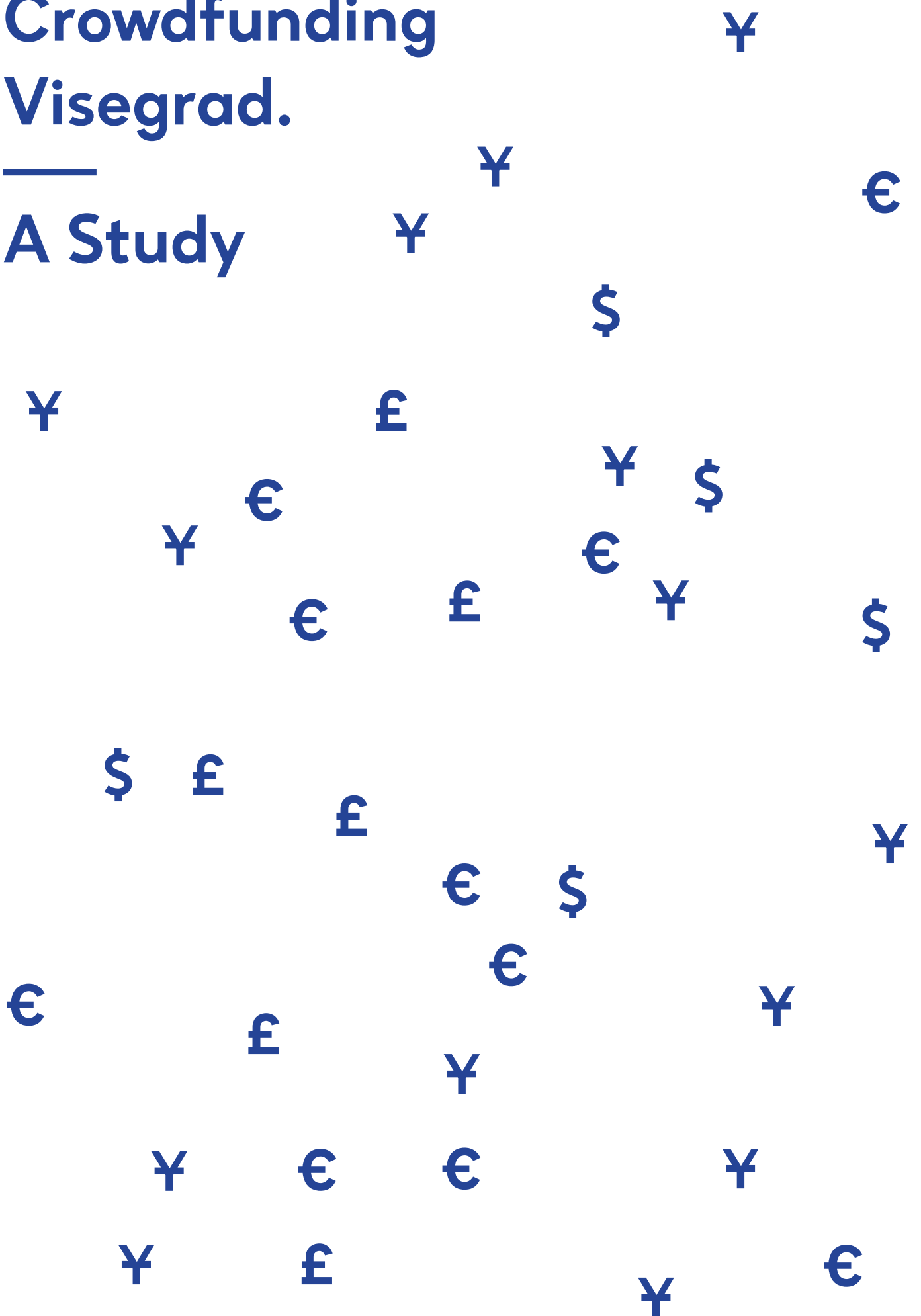


Crowdfunding Visegrad.

A Study





Participating organizations

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Creative Industry Forum
Res Publica Foundation
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Executive summary

With the aim to explore community funding in the Visegrad Group ('V4') and to further promote it, four organizations from the region decided to join forces and offer a comprehensive study, *Crowdfunding Visegrad*, along with a manual for crowd-funders. As the project coordinator, the Aspen Institute Prague invited the Slovak Creative Industry Forum, the Polish Res Publica Foundation and the Budapest Observatory from Hungary to analyze the use, development, current trends, and legal environment of crowdfunding in the Visegrad Group. As crowdfunding is a convenient tool to support grass-root engagement, civic participation and start-up ideas in the fields of culture, creativity, society and IT, we believed it would be beneficial to undertake a regional approach to exploring potential Visegrad cooperation. The International Visegrad Fund supported the project with a standard grant, which enabled the project's realization.

Under the project, four closed-door meetings were organized in Bratislava, Budapest, Prague, and Warsaw. They were attended by key local opinion and decision-makers, representatives of the crowdfunding platforms, authors of successful projects, journalists and other relevant players. Not only did we gather relevant data for the study, but the meetings also served as a networking opportunity for the participants. The meetings were coupled with numerous one-on-one interviews, which also brought much appreciated insights that complement the presented study.

The study is divided into three thematic parts: 1) an introduction to crowdfunding activity, traffic, and statistics, with a description of the platforms and presentation of crowdfunding projects, 2) the legal and tax environment in each V4 country, and, 3) a brief description of the EU legislation and plans pertaining to grass-roots financing. The final chapter offers recommendations for the International Visegrad Fund on making good use of this financial instrument. There, the authors also discuss the possibility of establishing a regional (Visegrad) crowdfunding platform.

Based on the project's findings the authors have drafted a short manual for any individual/organization that is considering the use of community financing. This set of guidelines for prospective crowdfunding campaigners is attached to the analysis and also published as a separate document.

The study can also be regarded as consisting of 4 case studies, describing crowdfunding in the Czech Republic, Hungary, Poland and Slovakia. The resulting material is a collection of distinctive parts; nevertheless, each of the analyzed countries shows similar trends:

- With the minor exceptions of a few investment-crowdfunding efforts (in Poland and the Czech Republic) the prevailing models are reward-based and pre-sale crowdfunding.
- Local platforms (and other on-line donations models) are primarily used to finance the arts, culture, and social projects. For funding technological start-up ideas, their authors generally use global platforms, such as Kickstarter or Indiegogo.
- In terms of technical and organizational solutions, most of the existing platforms in V4 copy models that have

proven successful elsewhere. There are several interesting examples, which receive special attention in the study, such as receiving funds donated by foundations upon securing part of the required funds via crowdfunding, a platform operated by an association of NGOs or a platform that combines crowdfunding with crowdsourcing.

- Only the Czech Republic and Poland witnessed the emergence of relatively successful traditional crowdfunding platforms. With one rather untypical exception, all attempts in Hungary to date have failed. Slovak authors use mostly Czech or global platforms, with the first Slovak one having been established only recently.
- Considering the overall sums collected via crowdfunding, this alternative financial instrument is not a game changer on the market, neither is it an attractive business opportunity in the region. In general it serves to finance smaller projects. The sum of money gathered via community funding, however, keeps on growing and this trend does not seem to be reversing anytime soon.
- No Visegrad country has an all-encompassing law that regulates crowdfunding activity, nor does it plan to draft one (in order not to stifle this nascent market). Different areas of legislation regulate various forms of crowdfunding, and existing platforms try to fit their operation into the existing legal arrangements. Taxing income and donations (gratuitous transfers) received in crowdfunding campaigns seems to be the least regulated problem area, and in many cases may hinge on the interpretation of individual tax authorities.
- Given its minimal legal regulation and few barriers, crowdfunding can play an important role in early project stages, but will hardly replace sound investments from more traditional sources.

Because of its value for start-up businesses and in reaction to the financial crisis, the European Commission (EC) started to investigate ways of supporting crowdfunding as a tool that can help small and medium enterprises, or the non-profit sector. In 2013 the EC held a public consultation, followed by a Communication on crowdfunding (COM(2014) 172 final), in which the Commission proposes several measures to promote crowdfunding. The Commission, however, does not plan on drafting any comprehensive legislation similar to the American Jumpstart Our Business Startups (JOBS) Act.

The study closes with recommendations for establishing a regional platform (a regional component in the existing platforms) that might be operated under the auspices of the International Visegrad Fund.

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Introduction

Introduction

The idea of engaging the crowd in collecting funds for a specific project is not a new phenomenon. Modern technologies have democratized “public opinion” and enabled their rapid expansion and greater effectiveness. The Internet, and social networks in particular, has made it easier to address various interest groups, and all the more convenient technically to conduct a collection (unfettered by time and space). Crowdfunding as we know it today has many different forms, and therefore eludes clear definition, which prevents the gathering of reliable statistics. As a nascent part of the economy, it cannot be encompassed within one set of legal statutes and its various models try to conform to existing legal arrangements.

What may be even more attractive about crowdfunding than its crowd-mobilizing opportunity is its non-financial advantages. Presenting a project to the public has a number of collateral effects:

- Testing the marketability of new ideas;
- Obtaining valuable marketing information (via crowd responsiveness and reactions to the project);
- Raising awareness for a cause, product or idea;
- Generating community support as crowdfunding enhances the feeling of project ownership.

It has to be noted that there are several typologies of crowdfunding. The EU Commission operates with three models of crowd sponsoring, investing and lending¹. Each of the categories branches into sub-models. Another way of looking at crowdfunding was offered in a prequel to this study, the article “Can Visegrad be crowd-funded?”² (Visegrad Insight, 2(6), 2014). One of the basic divisions can be drawn along the line of the contributors’ motivation: **non-profit** or **investment-oriented**. It is a rough classification, as most campaign contributors do get something in return for their financial support, yet the non-profit category implies no prospect of capital gain.

Another classification goes along the transaction type between the project owner and the contributor. This category includes **donation crowdfunding** – where a contributor gives a gift to the project owner, **pre-sale** with a delayed delivery because a project will only be implemented once the requested sum is collected, and **reward crowdfunding**, when a contributor receives a product/service usually having a value lower than the contribution (e.g. the issue of

¹ European Commission, Unleashing the potential of Crowdfunding in the European Union, COM (2014) 172 final, p. 3

² Urbańska Skórka, Maria Staszkievicz, “Can Visegrad be crowd-funded?”, Visegrad Insight 2(6)2014

a supported book), and crowdsourcing or **in-kind** crowdfunding, where the donor offers nonfinancial forms of support (workforce, equipment, knowledge etc.).

The other, profit-oriented group offers two basic types of transactions: **equity** crowdfunding, where a contributor receives equity (shares) in a company or business venture set up from the raised funds, **profit-sharing**, when contributors get some of the profit gained from the project. Viewed from the technical angle, crowdfunding can be performed on **project-related websites** run by project owners themselves or on **platforms** operated by intermediaries, offering fund-seekers tools to collect money for their cause. This basic typology does not claim to be exhaustive; it only tries to outline the crowdfunding environment.

There exists yet another model, which can be described as **peer-to-peer lending**, taking place outside the framework of regulated institutions such as banks, which can be executed with or without interest rates. Laws in each country cap the amount borrowed by non-banking institutions at a relatively low level. However beneficial this tool may be, in the opinion of the study authors, peer-to-peer lending misses the basic idea of community support for the creation of a "single project," and, therefore, is not covered in this analysis.

The study is divided into the presentation of four case studies that offer insights on the functioning, traffic, types of crowdfunding projects and platforms as well as legal environment in the Czech Republic, Hungary, Poland and Slovakia. These are followed by a brief account of the developments and crowdfunding interest taken at the EU level, as well as an insight into the potential of establishing a V4 cross-border crowdfunding platform. The entire study is

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Crowdfunding activity in the Visegrad countries: Trends, platforms, project traffic and the legal environment

The Czech Republic

Crowdfunding origins in the Czech Republic date back to July 2011, when the first platform called *Fondomat* was established. Its founders were two British artists living in Prague, Joe Wakeford and Conrad Watts. Originally, *Fondomat* served as a traditional crowdfunding platform, similar to *Kickstarter*. Later on, the founders moved the venture to England, where they currently focus on entrepreneurship support, from start-up capital and business investment to business advice. The second platform, *Nakopni.mě* was launched in October 2011, described by its authors simply as a Czech clone of *Kickstarter*.

Much as in other countries, 2012 witnessed the boom of crowdfunding in the Czech Republic, with three platforms being established. The first of them was *kreativcisobě.cz*. An interest-based crowdfunding platform, focusing on the music industry, is *Music Cluster*, established in October 2012 (see details in the following section). *Hithit*, the third platform established in 2012, also became the most popular. In its two years of existence it managed to raise 16 million CZK for projects ranging from cultural to non-profit ones. *Hithit* was soon followed by *Startovač*, which started operating in April 2013. The server's founders define *Startovač* as "authentic and clear crowdfunding – a clearly creative website which does not accept charity projects, projects for improving common wellbeing etc."

Three other platforms followed, only recently. *Everfund* was launched in April 2014, although the idea was already present in the Pilsen application for the European Capital of Culture bid, submitted in 2010. The second platform established in 2014 is *Vision Partners*. The last one, *Katalyzátor*, was launched in the fall of 2014.

Czech platforms are often used by Slovaks, who, until recently, did not have their own crowdfunding platform (see the chapter dedicated to Slovakia).

The Czech Republic: Types of platforms, ownership structure and functioning models

Most of the Czech crowdfunding platforms are privately owned, run by limited liability companies and operate on a "traditional crowdfunding" basis, similar to their US predecessors *Kickstarter* or *Indiegogo*.

Projects running on these platforms span culture, the creative sector, non-profit areas or social entrepreneurship. Authors offer various rewards to the backers and the campaigns are time-limited. Most of the platforms are all-or-nothing – nobody will be charged for their pledge towards a project, unless it reaches its funding goal. In other words, the platforms require a financial limit that has to be met so that the campaign is successful and the author receives the collected money. If the funding goal is not met in a certain period of time, the money is transferred back to the funders.

One notable exception is *Everfund*, which was established as a long-term project under Pilsen 2015, European Capital of Culture – a non-profit organization established by the city of Pilsen. *Everfund* represents a new concept: it helps in finding not only the required financing but also other forms of support, such as in-kind donations or providing work teams and supporters. Individuals thus can become involved by using their funds, abilities, ideas and skills. The *Everfund* is therefore a combination of crowdfunding and crowdsourcing. Apart from the mentoring services that the applicants receive during the whole process from the *Everfund* team, they can also use the co-working space *wo-co husovka* free of charge.

As mentioned above, the crowdfunding platform *Music Cluster* focuses solely on the music industry. Its aim is to support young bands and musicians to record their albums. During the Crowdfunding Visegrad Prague meeting, one of its founders, Štěpán Škoch explained that the platform works as a combination of crowdfunding and sponsorship by the studios, publishers, etc. It is a cluster of services that young musicians need – a studio, publishing, and graphics facilities. The platform also tries to educate the musicians by giving them advice on operations, marketing and finances. However, *Music Cluster* has not produced any activity recently and its website was down when this study was being drafted.

So far, there have been no platforms that fall within the investment crowdfunding model. One of the most recent platforms, *Vision Partners*, presents itself as a combination of traditional crowdfunding and investment-based funding. The author of one project on *Vision Partners* offered a 50% share in his company (the business plan was to use drones for documenting events) in exchange for 100,000 CZK. Although the author found their investor, it can hardly be considered crowdfunding, since one investor is not a crowd. A similar project, which falls under profit sharing, is a Call Centrum at *Nakopni.mě*. The authors of the project, which had not finished by the time of this study's finalization, offer the venture's future profits to the funders.

The Czech Republic: Project volume and statistics

No research analyzing how much money was raised via crowdfunding in the Czech Republic has been done so far. During our investigation we received data from most of the platforms, other data was obtained from lists of implemented projects as shown on the websites. After aggregating the data, we arrived at the approximated sum of **24,485,000 CZK** (data as of October 2014) as money collected through crowdfunding. That sum cannot be considered complete, but it may serve as an appropriate illustration of the overall traffic and popularity of crowdfunding in the country.

Funds collected via crowdfunding in the Czech Republic

Platform	Collected amount (in CZK)
Hithit	16,000,000
Startovač	6,500,000
Kreativcisobe.cz	1,099,000
nakopni.mě	265,970
Everfund	340,000
Katalyzátor	60,587
Vision Partners:	220,000
Fondomat.cz	Not available
Music Cluster	Not available

The success rate of the projects varies quite significantly – from 10% (*Nakopni.mě*) to almost 50% (*Hithit* – 43%, *Everfund* – 47%, *Startovač* – 47.5%, etc). In an opinion poll undertaken within the Crowdfunding Visegrad project, we asked the platforms' managers about the most frequent reasons for their projects' failure. The answers include inadequate communication and promotion, last-minute project preparation, unreasonable rewards, naïve entrepre-

neurship visions, unclear project' description or under/overrating the target groups. Provided a project is successfully funded, the platforms apply a fee to the funds collected. The platforms retain comparable slices of the successful projects – ranging from 3% up to 9%.

The Czech Republic: **Types of projects and their examples**

The most popular projects in the Czech Republic are from the cultural and creative domains – a trend similar to other countries, including the United States and Europe. The reasons are also quite similar – cultural and creative projects usually do not demand substantial amounts of money (in comparison with the IT sector), and the authors attract higher public attention, which helps in finding backers for their projects.

So far the most financially successful project has been United Islands, a popular music festival taking place for more than ten years in the center of Prague. Its organizers, headed by David Gaydečka, managed to raise 1.7 million CZK (approx. 63,000 EUR) at *Hithit*. The crowdfunding campaign's aim was to expand the festival's area. Gaydečka, who is a popular figure in the Czech Republic, successfully combined different promotional means – from pre-selling tickets for the festival, involving Czech celebrities in the campaign, to shaving half his head during the campaign.

The second most prosperous project, running at *Startovač*, was organized by a popular Czech band, Mňága a Žďorp, which sought pledges for recording an album and a movie in China. Many other musicians often use crowdfunding to fund their album recordings. One example is Czech singer Xavier Baumaxa; Czech singer Lenka Dusilová ran yet another campaign – both successfully ran campaigns at *Hithit* for recording their albums.

Several Czech authors, such as journalist and writer Miloš Čermák, used crowdfunding to help publish their books. Many Czech artists used crowdfunding for financing exhibitions or accompanying catalogues, for instance Pasta Oner and Jan Kaláb, a well-known street-artist duo, who used crowdfunding for publishing catalogues for their exhibitions in The Chemistry Gallery (both significantly exceeded their campaign goals: 255%, and 209% respectively).

There have been several supported projects that can be described as social businesses, namely reKola (an innovative Czech bike-sharing system), or Pracovna v parku (open-air office in the park). Crowdfunding in the Czech Republic is also often used for placemaking projects that shape the public space. One of them is Radlická, a deserted warehouse turned into a community space in Prague. Piána na ulici (Pianos in the Streets) were organized by popular Czech entrepreneur and activist Ondřej Kobza, who used the collected money to install pianos in public spaces around the Czech Republic.

The most successful Czech crowdfunding project was run on a global platform (*Kickstarter*) not a platform. It is the computer game Kingdom Come: Deliverance by Czech company Warhorse Studios. The campaign collected 36 million CZK and at the time was the 12th most successful computer game crowdfunding campaign in the world. The sought amount was overshoot almost threefold and over 35,000 backers supported it. The campaign continued on the game's website and by the time of this analysis was being finalized, there were over 41,000 backers, who had invested more than 46.5 million CZK.

Other relevant projects:

- Žít Brno – the first political movement that used crowdfunding during its campaign is Žít Brno, which raised money during the 2014 municipality elections.
- Takovej barevnej ocas letící komety – a documentary movie about the deceased Czech musician Filip Topol, by Václav Kučera, reached 480,300 CZK.
- Hydronaut Deeplab – an underwater scientific laboratory for the training of astronauts, scuba divers and rescue workers reached 368,000 CZK.

The Czech Republic: **Technical issues**

There are only a few payment methods that the Czech crowdfunding portals use. *Hithit*, *Kalyzátor* and *Everfund* use the PayU system so that the donated money is never at the possession of the portal operator. Backers can do transfers via card payment, bank transfer, PaySec. The two others platforms chose different paying-in methods. *Nakopni.mě* and *Startovač* mention in their terms and conditions that the money is collected on their accounts and then are transferred to project owner's account in case of success or returned to the contributors if otherwise. *Startovač* in addition to other transfer methods offers the possibility to pay via PayPal or SMS.

Some platform operators complain that the existing payment systems are not entirely compatible with the functioning of crowdfunding projects. Whereas the systems used work well for e-shops, they are not easy solutions for numerous small and temporary projects.

The Czech Republic: **Combination with other financing instruments**

The Czech pioneer in this area is the Vodafone Foundation, which promotes combination of crowdfunding and its own funding. Projects within the grant scheme *Vpohybu*, which aim for more than 80,000 CZK, have to reach at least 50,000 CZK at *Hithit*. The Foundation has already supported three projects in combination with crowdfunding – *Rekola*, *Zdrojovna.cz* and *100 houpaček pro krajinu* (100 Swings for the Landscape).

Under this scheme, the Vodafone Foundation instructs the grant applicants to run a crowdfunding campaign at the Czech platform *Hithit*. Before the campaign starts, the authors receive 10,000 CZK from the Foundation to promote the project. If the campaign is successful, the Foundation doubles the collected amount. Its representatives consider this to be a viable model, and are currently preparing follow-up projects.

Everfund also aims to establish closer cooperation with the public sector, which could use the platform as an indicator of a project's public popularity. When approached about their cooperation with other institutions, *Nakopni.mě* also answered in the affirmative, provided such cooperation were mutually beneficial. *Startovač* would agree to such cooperation only with privately owned foundations and funds.

The Czech Republic: **Legal environment**

As in all other Visegrad countries, crowdfunding in the Czech Republic is not covered by any specific legal act. Each type (reward, donation crowdfunding etc.) and its aspects (taxation, organization etc.) are governed separately by relevant Acts (e.g. Acts on Data Protection, Fraud, Contracts, Income Tax). Hence, the general rule is that any legal entity registered in the Czech Republic (as long as its statute and character allow it) can establish a platform. It is the services provided by a platform (pre-sale, brokering services, non-profit etc.) that determine which laws that platform has to comply with.

Most of the Czech platforms are limited liability companies that offer trade services and function as sales brokers between project supporters and project owners. As these portals operate on-line, they fall, among others, under the Act 480/2004 Coll. on Certain Services of the Information Society. This Act enables the conclusion of distance contracts (i.e. over the telephone, via websites etc.), and regulates conditions for the dissemination of business communications. Because the operation of such a platform is of a business nature, other laws may apply, such as the Act on Protection of Personal Data, the Act on Electronic Signature or the Act on Customer Protection. One portal, *Everfund*, was established as a project by a public-benefit organization (Plzeň 2015, o.p.s.). Therefore its operations are interpreted in the context of non-profit organizations.

From the perspective of project owners, the current legislative arrangement is even fuzzier. The clearest situation is when crowdfunding is used for beneficial purposes (charity). A legal entity registered in the Czech Republic (or the or-

ganizational units of entities registered in the EU, EEA or in the Swiss Confederation) can conduct a public collection under the Act 117/2001 Coll. on Public Collections. This Act enables the collection of voluntary financial contributions from contributors not defined beforehand, for a predetermined, publicly beneficial purpose. Such collections can last for a definite or indefinite period, though no longer than three years. Contributions can also be collected by means of selling products. This law requires prior notification at the Office of the Regional Authority, which has 30 days to issue a ruling (or less when necessary).

In case of collecting money for projects other than “of publicly beneficial purpose” the situation becomes quite unclear, especially with regard to taxation. Both natural and legal persons can collect money for various purposes, provided their project complies with the democratic and social order, and there is little restriction on the project content, with the exception of conditions set by portal owners. In general, all funds collected through crowdfunding are categorized as income and fall under the Act 586/1992 Coll. on Income Taxes. If a non-profit organization collects funds for its non-profit activities, this fund is a donation (it is called a gratuitous transfer under the current legislation) and the general rule says it does not have to be taxed. When such a fund (crowdfunding contribution) is received in return for a reward, the issue might get complicated and it may depend on the interpretation of the tax authority, how to classify such income. As a rule of thumb, when the reward is of a low value (lower or equal to the value of the received funds) it will most likely be perceived as “gratuitous transfer” and thus exempted from income tax. In case of natural persons collecting money, the situation is not self-evident either. In general, natural persons are subject to paying income tax from whatever gratuitous transfers they have received; yet they can apply for various tax exemptions and rebates.

Investment crowdfunding opens another enigmatic chapter; all the more, since no investment projects have been implemented in the Czech Republic as yet. Both equity and profit sharing crowdfunding are legal constructs that could “fit into” Czech law, especially thanks to the new Civil Code that came into force in 2014. The new Code lowered the minimum value of a share in a limited company to 1 CZK. However, depending on the specifics of an investment crowdfunding project, it may require compliance with the provisions of the Act on Banks, the Act on Undertaking Business on the Capital Market, the Act on Bonds or the Act on Investment Companies and Investment Funds. Therefore the mere establishment of such a project demands a thorough and tailor-made legal analysis³. Moreover, because no investment crowdfunding project has been successfully undertaken so far, it is difficult to state what prerequisites and consequences such a project may have in the Czech legal environment. Without doubt, a profit-sharing project is less difficult to carry out, and to date there is at least one running profit-sharing project, offering shares in profits from a future call center.⁴

Because the concept of crowdfunding is not explicitly anchored in Czech law, it is advisable to obtain at least a basic legal and tax consultation before venturing into a crowdfunding campaign. The question, however, is whether this new form of financing demands changes in law, or a clear interpretation of the existing income law would suffice. Apparently, the crowdfunding market is still too marginal and so far without instances of fraud/misuse, for the Czech authorities to want to regulate it. The Ministry of Industry and Trade as well as the Czech National Bank both restrict their activities to monitoring the situation.

Hungary

The Internet still preserves the moribund pages of four sites that started between January 2012 and January 2013. All of them seemed properly adjusted and they showed signs of life for a brief period: *creativeselector.hu* had been active as a website supporting ideas before it began the crowdfunding service in the same short time-span, together with *kezdheted.hu*, *indulj.be* and *osszedobjuk.hu*, at the end of 2011 – the beginning of 2012, a real pioneering period for the subject in Hungary.

³ For a detailed analysis of Martina Březinová, Adam Němec: Crowdfunding in the Czech Republic, in Review of Crowdfunding Regulation Interpretations of existing regulation concerning crowdfunding in Europe, North America and Israel, p. 49

⁴ Share in the profits of a Call Center, <http://www.nakopni.me/projekty/podnikani/callcentrum-obchodni-sit#1>

An informal but professional set of discussions on the potential of crowdfunding in Hungary, involving academics and business people a couple of years ago⁵, surmised that the country's market seems too narrow for crowdfunding. The cultural milieu, the mentality of people would not favor such initiatives as crowdfunding, and the government has not shown any support or even interest in the subject. Thus crowdfunding in Hungary could be described much more as charity action with some business aspects than as a means of real business development or as a milestone in young entrepreneurs' careers. Therefore, emerging entrepreneurs should rather be advised to use the global crowdfunding portals, and promoters of the topic should concentrate on coaching young hopefuls in making successful proposals at those outlets.

As for publicity, the Hungarian media covered the topic considerably at first. Lately, however, this interest has faded. The topic has been largely absent from the press in the past couple of years. The related processes in the European Union channels (the public consultation and the subsequently issued Communication earlier this year) went quite unnoticed by the Hungarian media.

A notable feature about the crowdfunding scene in Hungary is the existence of a regularly updated Hungarian language blog on the phenomenon: crowdfunding.blog.hu, run by a consultant in mergers, acquisitions and venture capital. Besides an interview with the winners of 37 thousand dollars at Indiegogo for a physics toy, recent posts include the introduction of royalty or revenue-based crowdfunding, and an analysis of equity-based funding. From the latter we learn about its availability to Hungarian entrepreneurs but also that the blogger is not aware of any instance of raising capital through equity platforms in Hungary up until now.

Summing up, the country that boasts a number of globally successful start-ups like Prezi, LogMeIn, NNG, Ustream, has no crowdfunding scheme for entrepreneurial projects. The latest development is a potential new player on the stage. On its site www.rocketaside.com a new business incubator and start-up developer limited company are recruiting partners for a crowdfunding platform in the making.

Hungary: Types of platforms, ownership structures and functioning models

Three out of the four pioneer platforms (*creativeselector.hu*, *kezdheted.hu*, *indulj.be* and *osszedobjuk.hu*) were established by young Hungarian businessmen engaged in the creative sector. The last one, however, is an odd one out: *osszedobjuk.hu* was the clone of an American undertaking, *fundanything.com*. Nevertheless, it shared the fate of the other three schemes and died off after a limited number of successful projects – although *creativeselector.hu* keeps operating, at a very low-scale. The only running portal, *adjukossze.hu*, is fundamentally of a non-profit character.

Owners and managers of failed crowdfunding initiatives argue, that although they built in more guarantees than are present in the original models (*kickstarter* or *indiegogo*), and that they adapted the platforms to local conditions, the lack of sufficient trust appears to have contributed to their failures.

The general level of trust within society is low, and the deep division along political lines aggravates this. The major part of the population is alienated from joint action and the level of entrepreneurship and risk-taking is also low. The great majority of projects also have lacked elements of risk, being innocent social or artistic cases. Hungarian crowdfunding could be characterized rather as a charity with some business elements than a means of business promotion.

The only success story on the Hungarian crowdfunding scene has been *adjukossze.hu* ("adjuk össze" = let's add it up), which was set up and is owned by NIOK⁶. Self-sustainment does not figure among the goals of *adjukossze*.

⁵ Communication from Andrea Schmidt, professor at MOME and informal crowdfunding consultant, co-editor of the very first Start Up Guide, which is today the biggest independent Hungarian business development content project (www.pressonline.hu). The Guide targets primarily students and young creative people and is available online.

⁶ The four letters are the abbreviation of the Hungarian for Nonprofit Information and Training Center. NIOK is a foundation, its mission is to contribute to the strengthening of civil society in Hungary.

hu. Its operation requires subsidies, the bulk of which arrives from the Hungarian Vodafone Foundation. The issue of rewards to donors receives little attention and the offering of valuable rewards is discouraged. The program does not envisage large-scale projects. It is confined to "good causes," displaying nine to twelve at a time and the largest available fund is way below 10,000 EUR.

By August 2014 *adjukossze.hu* has had 23 successful projects. The largest number, 10 items belong to the category of social projects, ranging from 383 to 3,382 EUR.⁷ The second largest category has been culture with four successes; this group boasts the biggest single pledged amount: 12,833 EUR was collected in 44 days for the project of the Open Society Archive called Hundred-Year-Old Houses, a series of festivities connected to the buildings of Budapest that were put up exactly a hundred years earlier. In fact, the success cannot really be attributed to the crowdfunding campaign, as the program is widely known and respected. In the case of *adjukossze.hu*, in August 2014 an overall nine projects were underway, representing a similar structure to earlier records: some four social and three cultural items. Expected amounts range between 666 and 3,333 EUR. Besides financial contributions, offering volunteer service is an option in each case.

Adjukossze.hu collects 5% of collected donations. Money left over from failed projects is collected into a special fund. This fund will be used for the support of running projects. Rules of this distribution will be elaborated when the first such division is made, planned for 2015. The merits of *adjukossze.hu* were met with a high degree of acknowledgment when its mother organization NIOK was elected into the European Crowdfunding Stakeholders Forum in May.

⁷The four letters are the abbreviation of the Hungarian for Nonprofit Information and Training Center. NIOK is a foundation, its mission is to contribute to the strengthening of civil society in Hungary.

Hungary: Overview of Hungarian crowdfunding platforms

Name and website	<i>creativeselector.hu</i>	<i>kezdheted.hu</i>	<i>indulj.be</i>	<i>osszedobjuk.hu</i>	<i>adjukossze.hu</i>
Start	re-established in January 2013 from an idea-supporting website, where selected projects got mentoring	January 2012	January 2012	March 2012	2013, developed from adhat.hu, one of the oldest donation portals run by NIOK
Function model	reward-based	reward-based	reward-based	reward-based	
Fees	charges 5% of raised funds	not known	charges 10% of raised funds	charges 10% of raised funds of which successful projects get 4%	
Number of current projects	1	0	2	0	9-12
Number of successful projects	7	0	5		23
Number of all projects		16	47	4	
The ratio of goal and actual donation by all projects		3.6 %	13.4 % (by successful projects 111.1%)	0 %	
Limit of donation	no limit to the amount, within the established time span		allows for using funds below the target limit, provided the project remains liable		

Volume of funds crowdfunded in Hungary is very low as the table below shows:

Name and website	<i>creativeselector.hu</i>	<i>kezdheted.hu</i>	<i>indulj.be</i>	<i>osszedobjuk.hu</i>	<i>adjukossze.hu</i>
Sum of donations to successful projects	5,543 EUR	appx 860 EUR	5,200 EUR (donations in total)	25 EUR (donations in total)	666-3,333 EUR expected (below 10,000 EUR)
Highest donation	1,967 EUR				12,833 EUR

Hungary: Legal environment

Legislation that specifically regulates crowdfunding is absent and apparently no executive agency is monitoring crowdfunding developments. Like in other countries, portals have to observe legislation that pertains to their commercial activity (including contracts via the Internet, intellectual property rights etc.). One major legal problem that Hungarian crowdfunding platforms could come across is holding the collected money on escrow (i.e. withholding the money on the platform owner's account for the period of project running), which requires a license under the Hungarian Banking Act. This issue might, however, be overcome by using external providers of escrow services, such as PayU.

The only currently active crowdfunding site – *adjukossze.hu* – is run by a foundation, whose mission is the promotion of non-profit non-governmental organizations. Therefore, entering projects for fundraising is restricted to officially registered NGOs (associations, foundations or non-profit limited companies).

In Hungary there are no equity crowdfunding platforms. Nevertheless, such a platform could operate using current legal arrangements. Before starting its operation, such a platform would be obliged to obtain the investment service license and, if operating on the principle of a collective investment funds.⁸

Acts of tax legislation do not mention crowdfunding. The portals as well as websites specialized in counseling warn about the obligation of gift tax, which is 18% in Hungary. It is up to the recipients of donations to decide (on the basis of general legislation) in which cases this tax applies, as the majority of donations as well as the gifts that donors receive from the supported projects do not reach the threshold defined by the gift tax regulation.

Poland

In 2007 Julia Marcell, a Polish-German singer and pianist, raised funds for her music album on the Dutch platform Sellaband. Following the cases of individual campaigns from abroad and inspired by foreign models of crowdfunding platforms, the first Polish intermediaries appeared. In 2007 *Megatotal.pl*, a community-based service for self-publishing music was created. In 2011 *Polak Potrafi* ("Poles, they can") – open to all kinds of projects – was established. Today the crowdfunding environment in Poland is more diversified: *Polak Potrafi* shares the market with its main competitor, *Wspieram.to* ("I support that"); there are a few specialized sites active in a narrow area⁹, the first equity-based crowdfunding platforms have appeared.

The development of crowdfunding is being monitored by the Polish Crowdfunding Society, an association founded in 2012 by Karol Król, one of the most active supporters of crowdfunding for investment purposes in Poland. The Society's mission is to popularize crowdfunding by means of conferences and other activities.

Poland: Types of platforms, ownership structures and functioning models

With regards to the functioning model, crowdfunding takes two forms: non-profit or investment-oriented.

The majority of Polish crowdfunding platforms are non-profit, i.e. project owners have no prospect of capital gain. Non-profit crowdfunding takes on different forms, depending on the type of transaction between project owners and contributors:

- *Siepomaga.pl* is a representative of the 'donation-based' model. The platform intermediates between

⁸Levente Hegedűs, Crowdfunding in Hungary, in Review of Crowdfunding Regulation Interpretations of existing regulation concerning crowdfunding in Europe, North America and Israel, p. 98

⁹For example, 'Wspieram kulture' focuses on cultural projects only; 'Megatotal.pl' caters to communities of musicians and fans; whereas 'Siepomaga.pl' is a charity CFP.

contributors and approximately 500 public-benefit organizations. The inspiration for the creation of the website had been taken from other platforms that operate in the field of charity, e.g. *JustGiving.com*. *Siepomaga.pl* charges a 6% fee on each donation.

- *Megatotal.pl* is on the borderline of 'reward' and 'in-kind crowdfunding'. Initially limited to music projects, today it also operates in the publishing business, event organization and film production. *Megatotal.pl* is built on the concept of a community game that resembles a simplified model of a stock exchange. Each investment is divided in half: 50% goes to the project author, the other 50% is divided among the fans (in terms of the shares they hold). The contributors are encouraged to vote, in exchange for more shares and getting access to music file downloads.

Other platforms follow the simple 'reward' model:

- *Polak Potrafi*: offering a reward (in the form of a product or service) is mandatory. According to *Polak Potrafi* Terms and Conditions, the company's role is that of an intermediary agent (and not a financial institution) between the project owners who seek patronage and their community, which certifies that the project is worthy of their support. The reward can be virtually anything; however, offering discount coupons, lottery coupons or financial gratification of any type is prohibited. *Polak Potrafi* charges 7.4% of the raised amount for completed campaigns. Additionally, the payment provider – *Transferuj.pl* – applies a 2.5 % fee.
- *Wspieram Kulture*: the portal defines 4 types of rewards: (1) products related to the final work or artistic creation, e.g. CDs, books, posters – which in fact is covert pre-selling; (2) being part of the project, e.g. playing a part in a movie, modeling for a new fashion collection, etc.; (3) experiencing the artistic process, e.g. participating in a rehearsal, a visit to a recording studio, a personal chat with the project owner, a private concert, etc.; (4) a perk, e.g. a picture of the artist with their autograph, a personal greeting from the scene, etc. If the project is successfully funded, *Wspieram Kulture* applies an 11% fee to the funds raised.
- *Wspieram.to*: the rewards should be closely related to the project. *Wspieram.to* charges 8.5% of the amount raised for completed campaigns. For selected projects, marked 'Non Profit', the fee is waived. The payment provider – *Transferuj.pl* – applies a 2.5% fee.
- *Wspolny Projekt*: a platform for commercial or social projects. The platform introduced the concept of a 'voucher', which authorizes the contributor to get a reward after the project successfully reaches its financing goal. The platform charges a PLN 125 fee for the publication of a project and applies a 7% fee + 23% VAT to the funds successfully raised.

Some portals active in the field of investment crowdfunding follow the 'equity' model:

- *Beesfund*: a hybrid platform, where users can choose between a traditional reward model and equity crowdfunding – until recently the only representative of investment-oriented crowdfunding in Poland. The platform charges a 6.9% fee.
- *Crowdangels*: projects published on the portal can be promoted for a maximum of 180 days and cannot go over 100% of support. The minimum investment is PLN 50. After the project reaches its goal and the investors officially get their shares, the money is transferred to the company's bank account. *Crowdangels.pl* applies a 6% fee to the funds successfully raised.
- *Crowdcube*: (the Polish branch of British Crowdcube founded in 2010): companies have 60 days to promote their projects on the website. Investors become the company's shareholders if they decide to invest and the project reaches 100% of its goal. The portal charges 8% for completed campaigns.
- *Wspolnicy*: equivalent of *Wspolny Projekt*, managed by Genesis Capital. The platform has not been inau-

gured yet. Its administrators declare they intend to make the platform safe for users. One of the solutions proposed is an obligatory questionnaire, which verifies that potential investors understand the risks involved in equity crowdfunding.

Poland: Project volume and statistics

The statistics are given for four selected platforms: *Polak Potrafi*, *Wspieram.to*, *Wspieram Kulture* and *Beesfund*. The first two are *Kickstarter* clones in Poland. In terms of volume of money raised, *Polak Potrafi* is in the lead, having gathered more than PLN 3.9 million since its creation in 2011. *Wspieram Kulture* is focused on cultural projects only, but it gets considerable traffic and the platform’s visibility in the media is good. *Beesfund* is a hybrid platform for both traditional and equity-based crowdfunding and the first platform for crowdfunding for investment purposes in Poland.

Volume of money raised on Polish crowdfunding platforms

Crowdfunding platforms	Funds raises	Timeframe
Polak Potrafi (as of August 5th, 2014)	PLN 3.9 million	2011 – 2014
Wspieram.to (as of February 6th, 2014)	PLN 282,310	2013 – 2014 (the first year of activity)
Wspieram Kulture (as of April, 2014)	PLN 440,000	XII 2012 – 2014
Beesfund (as of December 8th, 2013)	PLN 195,000 ¹⁰	VI 2012 – XII 2013

The table does not include data on *Siepomaga.pl*, which gathered PLN 12 million in five years and helped to raise funds for 1,132 different charity cases. Charitable collections are not considered crowdfunding per se, as it would be difficult to call charity campaigns ‘projects’ – for instance, *Polak Potrafi* defines projects as “ideas, undertakings, intentions or a plan of organized proceedings oriented towards a defined goal” (see Terms and Conditions, § 2 (7)). Although *Siepomaga.pl* campaigns are capable of getting big support from many donors (one campaign raised PLN 127,000 in 8 hours), they are not comparable to projects presented on other crowdfunding platforms.

Similarly, data on *Megatotal.pl* has not been included in the table due to the specificity of the platform. Nevertheless, it is interesting to observe that the portal has built a community of over 100,000 users and 5,000 artists and raised a total amount of PLN 650,000.

Finally, there are several crowdfunding platforms which have remained marginal, e.g. *Myseed.pl* – out of ten, one project reached the fundraising goal. Others are newly established portals:

- *Crowdangels* – 5 campaigns active, 2 finished, and none funded;
- *Crowdcube* – no active project;
- *Crowdfunders.pl* – 403 users who subscribed to the newsletter and declared how much money they would like to invest. Overall, the declared sum amounts to PLN 1, 331, 959. The project was announced in January 2013;
- *Wspolny projekt* – 9 projects, 1 successful.

¹⁰ According to information provided by Jakub Sobczak, CEO of *Polak Potrafi*.

Poland: Types of projects and their examples

According to Karol Król, head of the Polish Crowdfunding Society, each month there are 400 new submissions to the crowdfunding platforms. However, on a monthly basis, only 150 projects are active. Overall, the success rate is below 40%.

Specific data concerning the activity of the selected platforms refers to (1) the ratio of successful projects to the total number of projects – Table 2, and (2) the characteristics of the most successful projects: the amount of money raised and number of contributors – Table 3. To date, the most successful finished project on *Polak Potrafi*, Cohabitat Gathering Festival, amassed PLN 97,877 from 1,007 individual contributions. This record has already been broken; a still unfinished (as at July 21st, 2014) project is 'Secret Service' computer magazine, which doubled the number of supporters and collected PLN 138,726 in only a few days.

Project traffic

Crowdfunding platforms	Total N° of projects	N° of successful projects	Success rate (%)
<i>Polak Potrafi</i> (as at July 21st, 2014)	1,036	395	38
<i>Wspieram.to</i> (as at February 6th, 2014)	107	29	27
<i>Wspieram kulture</i> (as at July 21st, 2014)	393	84	21
<i>Beesfund</i>	63	22	35

The most successful projects: amount of money raised and popularity

Platform	Name of the project	Fundraising goal	Money collected	N° of supporters
<i>Polak Potrafi</i>	'Secret Service' computer magazine ¹¹	PLN 93,000	PLN 138,726	2004
<i>Wspieram.to</i>	Board game "Pan Lodowego Ogrodu"	PLN 60,000	PLN 124,511	940
<i>Wspieram kulture</i>	'CO-OPERA' music album	PLN 42,000	PLN 49,677	154
<i>Beesfund</i>	Beesfund.com ¹² (equity crowdfunding)	PLN 50,000	PLN 50,000	69 (104 contributions)

¹¹At the time of writing, there were 38 days until the project gets funded. The authors of 'Secret Service' managed to collect PLN 93,000 in less than a day, which was described by the press as 'the first big success of Polish crowdfunding'.

See <http://tech.wp.pl/kat,1009793,title,Pierwszy-wielki-sukces-crowdfunding-u-w-Polsce-93-tysiace-w-niecala-dobe,wid,16758172,wiadomosc.html?tcid=1131f4>.

¹²<http://www.beesfund.com/projekty/pokaz/72,beesfund-com-w-twoich-rekach>.

Examples of successful projects

Project	Description of the final product	Profit/non-profit
Beesfund.com (beesfund)	The subject of a public offering are 5,000 shares of the issuer company – BEESFUND S.A. – with a total nominal value of PLN 5,000. The price of a share is PLN 10. The price of all shares offered to the public is PLN 50,000. ¹³ The agreement (between the company and the share buyer) enters into force, provided that all shares listed in the Project find buyers ¹⁴ . The aim is to expand and enter foreign markets.	Profit
Cohabitat Gathering Festival (Polak Potrafi)	A two-day conference dedicated to sustainable ideas and solutions: natural architecture, healthy food in towns, devices collecting solar energy, community management software, open source collaboration, etc.	Non-profit
“Girl on Canvas”, artbook by Pola Dwurnik (Wspieram kulture)	An artbook project, encompassing the texts of 30 different authors, who explain their feelings towards Dwurnik’s paintings. The driving idea behind the project is the slogan: ‘Painting is not dead’.	Profit
‘New Warsaw’ prototype or revitalization of the classic (Polak Potrafi)	Creating the 21st century successor of the legendary car model called “Warsaw.” The aim of the fundraising campaign is to create a prototype that will be fully functional and safe to drive.	Non-profit
The Beer Empire Board Game (Piwne Imperium)	Publication of a board game; The Beer Empire is a game about the brewing industry. What does the quality of beer depend on? How can we explain the diversity of varieties available?	Profit

Poland: Combinations with other types of financing

So far, crowdfunding has been used as a complementary method of financing rather than a viable alternative to traditional forms of raising funds. The models currently employed are:

- **Incorporating crowdfunding into a fundraising strategy:** crowdfunding is seen as a viable strategy for raising additional funds, for instance one of the issues of the City Magazine (Magazyn Miasta) has been funded through crowdfunding.
- **Specialized crowdfunding platforms:** provide an exchange and the support platforms for causes or professions. *Siepomaga.pl* helps Polish NGOs raise funds for the causes they care about. *Megatotal.pl* offers support, including non-financial support, in the music publishing industry.
- **Crowdfunding and NGOs:** crowdfunding helps find financing for projects with a local appeal, for example, the Smolna Street Association collected funds for the organization of Birthday Concerts to celebrate Chopin’s birthday. It enables organizations to get to new donors and – with their help – to accomplish their statutory objectives, e.g. projects in the field of international cooperation, such as equipping a bakery in Nepal (Polak Potrafi), or organizing educational activities for child refugees from Syria (*Beesfund*).¹⁵
- **Crowdfunding complements public funding:** this practice is common in the case of film projects, since the Polish Film Institute covers only a part of the budget. *Wspieram kulture* has helped finance many projects partly

¹³ See http://beesfund.com/useruploads/files/beesfund_-_nota_prawna.pdf.

¹⁴ See http://beesfund.com/useruploads/files/umowa_sprzeda%C5%BCy_akcji_20120724-1.pdf.

¹⁵ See T. Rudzki, “Crowdfunding dla NGO”, http://www.wosp.org.pl/fundacja/aktualnosci/crowdfunding_dla_ngo.

sponsored by public institutions, such as the Ensemble Music Festival, which gets financing from the Ministry of Culture and has official backing from public cultural institutions.

- **Business model (in phase of conceptualization):** the Polish Stock Exchange has recently come up with an initiative to create its own crowdfunding platform in order to reach a new target: micro-firms and individual investors with limited funds. Crowdfunding would be complementary to the already existing instrument for growing companies, New Connect¹⁶.

Legal environment

In the light of existing regulations, conducting crowdfunding is legal but is not regulated by specific legal statute. The law applicable to crowdfunding was liberalized when the new bill on public collections drafted by the Ministry of Administration and Digitization entered into force in July 2014. Until recently, the legality of crowdfunding was disputed because of a 1933 law on public collections and the 2003 executive order that prohibited transferring money via the Internet without an official permit. The new law says clearly that no permit is required for collections of money via the Internet, whereas public collections “on the street” are to be easily registered on-line. Moreover, the law clarifies that registered transfers of money (e.g. text messages, e-transfers) do not fall under the regulation on public collections. By this provision, a serious limitation on crowdfunding was eliminated.

Crowdfunding activity is multifaceted, and as such it falls under the responsibility of multiple institutions, like the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) or the Ministry of Finance. In the Polish ministerial system it is the Ministry of Administration and Digitization that could address crowdfunding in a systemic way. In fact, Mr. Boni (the former minister of administration and digitization), declared in June 2012 that he was studying the provisions of the Jobs Act and of the respective British framework regulations and contemplating the possibility of adopting a bill on crowdfunding in Poland¹⁷. Nevertheless, Polish crowdfunding stakeholders have differing views on regulations: *Polak Potrafi* opposes any solutions, whether imposed by Poland or coming from the EU, whereas the Polish Crowdfunding Society affirms that a simple harmonization of legislation and the tax code issued by the Minister of Finance would help to create a safe legal environment and stimulate crowdfunding development.¹⁸

The ways in which Polish platforms owners organized their platforms' activity shows an evident attempt to circumvent the old and problematic 1933 law. For example, the *Wspieram Kulturę* platform is run by the Eger Foundation and operates within the framework of regulations related to foundations. In this case, money transfers are treated as conditional donations for the foundation. *Wspieram.to*, a company registered in Poland, has adopted a different solution: money transfers that go via the platform are defined as pre-sales. Finally, *Polak Potrafi*, owned by a company based in the United States (Mutual Communications LLC), manifestly stipulates that its activity is not subject to the law on public collections because it is based on mutual obligations (rewards) between project owners and contributors.

Equity crowdfunding in Europe is based on the provisions of a directive, in Poland transposed by the Act on Public Offerings – which exempts public offerings of annual value of up to 100,000 EUR from prospectus obligations. Notwithstanding, according to Olgierd Porebski – Legal Counsel at the Office Czarnik, Porębski i Wspólnicy, who registered the equity-based crowdfunding platform *Beesfund* – the existing regulations in company law pose many problems to platform owners and make the process of founding a company extremely arduous and costly. One example was the requiring of notarized signatures for many processes. With regards to the non-profit model of crowdfunding, it is based on typical e-commerce regulations; which means that the protection measures of the Consumer Act also apply. Ms. Ilona Pieczyńska-Czerny from the Polish Financial Supervision Authority pointed out that, due to lack of control over equity crowdfunding platform, the unprotected investors might be exposed to serious risks. In her

¹⁶ <http://pierwszymilion.forbes.pl/gpw-chce-stworzyc-platforme-crowdfundingowa,artykuly,176686,1,1.html>.

¹⁷ http://wiadomosci.gazeta.pl/wiadomosci/1,114873,11990046,Euro_wg_min__Boniego__Wielka_lekcja_otwartosci_i_nowoczesnej.html.

¹⁸ <http://crowdfunding.pl/2012/06/24/finansowanie-spolecznosciowe-a-zbiorki-publiczne-podobienstwa-roznice-propozycje/>.

opinion, the biggest problem is that such platforms might act as financial intermediaries, sidestepping proper state control. This is why it is crucial that crowdfunding platforms know the existing regulations, consult on their actions with the Polish Financial Supervision Authority and auto-regulate (adopting best practices established by foreign equity platforms). In Mr. Król's view, the future development of equity crowdfunding depends on meeting these three conditions: adequate and safe infrastructure, projects of quality, and conscientious investors. As for the transparency of the process, it will improve when the information standards are worked out and popularized.¹⁹ A good example is the information about what risks are involved in crowdfunding for investments purposes, accessible on *Crowd-cube's* webpage.

There have been no instances of crowdfunding fraud in Poland to date. The problem of lack of transparency seems to be at the core of equity crowdfunding. The very first comment on the Beesfund Internet forum after the launch of the equity project points out this difficulty. In regards to the possibility of Intellectual Property Right infringement, there is no willingness to assume co-responsibility by the crowdfunding platforms. For instance *Polak Potrafi* sees itself as simply an information exchange platform (similar to auction sites) and would not feel responsible in case of copyright infringement. This provokes a fundamental question about the role of an intermediary and their duties with regard to the users.²⁰

No specific tax regulation exists and crowdfunding is not precisely defined in the light of civil and commercial law regulations. This leaves room for multiple interpretations. One of the platforms, *Polak Potrafi*, offers two "readings" of current law. In case the reward is symbolic and "both sides have the feeling that [the contribution] is basically a donation," the project owner is not obliged to pay a tax on the donation, provided that no single payment has exceeded PLN 4,902 in 5 years – which is the tax-free threshold in Poland. When a tangible reward is offered, a purchase takes place and the contributor should pay the tax on civil law transactions. However, if the market value of the good acquired does not exceed PLN 1,000, a tax exemption applies. The project owner is obliged to pay income tax on the difference between revenue and the cost of manufacturing or purchasing the item. Others perceive it as quite the contrary, and state that a reward-based mechanism does not allow the applying of regulations on donations and the respective tax exemptions. In consequence, the project owner is obliged to pay tax on the revenue they gained from their entrepreneurial activity.²¹ Furthermore, project owners might have VAT obligations. Jakub Sobczak from *Polak Potrafi* explains: "When the value of the reward is significant (...) it might be necessary to pay VAT, instead of a donation tax. However, in the opinion of some experts there is no obligation to pay value-added tax: It should be noted that most likely we are dealing with voluntary contributions. There is no price list indicating how much a mug costs, or how much some additional game functionality costs. Meanwhile, it is believed that between the payment received and the provision made [by the project owner] (the supply of goods or services) – (...) there would need to exist a direct causal relationship."²²

Slovakia

Even though the first crowdfunding portal in Slovakia emerged only recently, last years brought growing use of different types of crowdfunding initiatives for a broad range of projects. Charity and public-benefit activities tend to evolve traditionally. They seem to be on the margins of the crowdfunding scale as they do not present the typical crowdfunding with investment-business effect. It is the latter that helps to cultivate social responsibility and the culture of individual giving, which is manifested in other areas as well. Linking individual donors and the corporate social responsibility of major corporations (matchfunding schemes) brings a major contribution to funding public-benefit activities and offers a new perspective on the established practice of corporate sponsorship.

¹⁹ The two views were expressed during the conference entitled "Innovation in SMEs financing: Equity Crowdfunding," celebrated in Warsaw on June 13th, 2014, See <http://cgs.org.pl/rejs-2-i-projekt-w-branzy-nieruchomosci-dzieki-equity-crowdfunding/>.

²⁰ Ibid. "Crowdfunding Schemes...", s. 24-25.

²¹ Mateusz Maj, "Wpłaty na rozkręcenie biznesu z PIT", 04-01-2014, <http://prawo.rp.pl/artykul/1076699.html?print=tak&p=0>.

²² own translation

Authors of business and innovative ideas tend to primarily use global crowdfunding portals, as most of them are aiming at the global market. Crowdfunding thus not only plays a role in raising basic capital. From the outset it also gives an outline of possible distribution trends and customers.

Arts and culture are somewhere between the above polar opposites of crowdfunding. They do not represent corporate investment per se and, at the same time, do not involve charitable giving: a donor may receive or participate somehow in the art piece concerned. A number of Slovaks involved in arts and culture as authors or coordinators use the Czech portal Hithit, because of the natural cultural reach across both countries.

Slovakia: Types of platforms, ownership structure and functioning models

The non-profit sector has the greatest experience in Slovakia in raising micro-donations from a significant number of donors. It has developed a number of successful Internet portals that facilitate public support to financing public-benefit activities, such as *Ľudia Ľuďom* (People to People), *Dobrá krajina* (Good Country), *dakujeme.sme* (thankyou.sme).²³ From the perspective of non-profit sector, the difference between crowdfunding and fundraising lies particularly in the specific material value offered in return via crowdfunding: the future purchase of a product, access to a film, small items, profit-sharing, etc.

ĽudiaĽuďom.sk is the first wholly open and universal online system for charitable giving in Slovakia. It is based on an Internet portal of the same name, with a comprehensive database of public appeals for financial support to natural and legal entities, with public benefit in a number of areas:

The unique feature of the system is its openness, and opportunities for self-organization. The operator does not decide on which appeals are to be published and supported. Donors themselves decide on the success of an appeal, as they send donations to a specific recipient that receives the full amount of the donation.

The entire process of charitable giving is under public control. Everyone sees exactly the number of donations and the extent of meeting an appeal. Moreover, based on a donation agreement that they receive, donors may request the recipient to inform them about the use of the donated funds for up to three years.

In addition to supporting charitable projects, the *ĽudiaĽuďom.sk* portal also facilitates support to other projects. For instance, Zuzana Piussi raised 4,500 EUR to support further work on a film documentary about gold mining in Kremnica.

Dobrá krajina (Good Country) is a public collection registered under SVS-OVS3-2014/020885. The Pontis Foundation and the Dobrá krajina Board make an annual selection of projects based on a call for applications. Projects aimed at improving the country may receive funding online at www.dobrakrajina.sk. The Pontis Foundation monitors the use of the raised funds through progress reports submitted by the recipients. Current projects are grouped in the following categories: Fight against Poverty and Social Exclusion (15), Better Life for People with Health Disabilities and the Elderly (9), Nature Protection and Development of New Culture (8), Revitalization of Public Space, Fight against Corruption, Respect to Rights (8), Children and Youth Work (14).

Dakujeme.sme.sk (thankyou.sme.sk) is a public collection registered under SVS-OVVO-25486-54834. It emerged spontaneously as a giving portal in October 2007 to help children with disabilities, the severely ill, widowed mothers and their children, foster and multi-child families, people living in poverty and in need, gifted students, or non-profit organizations seeking funding for their activities. The portal is administered by the civic association WellGiving.

²³ "www.podporto.sk was the first unsuccessful crowdfunding portal," suggested Igor Polakovič from the Centre for Philanthropy. Roundtable about the conditions of Slovak crowdfunding and Slovak projects funded through crowdfunding, 26 March 2014, KONTAKT, Ventúrska 12, Bratislava.

The crowdfunding portal *IdeasStarter* was launched in Slovakia in 2014 for projects in Theatre & Dance, Film & Video, Music, Games & Apps, Books & Comics, Fashion & Design, Science & Technology, Arts, and Other. Ten projects have so far been supported via the portal; five of them were active at the time of drafting this study. According to the information on the website, a total of 1,105 EUR was raised and one project proved successful in exceeding the target amount of 200 EUR, with 205 EUR raised for the purchase of painting tools. IdeasStarter is run by Skycom, Ltd. According to its user requirements, IdeasStarter is a platform for users to run fundraising campaigns to support creative projects by offering returns for funds collection from other users. Registration for publication of projects at IdeasStarter is free. The only fees occur during funds transfer to projects via Paypal and GoPay.

Slovakia: Types of projects and their examples

The first known case of crowdfunding was a film documentary involving Robert Puchert, who used the crowdfunding portal Kickstarter in 2012.

A project that first emerged as a spontaneous initiative by the Slovak cartoonist Martin Šútovec (Shooty) in 2010 offers an interesting example of a project's public funding. An appeal for funds to support the purchase of a billboard raised over 80,000 EUR. Prior to the Parliamentary elections, Mr Šútovec used the funds to run a billboard campaign against the then government. It was an indiscriminate initiative that largely owed its success to the credibility of Mr Šútovec as the coordinator. The fundamental issues he had to deal with involved transparency, the use of the funds raised over and above the amount required to meet the campaign cost, and how to end the campaign. A further success of the campaign was its timing – the "spur of the moment" – that gave people an opportunity to participate also financially in a specific civic campaign. Additional success factors included the significant degree of trust and the effort to assure utmost transparency vis-à-vis donors and the public.

A successful project funded via *Kickstarter* is a film by producer Lívia Filusová. She decided to use the portal to finance the postproduction of a film, *The Diary of Agáta Schindler* (*Denník Agáty Schindlerovej*) about the tragic fate of Jewish musicians. Given that only natural or legal entities with permanent residence in the US are entitled to register in *Kickstarter*, Ms Filusová worked on the project with a foreign national. She was thus spared having to manage the accounting and tax aspects of the donations. The film budget was 380,000 EUR. The amount sought to support postproduction via *kickstarter.com* was 10,000 USD. It was raised successfully. The film *In Silence* (*V tichu*) was premiered in Slovakia in September 2014.

The most successful of Slovak projects implemented via the crowdfunding portal *Indiegogo* is a mini USB charger called *CulCharge* by Viktor Reviliak and Jozef Žemľa. The project proved specific in that there was no initial idea, but a marketing and sociological survey of what the investors do, and what they wish to support via major crowdfunding portals. The project authors then defined the target market and came up with an idea with the potential of an adequate match for the demand identified. Within 40 days they raised 94,000 USD from 71 countries worldwide (49% from the US). That was ample to launch the project, lay the groundwork for a manufacturing company in China, for legal services, and for participation in fairs and contests (e.g. *Startup Awards SK*). Within the crowdfunding project, donors/investors received a product discount of 30-40%. The project currently has its own e-shop selling the product worldwide.

Indiegogo has also been successfully used by producer Diana Fabianová as she raised 33,000 EUR from 31 countries worldwide to support the film *Mesiac v nás pre tínedžerov* (*Monthlies: A Month in Us for Teenagers*), an educational film about menstruation for teenagers. The counter-value offered was a collector's item double CD, a license for public presentation, small gift items – earrings, T-shirts. The implementation of the project required managing legal, accounting and tax issues, whilst no methodology has yet been published and no existing practice is available on how to address these issues.

The renovation of the New Synagogue from 1881 by architect Peter Behrens in Žilina represents a long-term local project (www.novasynagoga.sk). The renovation is also being supported via Slovak portals. Marek Adamov, Head of

the NGO Truc sphérique, the project umbrella organization, suggests that the positive element in the campaign was the professional advertising and media campaign entitled Get yourself Immortality. From June 2012 some 70,000 EUR were raised. The organizers carry out additional accompanying activities to support the collection, such as support to such collections from a restaurant, football club or real estate agency. In this case small collections have gradually emerged involving major donors and different match-funding schemes (TA3 Foundation, VÚB Foundation). The project currently has 1,500 ambassadors.

Slovakia: Legal environment

In terms of legislation, Slovakia is a standard country that reflects the historical evolution of mass/crowd funding and/or funding through contributions. Collections were the standard and the strongest instrument of financing charities, public-benefit activities and community/municipal development. Financing areas within the grey zone, such as film, theatre, fine and other arts, and increasingly different inventions, innovations or start-ups in an exclusively business context is thus carried out without specific legislation on crowdfunding. So far, it has been largely done with the help of those Internet portals abroad that enable transparent crowdfunding. Similarly to most neighbors, Slovakia does not have specific legislation that would address crowdfunding schemes, contributions and investments. The pressure of the emerging global situation and the development of the phenomenon abroad trigger a need to amend the existing legislation. Nevertheless, no legal activity aimed at drafting any autonomous legislation has yet been noted.

The current forms and shape of crowdfunding used are only made possible according to the fundamental constitutional principle: "Everyone can do whatever is not proscribed by law. No one can be forced to do anything that is not prescribed by law." (Article 2 para. 3 of the Slovak Constitution). The current legislation thus applies to individual legal relations that arise from giving and receiving financial gifts, depending on whether both parties are business entities (e.g. Commercial Code, para. 269.2) or at least one of the parties is a non-profit entity (e.g. Civil Code: Donation Deed, para. 628). Equally, legislation differs depending on whether the donation concerned is reciprocated with some (at least symbolic) value in return, on whether the donation is nonreciprocal, or the value in return entails a share of future revenues.

In Slovakia it is possible to use a public appeal to carry out the public collection of funds through (or outside) Internet portals, either Slovak or international, to support an idea. The prerequisite is that the funds donated may take the form of a gift or repayment even with a lower return value (e.g. gift items) according to the legislation on public pledge pursuant to the Civil Code. Issues related to tax and accounting for both donor and recipient are therefore addressed without a specific legislative ground. The only area that is set out in legislation is the implementation of a public collection for public-benefit purposes according to Act 163/2014 Coll. on Public Collections and on changes and amendments to some other laws.

Until June 30th 2014 the old Act 63/1973 Coll. on Public Collections, Lotteries and Similar Games was in force in its original reading. As it did not take into account the constitutional and socio-economic context that made it subject to amendments, new legislation was adopted in Act 163/2014 Coll. on Public Collections and on changes and amendments to some Acts. The legislation came into force on July 1st 2014. The Act on Public Collections, however, explicitly addresses only public-benefit collections (general public benefit) that are comprehensively defined by law.²⁴ Implementation of a public-benefit collection by legal entities other than those stipulated by law and by means other than those set out by the Act is not permitted. Furthermore, the Act on Public Collections does not refer to any accumulation of donations and other collections carried out in line with specific regulations, such as the Slovak National Council Act 369/1990 Coll. on Municipal Government as further amended, Act 308/1991 Coll. on Freedom of Religion and the Status of Churches and Religious Societies as further amended, Act 583/2004 on Budgetary Rules of Local

²⁴ Development and protection of spiritual values; human rights protection; environmental protection; preservation of natural and cultural heritage; health protection; development of social services, science, education and physical education; development of volunteerism; developmental cooperation and humanitarian aid; rights advocacy for marginalized groups of individuals; support to work with children.

Governments and on change and amendment of some Acts as further amended.

Public collection thus amounts to the raising and accumulating of donations by authorized legal entities, which carry out the collection in line with the Act, from a non-predetermined group of donors for a pre-defined general benefit purpose, or for individually designated humanitarian aid to an individual or a group of individuals in need, facing a life threat or requiring urgent assistance as a result of a natural disaster. Public collections can thus be used also for specific forms of crowdfunding (cultural and sports projects, etc.), such as the New Synagogue project in Žilina. A collection may only be carried out by authorized legal entities²⁵ once the decision on the entry of a collection into the register of collections has come to force.

The above information, however, shows that the legislation does not specifically take into account crowdfunding. It is inapplicable in traditional cases of investment financing of an entrepreneurial idea through crowdfunding.

The authorities responsible for crowdfunding represent an inter-ministerial area: the Ministry of Interior is the sponsor agency for issues related to public collections, whilst those related to financial instruments fall under the National Bank of Slovakia, the Ministry of Economy and the Ministry of Finance. No analysis/strategy has been drafted on crowdfunding at the executive level. The available sources suggest that none of the above authorities has, as yet, dealt with crowdfunding.

In response to the assignment by the National Agency of the Development of Small and Medium Size Enterprises in 2014, as part of an international project InnoFun (www.innofun.org), KPMG Slovakia prepared Analysis of Cooperation of Public and Private Funds in the Slovak Republic and delivered a set of recommendations of more effective use of cooperation (written by Vladimír Švač, PhD).²⁶ It also contains brief information on crowdfunding as a new form of financing that does and may have a further effect on funding from public funds. It considers crowdfunding to be a good means to finance Slovak start-up projects, as well as scientific projects at universities or the Academy of Sciences, particularly because, in addition to funds raised through a crowdfunding campaign, the project owners also receive swift feedback on their product and marketing. Since the study focuses particularly on the relationship between public and private sources and their use, it identifies risk areas faced by public investors. Those, however, may translate into new means of cooperation and partnership development.

The Slovak Ministry of Finance is currently drafting a comprehensive strategy to support the ecosystem of start-ups in Slovakia. Since crowdfunding is a frequent and effective financing instrument to support business ideas in the initial stage, the strategy will also address this area. The authors of the concept support the idea that excessive and sudden regulation in this field might prove detrimental. Nevertheless, they will certainly address legislative, legal and tax issues related to crowdfunding. Given that the draft strategy addresses start-ups in connection with the V4 context that includes Slovakia, it seems appropriate to assume the same perspective in the case of crowdfunding as well.

Initiated by the Office of the Government Plenipotentiary for the Development of Civil Society, the Ministry of Economy tabled an additional legislative initiative to improve support to financing in 2014. The initiative has already passed through inter-ministerial debate and is currently on the agenda of the Slovak Government as a bill that shall amend Act 147/2001 Coll. on Advertising and on changes and amendments to additional Acts as further amended. The Ministry of Economy proceeded to define an institute of "charitable advertising" in order to legally identify product advertising by legal or natural entities – entrepreneurs giving donation for a public-benefit purpose to legally authorized legal entities, the operation of which is of a public-benefit nature, as defined by the Income Tax Act, in relation to the use of a portion of tax paid for specific purposes. The aim of the bill is to set out requirements for the propagation of charitable advertising in order to adequately differentiate it from advertising that does not involve public-benefit donations, and to assure further transparent propagation of charity advertising. The proposed legislation will enable organizations that carry out public-benefit activities, and fundraise to support them, using differ-

²⁵ Civic association; non-profit organization that provides public-benefit services, non-investment fund; foundation; Slovak Red Cross; Church organization; organization set up by a religious group; organization with an international element; Interest association of legal entities; association of municipalities.

²⁶ http://www.sbagency.sk/sites/default/files/analyza_spoluprace.pdf

ent instruments, including crowdfunding – to provide donors with advertising space (e.g. a placement of a logo) as a return value. The donor may include the funds thus donated under their tax expenses.

As the proposed amendment to Act 595/2003 Coll. on Income Tax also anticipates that revenues from charitable advertising will be exempt from income tax under certain conditions, the combination of the two amended Acts might facilitate higher contributions to crowdfunding initiatives aimed at public-benefit purposes.

4

Crowdfunding in EU legislation

In a reaction to the 2008 financial crisis and the consequent contraction of investment market, especially in terms of riskier ventures, the European Commission started to investigate less traditional sources of funding business. Crowdfunding drew the Commission's attention as one of the tools that could mitigate the loss of funding for start-ups and SMEs. It is primarily crowd investing and crowd lending that are at stake in the EU environment, because other forms of community sharing do not generate considerable income, often fall under rules of public collection or of income taxes that are exclusively governed by national laws, and are usually meant for one-off non-profit projects.

In order to obtain feedback, analyze the mood of the emerging market and test the need for legal action at the EU level, in October 2013 the European Commission opened public consultation on crowdfunding. Based on its results, a Communication on crowdfunding (COM(2014) 172 final) was issued in spring 2014. The document suggested several possible measures, some of which are already being implemented:

- Expert Group on Crowdfunding; it was installed in June 2014 under the name of European Crowdfunding Stakeholders Forum. The primary goal of this consultative body is to advise the Commission on its next moves. So far, three meetings are planned, their continuation will depend among other things on the new Commission,
- Guide to crowdfunding for SMEs, which is now in preparation by the DG Enterprise and Industry,
- Research of the Financial Services Users Group (a Commission's expert body) on consumer awareness about crowd investing and crowd lending,
- A potential quality label that would be granted to crowdfunding platforms in order to build trust with users and support platform transparency, best practices and certification. This label could be used for all forms of crowdfunding.

The above-mentioned actions are currently being conducted, but, just as on the national level, certain already existing EU directives pertain to some of the crowdfunding aspects. They include for example the anti-money laundering, intellectual property rights or consumer protection areas (for a full list of directives see the COM(2014) 172 final). Thus, a single "crowdfunding directive" is unlikely ever to be drafted. Moreover, there are already measures in place in other financial sector areas that could be extended to crowdfunding, without the need to invent new ones.

To summarize the ongoing EU debate on crowdfunding, one can say that with crowdfunding being an infant industry it is hard to predict what impact any legal and information measures could have on the crowdfunding development. On the one hand, (premature) regulation could stifle crowdfunding growth; on the other hand a legal framework helps build trust in using this instrument, as is the case in the United Kingdom. For now, the European Commission seems to be starting small, examining self-regulation in member states and gathering data on crowdfunding volume.

5

Potential for an international Visegrad crowdfunding platform

One of the Crowdfunding Visegrad project's aims was to elicit the possibility of establishing a V4 crowdfunding platform as a complementary co-financing tool for V4 projects. In general, cross-border crowdfunding activity is interesting with regard both to contributors willing to support projects or looking for a foreign platform for their projects, as well as to platforms offering their services outside their state borders.

From the Visegrad Fund point of view, we believe that a Visegrad crowdfunding platform for cross-border projects would help promote the Fund's basic aim to facilitate closer cooperation among the citizens and organizations in the region. During the four closed-door meetings in Warsaw, Prague, Bratislava and Budapest, we asked the participants about their views on a potential V4 crowdfunding platform. In general, the reactions were positive. A common crowdfunding portal for V4 countries would provide a natural space for enhancing a sense of "Visegradness" and facilitating regional cooperation.

The advantages of such a platform would include a bigger market of potential resources and donors. It would create a space to raise awareness of projects, services and events that reflect the current situation and needs of this part of Europe. Such a platform would also bring benefits to the Visegrad Fund in two respects. Applicants for funding could use the platform for co-financing the part of their projects that cannot be supported by the Fund. Secondly, the Visegrad Fund might also refer unsuccessful applicants to the crowdfunding platform to raise funds.

There are of course questions to be answered before venturing to launch such a platform. The basic one is whether such a platform should be run by the International Visegrad Fund itself, or rather operated by a third party, possibly funded through the Visegrad Fund. Upon making this decision, one would have to inquire what legal status it should have. Obviously not all projects applying for funding at the Visegrad Fund would be eligible for crowdfunding. There is also the question of how to promote the potential platform so that the projects manage to attract a truly international crowd. However, the interaction between Czech and Slovak crowdfunding is proof that at least bilateral projects are viable.

The authors of the study hence propose further analyzing the best way of utilizing crowdfunding as a means of financing. The feasibility study should discuss the appropriate legal status, the platform's functioning, its operational model, as well as its selections of projects eligible for funding.

6

Crowdfunding manual

Crowdfunding is a growingly popular way of funding creative and social activities. How to run a successful campaign? What mistakes to avoid? Is crowdfunding the right financing tool for your idea?

Based on our research within the Crowdfunding Visegrad project we've put together a few basic steps that you shouldn't forget to get the crowd support your project.

Before launching the campaign

1) Have an original idea

Create the impression that the project is desirable, worth supporting and that the world would be a worse place without it.

2) Do background research

You cannot raise funds for a general idea or a draft project. Be very specific and ask yourself a few questions:

- Has there been a similar idea supported in the past? Why was it un/successful?
- What is the target group and how to approach it?
- Do I have the manpower and new technology skills to conduct an on-line campaign?
- For organizations, is there an ongoing project (or a part of it) that can be adjusted for crowdfunding?

3) Draft a financial plan

Secure some funds from other sources (grants, own resources) beforehand. Draft the contact list of potential backers and involve them directly. Think about the FFFs – Friends, Family & Fools. Remember about all the expenses deducted from the collected sum: commission for the platform (usually 5-10%), fees for money transfers, costs of rewards, final products and services, their distribution, and possible tax to be paid on the income.

The Funding goal is the amount of money one needs to complete their project. It needs to be realistic and reachable – not too high, but it has to cover all the costs. It often happens that authors put the limit too low,

and in the end it is not even enough to cover the costs, including rewards and project implementation.

Psychological thresholds are two: at 30% and 70%. Their overcoming significantly increases the project's chances. After reaching the first one people start paying attention. After overcoming the second one even the skeptics start believing the project will be successful. Sometimes it is worth helping to reach these limits with own funds.

4) Select the right platform

- Choose a platform with a good reputation and sound project traffic.
- Check if the platform provides PR, communication & planning support.
- When deciding between a local and an international platform, consider the following: is your project of a general nature or culture-specific? Opt for a local platform if your project is context and language sensitive. Global platforms are better suited for technology and general-use products and services (like a computer game, gadget etc.). But think of the possible obstacles (foreign bank account, global distribution of rewards or lacking knowledge of a foreign environment).

A good project has

1) Timing

The project shouldn't run for a long period. 30-50 days should suffice, otherwise the momentum is lost. Be an active communicator throughout the campaign (see below) and stay in touch after the project successfully ends, informing the donors about its implementation. Be realistic about promising reward delivery dates.

2) Clear description

Don't be lengthy, but explain the project's exceptionality in a clear, understandable and attractive way. Usually, you can adjust the description during the campaign, if you or others find it unclear.

3) Exclusive rewards for backers

Original, connected to the project, and personal. Some of them are obvious (copies of albums if you are a musician), but use your imagination and offer something that cannot be easily bought (like your front-man's t-shirt or a dinner with the band). Again, don't forget all the costs of rewards and their distribution. The recommended contributions range between 5-20 Euros, but don't be afraid to include some special rewards for higher prices as well as offers for corporate partners.

4) Video

Does not need to be professional, but has to be original. You should:

- Present the team, show your passion, be sincere, and have fun!
- Describe the project's story & origins, explain why it should be supported.
- Visualize the product or service you want to create and present rewards for contributors.
- Describe the budget.

Communication is the key to success

Social networks

Facebook, Twitter... the more networks, the higher the chance you stand of raising the requested sum. Involve friends and ask them to share the project via their networks. Be active, but always try to find the right balance between spreading the news and spamming.

Updates

It is all about updates – the work does not end with uploading the project on the platform, it begins with that. Send updates, talk to the people, add photos, videos, and visuals. Create a story behind the project and invite people to share it. Show visitors you care about the project (and that they should too). And don't forget to continue even after your project is successfully concluded! You may soon be doing a follow-up campaign.

Offline campaigning

Offline campaigning means meeting potential donors in person. Organize events where you can interact with people. If your campaign is about to end and you haven't reached the limit, organize an event and let people contribute on the spot!

Opinion makers & celebrities

Do you know famous people? Involve them! They can share your project through their channels or be part of your campaign (photos, videos etc.).

Traditional media

Attracting traditional media attention helps exponentially. It is proven that more backers come to your project from direct links than from browsing the crowdfunding platforms, randomly looking for projects to support.

Potential donors

Engage with potential donors and be active on the forum under your project, answer questions on social networks.

Never

- Promise something you cannot deliver (expectations management).
- Offer as a reward something one can have for free.
- Infringe others' intellectual property rights or share your ground-breaking innovation.

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Partners



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- Visegrad Fund
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