

Analysis and countermeasures of Crowdfunding financing risk

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Abstract: Crowdfunding financing is developing rapidly at home and abroad, and we can not ignore the risk brought by it when enjoying the benefits. This paper analyzes the risk and causes of Crowdfunding financing, and puts forward the risk response and preventive measures from the four levels of government regulation, Crowdfunding platform, financiers and investor.

Crowdfunding financing refers to a new financing model of the era of sharing economy, it is different from the traditional financing model, chouziren generally to raise funds of small investment to many individual investors through an internet platform. Crowdfunding financing in recent years in the domestic development, such as Crowdfunding resort, Crowdfunding film, Crowdfunding, Crowdfunding, Crowdfunding, Crowdfunding environmental protection and other projects. The Crowdfunding financing in our country sprouted in 2013, the amount of financing reached the highest in 2015, and began to fall in 2016, we have certain risks and countermeasures of investment and financing of Crowdfunding as follows.

Crowd Funding Financing Risk

(1) legal risk caused by the lack of legal status

At present, in China, Crowdfunding financing, especially equity financing, is walking on the edge of illegal fund-raising, and is not recognized by law. " securities law" in the illegal collection of funds " committed in a certain period of money, in-kind, equity and other means to pay interest or pay return" " to the public is not specific object" provisions, this makes small and micro enterprises equity financing and illegal fund-raising only a step away; In the " company law" on the public issuance of stocks, the limit of shareholders in five ten people, and the public is " small ", many investors, it is difficult to achieve the expected financing within 50 people, also makes the equity financing cannot be legalized. Because Crowdfunding financing is not recognized by law, the operation of Crowdfunding financing is not enough

To legal protection, the regulation of no law can be, easy to confuse with illegal fund-raising, which will lead to legal risk.

(2) the risk of internet principal-agent

The investors and demanders of funds are communication based on the network platform, investors and financing platform form the first layer principal-agent relationship; And the Crowdfunding platform mobilizes funds, and is used by chouziren, and the second layer principal-agent relationship is formed between the Crowdfunding platform and demanders of funds. From the principal-agent relationship between investors and financing platform. According to the characteristics of Crowdfunding financing, each investor is small investment, and the amount of investment is less, investors have relatively weak attention to the effect of funds. this makes investors completely at the information disadvantage under the agency relationship of the network platform, and the space of autonomous operation of the financing platform is larger. If the financing platform and the chouziren collusion to obtain the common benefit maximization, the principal-agent risk will arise, and investors fund risk. From the principal-agent relationship between the Crowdfunding platform and demanders of funds. Because the financing platform does not have the compulsory and effective supervision measures, the demanders of funds of small and micro enterprises is Take advantage of before the Crowdfunding project, project implementation and project return release stage, and intensifies the principal-agent risk. Before the project is launched, small and micro enterprises may conceal or misrepresentation project information based on their own interests; In the

project implementation, the use of funds by small and micro enterprises is more arbitrary; In the phase of project return distribution, the phenomenon of hidden income and not will also happen. The existence of these principal-agent risks may lead to the abuse of funds or simple Enrichment, and damage the rights and interests of investors.

(3) the business model is not clear, and the investment return is difficult to guarantee.

Crowdfunding is currently dominated by four main types of Return, Equity, Equity, shangpin and donation, in order to attract financing faster, promoters will be different according to the model, allowing ordinary investors to obtain the project bonds, stocks, and trial products. But an important fact is that the success rate of the Crowdfunding project is not high, and its benefits cannot be guaranteed. According to the foreign survey results, the larger the project, the lower the success rate: financing goal of \$ 1 million project success rate 38 %, the target of \$ 5 million is 18 %, 10 million a success rate of 7 %, and 75 % of products will be delayed.

Prevent the financing risk of Crowdfunding

(1) the level of government supervision

The government should improve measures to protect intellectual property rights. For the project sponsors, the open nature of the Crowdfunding platform determines that it is difficult to avoid the risk of creative plagiarism, so this requires the intermediary platform to have a relatively complete set of intellectual property protection measures, while protecting the rights and interests of project sponsors. The existing laws and regulations in China should be adjusted according to the new phenomenon and new problems in the economic development, so that the system and laws and regulations keep pace with the times, such as the securities law and company law can be adjusted according to the characteristics of small and small enterprises and equity financing. In the legal norms of Crowdfunding, we should pay attention to the coordination with the relevant laws and regulations, can not simply copy foreign legal provisions. As noted in the jobs act, equity financing can directly conduct equity financing without registration of the sec, which can be exempted from registration. This provision is not feasible in China, because the development of capital market is not as mature as the United States, the relevant legal system is not perfect, and the registration system of Equity financing exemption will increase the risk of investors.

(2) Crowdfunding platform level

According to the low threshold of the Crowdfunding platform project, to improve the standards of creative projects in the platform, especially to increase the information authenticity audit measures for creative sponsors and financing enterprises, not only that, the Crowdfunding platform should record and adjust the credit originators.Check. In addition, the Crowdfunding intermediary platform should limit the investment quota and financial return form, and the Crowdfunding should not hold the funds or securities of investors, can not provide investment advice, can not induce or induce purchase of the Crowdfunding securities.The slava should do the best to disclose the authenticity and project profile of the promoters to the ordinary people the information of project risk, and provide the information scope of the project sponsor after completion of the project, timely follow up the project situation, and timely feedback to investors.

(3) the project sponsors

Explore and establish the protection mechanism of small and micro investors in Crowdfunding financing. The traditional securities regulation is to protect the rights and interests of investors through the originator information disclosure requirements.In the Crowdfunding mode, in order to ensure the convenience and economy of Crowdfunding financing, on the one hand, to simplify the information disclosure rules of Crowdfunding mode; On the other hand, the simplified information disclosure rules and reducing the burden of the sponsors, also to protect the interests of the public investors.

(4) investor level

Investors should study financial knowledge prior to participating in the Crowdfunding financing, investors are fully informed of the process and related knowledge of Crowdfunding financing.Know,

this can be done in the zhongchoushi not impulsive, not blindly, can be rational treatmentThe relationship between income and risk. The public investors should promptly follow up on the project information, and make reasonable request to the information of the Crowdfunding project through the Crowd funding platform, and maintain their legitimate rights and interests through the media, regulatory agencies and other third parties in some emergency situations.

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