding recipient may present other corresponding information if this is necessary due to the special characteristics of the crowdfunding recipient, the business activity it practises or the investment instrument, and the deviation does not jeopardise investor protection. The crowdfunding recipient must inform investors as to where a deviation from disclosure requirements has been made and must present justifications for deviations.

Chapter 4

Entry into force

Section 14

Entry into force

This Decree shall enter into force on 15 December 2016.

Helsinki, 8 January 2016

Minister of Finance Petteri Orpo

Ministerial Adviser Aki Kallio