



Institute of Financial Services Zug IFZ

# Crowdfunding Monitoring

Switzerland 2018

[www.hslu.ch/crowdfunding](http://www.hslu.ch/crowdfunding)

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We are grateful to the following platforms for supporting this study by providing data:



## Key results

In 2017 **CHF 374.5 million (+192%)** was raised in Switzerland.

The highest growth between 2016 and 2017 was recorded by **crowdinvesting (+245%, to CHF 135.2 m)**, followed by **crowdlending (+239%, to CHF 186.7 m)**, **invoice trading (+38%, to CHF 23.5 m)** and **reward-based crowdfunding/crowddonating (+71%, to CHF 29.1 m)**.

**CHF 568 million** has been raised within **eight years** through crowdfunding in Switzerland.

More than **160,000 people** backed crowdfunding projects in Switzerland in 2017.

In the reward-based crowdfunding/crowddonating segment, 1,536 campaigns were funded in 2017 out of a total of 2,262 launched. This equates to a **success rate of 68 percent**.

**43 crowdfunding platforms** were operating in Switzerland at the end of April 2018 (domiciled in Switzerland).

## Foreword

Crowdfunding is a means of raising capital via online platforms for a wide variety of projects. These can include loans for companies, participating in a business start-up, co-acquiring a property or financing social projects. Crowdfunding projects thus cover a vast range of areas. That said, they all have one thing in common: typically, a large number of people provide an amount that is often small, enabling the project to be realised. Direct, internet-based communication between those providing funds and those seeking funds is a key element of all types of crowdfunding.

The first crowdfunding platform in Switzerland, Cashare, was founded in 2008. Now more than 40 platforms are domiciled in Switzerland. The market has evolved rapidly in the last decade – and not just in relation to the number of platforms. Alongside a rapid growth in volumes raised, we are observing the emergence of ever more strongly differentiated business models. Over the last two to three years, some Swiss platforms have begun expanding abroad. Furthermore, professional investors have been increasingly showing interest in the crowdlending segment as an interesting investment class. And, finally, summer 2017 witnessed the arrival of long-awaited FinTech revisions to the financial regulations – even though they fell short of meeting the expectations of the sector as a whole. All these aspects are, in our view, indications that crowdfunding is gaining in relevance as a means of raising finance, and that the market is maturing.

The volumes reported by Swiss crowdfunding platforms have again exhibited a positive trend in the past year: the CHF 100 million barrier was first broken in 2016; 2017 saw this volume increase almost threefold to stand at CHF 374.5 million. The market in 2018 could break the billion barrier for the first time. The major growth drivers in recent years have been finance for SMEs via crowdlending, and investing in property via crowdinvesting.

If one compares the various crowdfunding segments with their respective market categories (e.g. consumer credit market, SME credit market, venture capital investments, donating), it becomes apparent that crowdfunding's market shares continue to be very small. That said, we are confident of crowdfunding becoming an increasingly important source of finance in some of the categories over the coming years.

This Crowdfunding Monitoring report is published annually by the Institute of Financial Services Zug IFZ, a department of the Lucerne School of Business. The purpose of this publication is to illustrate crowdfunding trends in Switzerland, profile the existing platforms and analyse the drivers of future trends. It also aims to further improve transparency in this market.

We rely on collaboration with crowdfunding platforms for our analyses. The following platforms supported our endeavours this year by sharing their data: 100-days, 3circleFunding, acredited, Advanon, bedoo, Cashare, Conda, Creditfolio, CreditGate24, creditworld, Crowd4Cash, Crowdhouse, Crowdli, Foxstone, Funders, GivenGain, Hyposcout AG, I believe in you, I care for you, ideenkicker.ch, Immoyou, investiere, Lend, Lendico, Lendora, Lokalhelden, myBrick, Progettiamo, Projektstarter, Splendit, Swisslending, Swisspeers and wemakeit. We are very grateful to them for doing so. We are also indebted to our research associate, Philip Künzli.



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## 1 Objective and structure of the report

The objective of this report is to illustrate and discuss the trends of the Swiss crowdfunding market with a focus on platforms that have offices in Switzerland and on crowdfunding campaigns involving projects in Switzerland. However, we also include a number of highly relevant foreign platforms operating, in particular, in the reward-based crowdfunding segment.

Publishing the market figures on an annual basis is aimed at improving the transparency of the Swiss market and providing an overview of the key trends. The target readership of the Crowdfunding Monitoring report is not only professionals, but also the general public: it aims to provide the latter with a clear overview of each funding option and market participant.

To achieve this, the Institute of Financial Services Zug IFZ, a department of the Lucerne School of Business, once again gathered the data of all the crowdfunding platforms which were active in Switzerland in 2017. Between January and December 2017 we recorded active crowdfunding campaigns for projects in Switzerland on the following 29 platforms: 100-days, 3Circlefunding, Advanon, Cashare, Creditfolio, CreditGate24, creditworld, Crowdhouse, crowdli, Funders, GivenGain, Hyposcout, I believe in you, I care for you, ideenkicker.ch, Immoyou, Indiegogo, investiere, Kickstarter, Lend, Lendico, Lendora, Lokalhelden, Progettiamo, ProjektStarter, Splendit, Swisslending, Swisspeers, and we-makeit. The published figures are based on a survey of the platforms. Large campaigns not run via these platforms are recorded separately.

The Monitoring report is structured as follows: following an introduction to the subject (Section 2), it traces the development of the Swiss crowdfunding market since 2008 (Section 3). The corresponding trends are shown and commented on as a whole, as well as split up into the various crowdfunding segments. Section 4 presents an analysis of the Swiss crowdfunding market in the international context. The last section of the report ventures to suggest how the Swiss market might evolve over time. The appendix contains profiles of the Swiss platforms and various data tables.

## 2 Scope and definition

Crowdfunding is a method of funding projects online where, typically, large numbers of people contribute funds for cultural, social and commercial projects. Communication between those providing and seeking funds occurs online. The crowdfunding platform assumes the role of the intermediary. The intermediary receives a fee for the transaction. This referral commission is typically defined as a percentage of the amount raised. Those providing funds receive a monetary or non-monetary consideration depending on the type of crowdfunding. The term “campaign” will be used from now on to describe the funding phase of projects on crowdfunding platforms.

In the literature, the term “crowdfunding” is often classed as a sub-genre of crowdsourcing, both notionally and conceptually. The term crowdsourcing is a combination of the words “crowd” and “outsourcing”. In the context of crowdsourcing, the crowd stands for the mass of internet users, often also simply referred to as the community. The term outsourcing refers to the practice of contracting certain tasks out to external sources. The outsourcing process can, for instance, take place between individuals and/or businesses. Accordingly, the basic idea of crowdsourcing is where a community performs certain tasks. Within a clearly defined framework (e.g. timeframe, conditions for participation, consideration), the community then generates added value of great diversity for the principal.<sup>1</sup>

The term crowdsourcing was essentially coined by journalist Jeff Howe, who in 2006 illustrated the crowdsourcing process with various examples in an article in *Wired* magazine and proposed three sub-segments: crowdcreation, crowdvoting and crowdwisdom (Howe, 2006).<sup>2</sup> These terms were later supplemented by the term crowdfunding, which focuses on the gathering of money rather than the aggregation of knowledge, opinions and creativity.

The four types of crowdsourcing can be distinguished as follows:

- **Crowdwisdom:** crowdwisdom (swarm intelligence) leverages the intelligence of a community. The crowd is asked to activate and reflect on their knowledge.
- **Crowdcreation:** the objective of crowdcreation is to leverage the creative potential of a crowd. The aggregated ideas of the crowd are deployed in the form of texts, audio files, illustrations and so forth.
- **Crowdvoting:** crowdvoting leverages the opinions and judgement of the crowd to assess ideas or content. The opinions generated by this process then serve as the basis for decisions by the crowd. Crowd voting can consequently be used as a forecasting tool.
- **Crowdfunding:** in crowdfunding, use of the internet and the crowd are also key elements. However, in contrast to the aforementioned categories, the focus is not on the knowledge or creative potential of the crowd, but rather on raising funds for projects. The fundraising phase is called a campaign.

### 2.1 Definition of crowdfunding: consideration as a decision criterion

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The term crowdfunding – defined as the raising online of funds for projects – can be divided further into sub-segments. The main criterion for distinguishing between the different types of crowdfunding is the type of consideration received. The consideration can be of a monetary nature, with the providers of the capital receiving a stake in the company (crowdinvesting) or interest (crowdlending) on

<sup>1</sup> For more on the subject, see e.g. Kaltenbeck, J. (2011). *Crowdfunding und Social Payments*. Berlin: epubli.

<sup>2</sup> Howe, J. (2006). *The Rise of Crowdsourcing*. *Wired* magazine. Issue 14.06.

the capital that was provided. It follows that invoice trading is also often seen as a form of crowdfunding. Invoice trading involves the disposal of unsettled invoices. From the investor's standpoint, the income received constitutes the difference between the amount paid for the invoice and the amount of the invoice itself. Depending on the business model of the individual platforms, invoice trading is either classic crowdfunding (several investors funding the invoices) or a model akin to crowdfunding (only one counter-party) – the deciding factor is the number of investors. Due to their proximity to the finance markets, crowdlending, crowdinvesting and invoice trading are covered by the term FinTech (financial technology).

The consideration for the support provided by a crowdfunding campaign can also be non-monetary in nature. The model defined in this study as “reward-based crowdfunding” (called “crowdsupporting” in Switzerland), falls within this segment. In the case of reward-based crowdfunding, consideration may take the form of products or services. Finally, money can also be given without any direct, measurable consideration (crowddonating), in which case the focus is on social or altruistic motives. This is also often the case for reward-based crowdfunding, where there is a strong focus on supporting a specific idea, as it is very difficult to objectively measure the consideration in the form of goods or services and, depending on the campaign, the consideration might represent only a small portion of the investment.

The five crowdfunding sub-segments are shown in Fig. 1:

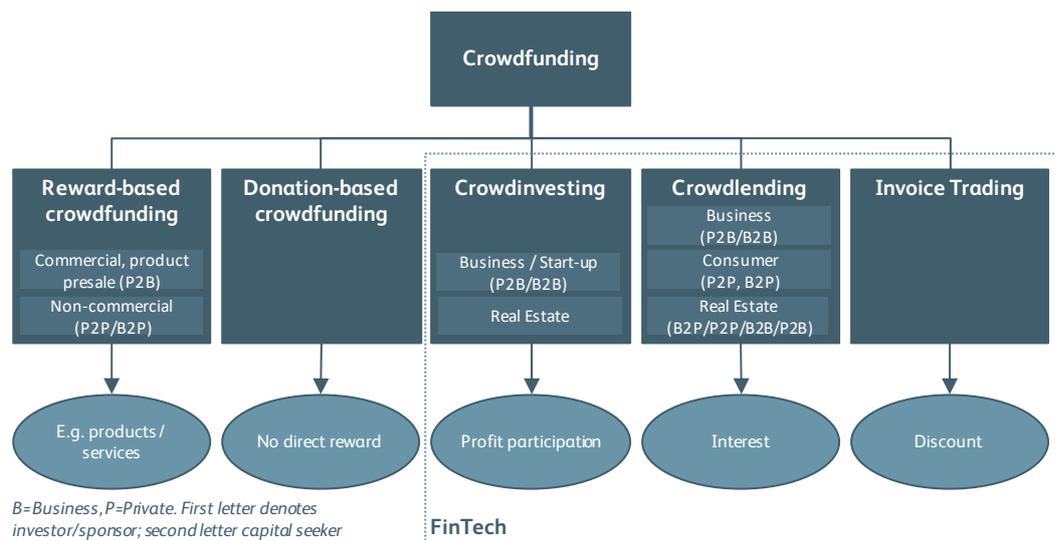


Fig. 1: Types of crowdfunding and consideration for each crowdfunding segment

- **Reward-based crowdfunding:** the reward-based crowdfunding segment often includes creative, cultural or commercial projects as well as sport projects. With this type of funding, those providing funds usually receive one-off consideration in the form of products, works of art or services. There is no limit to the creativity of those seeking funding (e.g. invitations to events, special editions or pre-release access to a product). Depending on whether the project initiator is a business or a private individual, reward-based crowdfunding can have a commercial or a non-commercial purpose.
- **Crowddonating:** the contributions made in crowddonating are simple donations that are not usually associated with any consideration. Examples include social, charitable and cultural projects. Crowddonating can also be used to raise funds for political campaigns.
- **Crowdinvesting:** instead of funding a project, the purpose of crowdinvesting is to acquire a stake in a business or property via equity or mixed forms of equity and borrowed (mezzanine) capital.

In the **business crowdinvesting** subsegment, this form of financing is particularly suitable for businesses in the early stages of development, e.g. start-ups. Depending on the platform, crowdinvesting also provides small investors with the opportunity to support start-ups in their growth phase. In return, these investors typically receive shares in the business and/or a share in the profit it generates. It should be noted that voting power is limited for many types of investments in this area in order to ensure that the owners of the business are free to act as they see fit.

Alongside business crowdinvesting, **real estate crowdinvesting** is also part of the crowdinvesting segment. With real estate crowdinvesting, investors (often entered in the Swiss Land Register) become co-owners of a property. In contrast to the acquisition of individual freehold apartments, co-ownership involves purchasing a percentage of an existing tenanted property. As a result, the investors take a stake in the rental income and in any rise in value of the property itself as and when it is sold.

- **Crowdlending:** crowdlending refers to the financing of businesses or private individuals by means of loans (borrowed capital). Crowdlending is also known as peer-to-peer (P2P) or marketplace lending. Lenders receive interest payments in return for their loan; the amount of interest payable depends typically on the risk presented by the borrower. Aside from private loans and SME loans, Switzerland has recently authorised the acquisition of mortgages by private individuals without a bank as intermediary. In this report, loans for private individuals are designated **consumer crowdlending**, while **business crowdlending** covers loans for businesses. The report uses the term **real estate crowdlending** for loans in the form of mortgages.
- **Invoice trading:** in this form of crowdfunding, investors purchase unsettled business invoices at a discount. Invoice trading thus makes it possible for SMEs to obtain short-term liquidity. The direct linking of those seeking funds and those seeking to invest gives rise to a new investment class. Until now investors have not been able to invest directly in a business's working capital. In exchange for purchasing the invoices, investors receive a return consisting of the difference between what they pay for the invoices and the amounts stated on the invoices themselves.

The data gathered by the report does not always allow a distinction to be made between crowddonating and reward-based crowdfunding, as some platforms allow those providing funds to forego consideration. As a result, the report has viewed these two categories as the same thing, particularly in terms of the trends in volumes traded.

## 2.2 Project initiators' motives for launching campaigns

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Crowdfunding campaigns have both financial and non-financial advantages for project initiators. On the one hand, the main motivation is typically the need to fund a project, on the other hand, raising funds through crowdfunding can also offer non-financial benefits. Crowdfunding enables businesses or individual project initiators to enter into direct dialogue with (potential) customers and receive immediate responses from them. As a result, crowdfunding campaigns are well suited to customer acquisition and retention. A good project can also enhance the image of a supplier or draw attention to an innovative project. Another advantage of crowdfunding campaigns is that project initiators can use successful campaigns to demonstrate that there is a market for their products or services – a kind of market test. And finally, crowdfunding can also find capital for good ideas which typically do not fit the model required by traditional lenders. As a result, swarm intelligence can lead to recognition and support for trends and good ideas.

## 2.3 Funders' motives for supporting campaigns

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Motives can also be subdivided into financial and non-financial aspects, which are largely dependent on the respective crowdfunding segment. Those providing funds in the crowdinvesting and crowdlending segments almost exclusively pursue financial objectives. In return for their investment, investors in a project expect a risk-adjusted return consisting of interest payments and repayment of the loan amount (crowdlending), or value appreciation and/or dividends from a stake in a business or property (crowdinvesting).

The motives of those providing funds often go beyond the financial aspect when it comes to reward-based crowdfunding / crowddonating. On the one hand, there may be a philanthropic incentive: this may be the case with projects involving a social, cultural or political dimension. The consideration could also come in the form of an expression of thanks or the chance to meet an artist. On the other hand, many campaigns feature an incentive in the form of a promise of a product. The advantage here could be the ability to receive a product at a better price, an earlier time or in a specially equipped version.<sup>3</sup> Given the fact that crowdfunding typically involves no, or only minimal, minimum investment amounts, some funds are ultimately contributed purely for the sake of fun or to make a political statement.

A survey conducted by the IFZ two years ago shone a light on the individuals who backed crowdfunding campaigns, the frequency with which they did so, and the reasons why other individuals have not (yet) backed a campaign (see Crowdfunding Monitoring report 2016). The survey revealed that of all the respondents who had ever provided funds, most (40 percent) had backed just one. While around one fifth of respondents said they had backed two campaigns to date, one eighth (13 percent) said they had backed three. A not inconsiderable quarter of those who had provided funds reported having backed more than three campaigns.

Those respondents who were aware of crowdfunding but had never backed a campaign declared that they did not want to go to the trouble of finding a crowdfunding campaign they might want to back. Other oft-quoted reasons were a lack of disposable income or a lack of campaigns that interested them. Security concerns seem to have played a subordinate role in the responses: only nine respondents (5 percent) gave concerns about crowdfunding platform security as a reason not to back a campaign.

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<sup>3</sup> See e.g. Mollick (2014). The dynamics of crowdfunding. *Journal of Business Venturing*, 29(1).

## 2.4 Distinction: initial coin offerings as crowdfunding?

Initial coin offerings (ICOs) could be regarded as a form of swarm financing for projects that come under the scope of distributed ledger technology (DLT). Many of an ICO's characteristics are similar to those in this report's working definition of crowdfunding. Typically, a large number of people provide funding for an undertaking or project. Intermediation between project initiators and backers takes place online. Some ICOs offer the possibility of consideration for backers. In this respect, the categorisation in Fig. 1 also applies to ICOs. That said, there are also differences. The first difference where ICOs are concerned is that the funding provided is often expressed in the form of a cryptocurrency and/or an equivalent in DLT-based values. It follows that ICOs are typically used to fund highly technology-heavy (blockchain-related) projects, whereas crowdfunding campaigns are far more diverse. A second difference is that while crowdfunding projects tend to be linked to particular online platforms, ICOs usually receive funding directly from backers without intermediation by a platform.

### Possible use of tokens in crowdfunding

ICOs can provide consideration in the form of "tokens". The Swiss Financial Market Supervisory Authority (FINMA) distinguishes between three functional types of token: "payment tokens" are synonymous with cryptocurrencies and may in some cases only develop the necessary functionality and become accepted as a means of payment over a period of time. "Utility tokens" are tokens which are intended to provide digital access to an application or service. "Asset tokens" represent financial assets, such as participations in real physical underlyings, companies or earnings streams, or an entitlement to dividends or interest payments. In terms of their economic function, the tokens are analogous to equities, bonds, credit agreements or derivatives.<sup>4</sup>

The three types of token defined by FINMA can also be rendered into the crowdfunding taxonomy in Fig. 1. Over time, then, tokens will also find applications within the traditional crowdfunding environment. Asset tokens could be used as consideration in crowdinvesting, crowdlending and invoice trading, while payment tokens and utility tokens could theoretically be used in the reward-based crowdfunding segment. Consideration could thus be linked to a token. The rights of these tokens in the form of smart contracts can be tailored to specific crowdfunding projects. As an alternative, it is also conceivable that a project could have a currency created for it, which would then be used as consideration.

This "tokenisation" process as applied to crowdfunding can be explained by way of a couple of examples. A photo artist could, for instance, issue utility tokens representing entitlement to a book of his photographs. Similarly, payment tokens could be issued in relation to a music festival: these tokens could be used to obtain tickets for the event or services during the event, such as food and drinks. Finally, credit could be issued in the form of asset tokens: based on smart contracts, these tokens would represent a portion of the loaned sum owed. The tokens could then be traded on the secondary market at the going rate.

To date, two Swiss platforms have announced their intention to deploy DLT technologies in 2018. Swisspeers intends to transact and manage loans with the Ethereum blockchain. Creditors' claims are represented by asset tokens.<sup>5</sup> Wemakeit has announced its intention to launch a new platform called

<sup>4</sup> Swiss Financial Market Supervisory Authority FINMA (2018). ICO Guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs). Published 16 February 2018. p. 3. Online (29.03.2018): <https://www.finma.ch/de/news/2018/02/20180216-mm-ico-wegleitung/>.

Law, tax and compliance firm MME has adopted a similar approach in its differentiation of ICOs by functionality; it recognises three main classes of ICO. See: MME (2017). Conceptual Framework for Legal & Risk Assessment of Blockchain Crypto Property (BCP). Online (29.03.2018): [https://www.mme.ch/fileadmin/files/documents/Publikationen/170926\\_BCP\\_Framework\\_-\\_Genesis\\_Version.pdf](https://www.mme.ch/fileadmin/files/documents/Publikationen/170926_BCP_Framework_-_Genesis_Version.pdf)

<sup>5</sup> Swisspeers (2018). Kredite in der Ethereum-Blockchain. Online (06.04.2018): <https://info.swisspeers.ch/blockchain>

Omnium via an ICO this year; from 2019, all kinds of project will have the chance to launch their own tokens. Omnium aims to simplify and standardise the process to such an extent that project initiators need have no technical or regulatory knowledge.<sup>6</sup>

In 2017, ICOs to the tune of some CHF 837 million took place in Switzerland, of which FinTech ICOs accounted for CHF 272 million.<sup>7</sup> The largest ICO in Switzerland (CHF 228 m) was conducted by Tezos, followed by Sirin Labs (CHF 156 m) and Bancor (CHF 155 m). This means that Switzerland in 2017 accounted for roughly 15 percent of worldwide ICO volumes totalling between CHF 5.5 and 5.9 billion.<sup>8</sup>

From this point on, the report presents “only” those campaigns conducted under “traditional” crowdfunding scenarios.

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<sup>6</sup> Wemakeit (2018). Blockchain Culture. Online (01.04.2018): <https://wemakeit.com/pages/blockchain-culture>

<sup>7</sup> Ankenbrand, T., Dietrich, A., & Bieri, D. (2018). IFZ FinTech Study 2018. An Overview of Swiss FinTech.

<sup>8</sup> Reports of ICO volumes 2017 vary within this bandwidth. See FabricVentures & TokenDate (2018). The State of the Token Market. Online (29.03.2018): <https://www.fabric.vc/report/>; ICODATA.IO (2018). Stats 2017. Online (29.03.2018): <https://www.icodata.io/stats/2017/>; EY (2018). EY research: initial coin offerings (ICOs). December 2018. Online (29.03.2018): [http://www.ey.com/Publication/vwLUAssets/ey-research-initial-coin-offerings-icos/\\$File/ey-research-initial-coin-offerings-icos.pdf](http://www.ey.com/Publication/vwLUAssets/ey-research-initial-coin-offerings-icos/$File/ey-research-initial-coin-offerings-icos.pdf)

### 3 Crowdfunding in Switzerland

The first crowdfunding platform launched in Switzerland was Cashare in 2008. Crowddonating platform GivenGain launched in 2009, followed by crowdinvesting platform investiere in 2010 and the two reward-based crowdfunding platforms 100-days and wemakeit in 2012. Since then numerous other platforms have entered the market. Around 43 platforms were maintaining an active physical presence in Switzerland as of the end of April 2018.<sup>9</sup> Also in the market are several nondomestic platforms without an office in Switzerland. Some of these are of some importance for Switzerland, given that many campaigns (some fairly large) are run on them. Nondomestic platforms of relevance to Switzerland currently include in particular the US platforms Indiegogo and Kickstarter. Accordingly, these two platforms are included in this survey.

Effective April 2018, we have identified the following platforms as having a relevant volume of active projects in Switzerland:<sup>10</sup>

<b>Crowd-investing</b>	<b>Business / start-up</b> Beedoo, c-crowd, investiere, Raizers
	<b>Real estate</b> Crowdhouse, Crowdli, Foxstone, Immoyou, myBrick, Swiss-Crowd
<b>Crowd-lending</b>	<b>Business and consumer</b> 3Circlefunding, Cashare, CreditGate24, Crowd4cash, Lendora
	<b>Business</b> Acredius, Swisspeers, creditworld, Funders, Lendico, Advanon <sup>11</sup>
	<b>Consumer</b> Creditfolio, Splendit, Lend
	<b>Real estate</b> Cashare, CreditGate 24, Hyposcout, Raizers, Swisslending
<b>Invoice trading</b>	Advanon
<b>Reward-based crowdfunding Crowd-</b>	100-days, Cause direct, Fengarion, fundeego, funders, GivenGain, I believe in you, I care for you, ideenkicker.ch, Indiegogo, Kickstarter, Lokalhelden.ch, moBOo.ch, Progettiamo, ProjektStarter, wemakeit

**Table 1: Platforms with active campaigns in Switzerland (as of April 2018).**

<sup>9</sup> Commencing 2017, we have tightened our definition of “active platforms”. These now only include platforms that have witnessed actual campaign activity: it is no longer enough for a platform to maintain a presence on the internet. This stricter definition resulted in 37 platforms in 2016.

<sup>10</sup> We have not included platforms witnessing only occasional and/or small Swiss projects.

<sup>11</sup> Although Advanon is principally active in the field of invoice trading, it also offers unsecured short-term loans for businesses, hence its inclusion under business crowd lending as well.

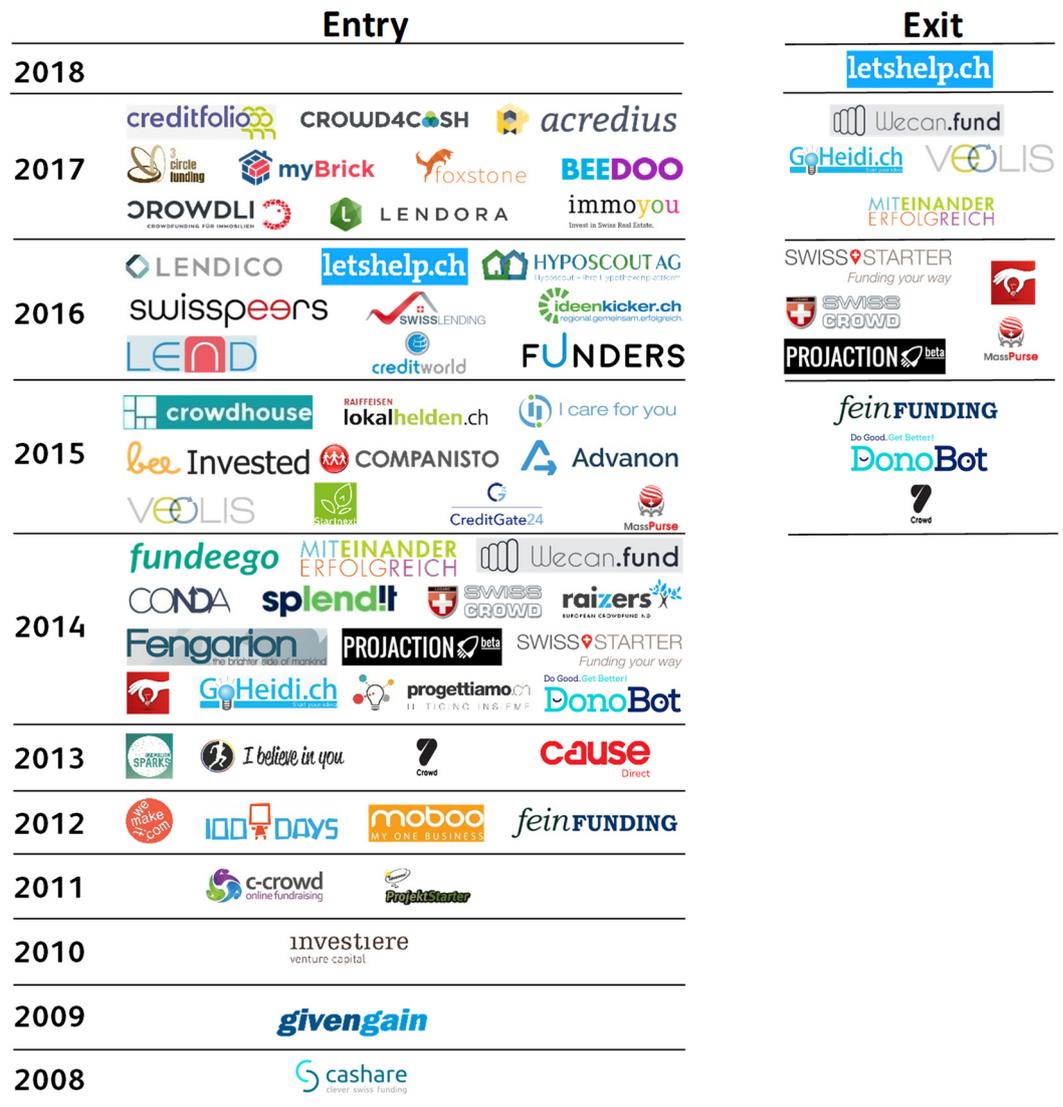


Fig. 2: Entries and departures of crowdfunding platforms in the Swiss market

Fig. 2 shows the entries and departures of platforms in the Swiss market since 2008. Unlike Table 1, this illustration shows all the platforms that have ever been online. It means that Fig. 2 also includes platforms that have not (yet) witnessed any campaign activity. The market trend at a platform level in recent years has been described as “selective consolidation”. This describes the process whereby small platforms regularly and quietly quit the market, having witnessed no or only low activity.

2017 witnessed the withdrawal of GoHeidi and the Basel Landschaft Cantonal Bank’s Miteinander Erfolgreich platform. Moreover WeCan.Fund no longer operates as a crowdlending platform, instead offering support for setting up crowdfunding or blockchain platforms. January 2018 saw Swisscom terminate its donating platform letshelp. New arrivals to the market in 2017 include Foxstone, Lendora, immoyou, 3circlefunding, Crowdli, Beedoo, creditfolio, Crowd4Cash, myBrick and acredius. In addition, Funders (by Luzerner Kantonalbank) now operates in the business crowdlending as well as the crowdfunding segments. In net terms, as of the end of April 2018 the number of crowdfunding platforms in Switzerland has risen by six compared to the end of 2016. Fig. 3 provides a graphic display of the number of entries and departures of platforms in the Swiss market since 2008. Each year

since 2014 has witnessed the arrival of a sizeable number of new platforms. By contrast, recent years have seen the disappearance of 12 platforms.

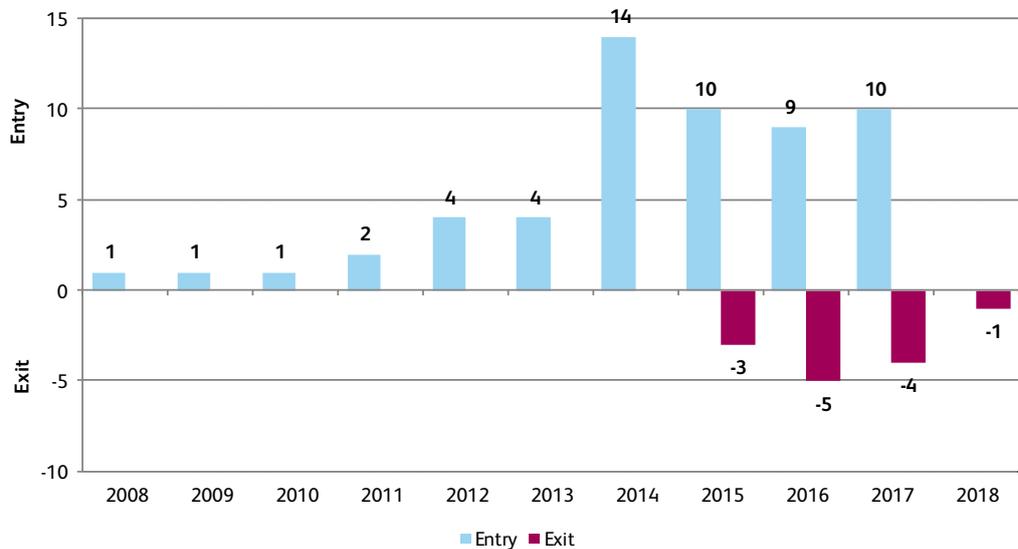


Fig. 3: Number of entries and departures by year of crowdfunding platforms in the Swiss market

### 3.1 Market growth in Switzerland

Fig. 4 shows the growth in volume across all crowdfunding segments in Switzerland since 2008. The volume of successfully funded campaigns<sup>12</sup> has grown sharply in recent years. The CHF 100 million barrier was breached in 2016. By 2017 the Swiss crowdfunding market had hit a volume of CHF 374.5 million, representing a growth of 192% compared to the previous year. Compared to 2015, the volume has rocketed almost fourteen times. Since the first crowdfunding platform's launch in 2008, crowdfunding has been used to raise CHF 568.3 million. 66 percent of this total was raised in 2017.

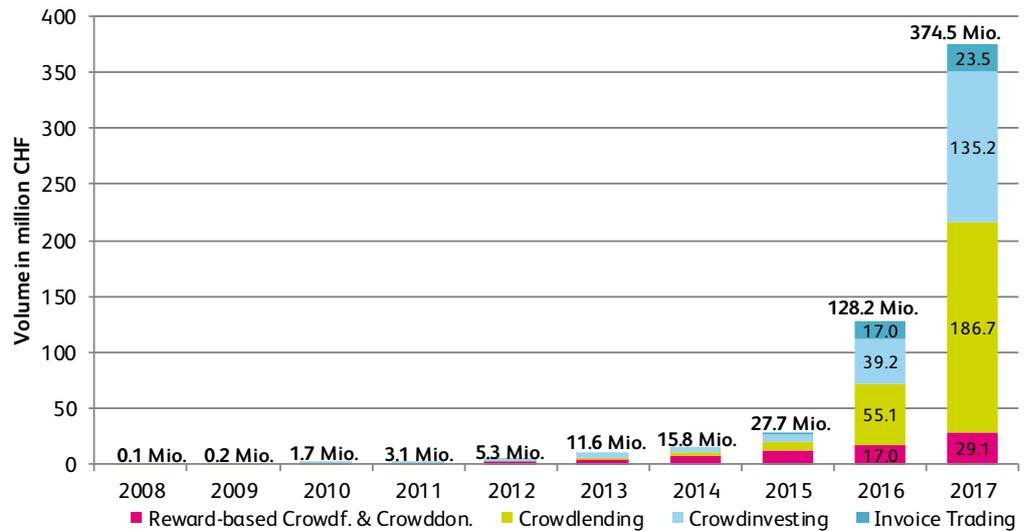
The total volume of 2017 is spread across 5,113 campaigns<sup>13</sup>. 2016 witnessed 3,098 successful campaigns (+82%). The lower growth in comparison to the volume indicates that average campaign volumes have risen strongly. Aside from real estate crowdinvesting, the main driver of this trend was business and real estate crowdlending.

At CHF 186.7 million, crowdlending is the largest crowdfunding segment by volume: growth compared to the previous year stood at 239.0 percent. The second-largest segment within crowdfunding is crowdinvesting: its volume was CHF 135.2 million (+245.0%). Invoice trading witnessed a total of CHF 23.5 million transacted (+38.2%).<sup>14</sup> Reward-based crowdfunding / crowddonating chalked up a volume of CHF 29.1 million (+71.7%).

<sup>12</sup> A campaign is considered "successfully funded" when the funds contributed by the lenders are released to the project initiators. Campaigns with a fixed target amount are successful only if this amount has been reached (all-or-nothing model). Our report also deems the campaign successful if no fixed target amount is defined but funds are still raised. As a result, the amounts listed reveal only the amount of money that changed hands. The report does not consider whether the funded campaign can actually be implemented as a successful project.

<sup>13</sup> The term "campaign" thus serves as a catch-all term for the funding of projects, credits, businesses and properties.

<sup>14</sup> As things stand, the sole provider of the invoice trading business model is Advanon. Advanon distinguishes between "true sales" and "pre-financing". Underlying true sales is a factoring contract. Pre-financing, on the other hand, takes the form of unsecured short-term credit. From 2017, the report is allocating this to the business crowdlending segment. In the previous year, we allocated Advanon's entire volume to the invoice trading segment. That being so, these growth figures should be treated with caution.



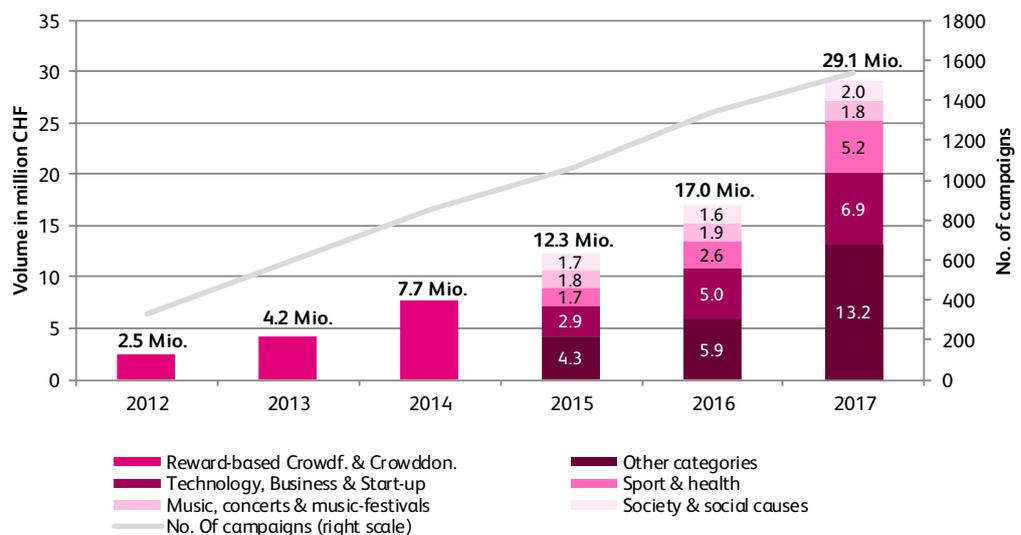
**Fig. 4: Trend in successfully funded campaigns by funding volume 2008-2017.**

As previously mentioned, most of the published data comes from crowdfunding platforms. This report has also considered a few major campaigns that did not involve a platform. These include the campaigns for the magazine *Republik* (CHF 3.7 million) and the Dählhölzli Zoo (CHF 2.1 million). Both projects have been assigned to the reward-based crowdfunding / crowddonating segment. What they have in common is that the funds went towards a new product (magazine) and the realisation of a project (enclosure). Campaigns in the past have also raised funds for existing products, such as the Bergbahnen Saas-Fee cableway company's campaign on the platform 'we make it happen': its crowdfunding campaign was used for the second year running to pre-sell its seasonal ski pass. Here, the ski pass is an existing product for which the 'we make it happen' platform acted as just another sales channel. The core of the product – use of the company's cableway installations and ski area for a season – would have existed in this form even if there had been no crowdfunding campaign. The only variable which was dependent on the campaign was the price. That is why sales campaigns of this nature are not included in the Crowdfunding Monitoring report.

### 3.2 Reward-based crowdfunding / crowddonating

In the reward-based crowdfunding/crowddonating segment last year, 1,536 campaigns were funded, generating a volume of CHF 29.1 million, a rise of 71.7 percent compared to 2016. In terms of the number of campaigns, growth was 14.8 percent. Accordingly, the average amount raised by each campaign rose dramatically from CHF 17,000 in 2016 to CHF 29,100 in 2017. That said, this rise in the average amount was strongly driven by a small number of large campaigns.

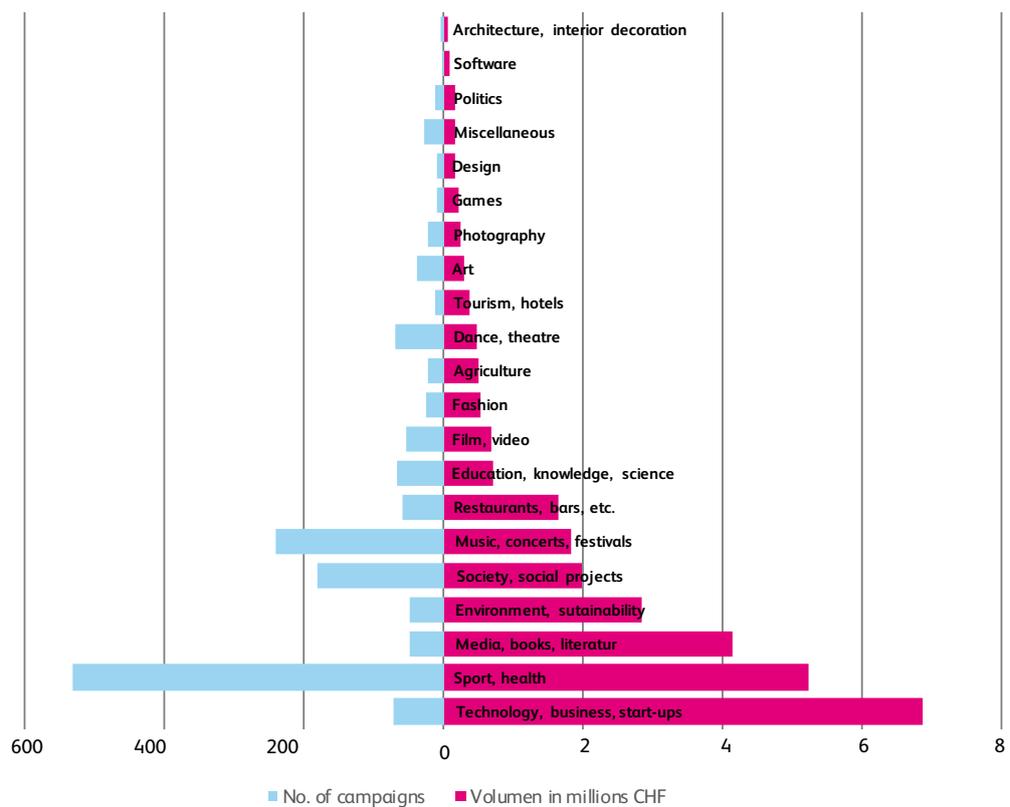
Fig. 5 shows the reward-based crowdfunding / crowddonating trend over the past six years. For the years 2015-2017, the report introduced a further subdivision in the largest four categories. Details of this subdivision of successful campaigns in categories may be seen in Fig. 6 and Table 2.



**Fig. 5: Reward-based crowdfunding / crowddonating volumes and number of campaigns 2012-2017**

The analyses in Fig. 6 show that reward-based crowdfunding / crowddonating are particularly well established for projects in the category 'technology, business, start-ups'. CHF 6.9 million in funds was raised for 71 projects in this category in 2017. The amounts raised are, however, skewed by a small number of large projects with an international orientation, many of which were transacted on Kickstarter. The pre-selling of new watches, which we have assigned to the 'technology, business, start-ups' category, has become a veritable business model due to the efforts of a few Swiss project initiators. Swiss watch projects on Kickstarter raised funds totalling CHF 4.6 million in 2017 (previous year CHF 2.1 m). Few in number but substantial in terms of value, these projects lead to very high average campaign amounts (see Table 2).

Projects in the 'sport, health' category in 2017 raised a total of CHF 5.2 million. Occupying pole position in this market is the platform 'I believe in you'. Similarly high volumes were raised in the categories 'environment, sustainability' (CHF 2.8 m) and 'society, social projects' (CHF 2.0 m). The 'environment, sustainability' category was strongly driven by the Bern Zoo project for a new enclosure for its ibexes (CHF 2.1 m). These three categories (sport, environment, society) are characterised by projects initiated by clubs/societies, which tends to simplify the mobilisation of supporters.



**Fig. 6: Distribution by theme of reward-based crowdfunding and crowddonating campaigns**

Reward-based crowdfunding / crowddonating are of particular relevance in the cultural and creative economy.<sup>15</sup> Crowdfunding here generated an estimated CHF 9.5-10.5 million last year (previous year: CHF 6.5-7.0 m). The lion's share was accounted for by the category 'media, books, literature' (CHF 4.1 m) followed by 'music, concerts, festivals' (CHF 1.8 m). The media category was particularly impacted by *Republik* magazine's crowdfunding campaign, which raised CHF 3.5 million. Individual projects in the cultural and creative economy also helped drive volumes in the categories 'technology, business, start-ups' and 'film, video'. In terms of numbers of projects, crowdfunding in the cultural and creative economy successfully funded an estimated 800-900 projects. This is a remarkable number. In the realm of culture, however, crowdfunding is often responsible for only part of the funding. The public purse also plays a very important role in this regard.

Alongside the cultural and creative economy, crowdfunding plays an important role in the categories 'sport, health' (CHF 2.6 m) and 'society, social projects' (CHF 1.6 m).

As can be seen in Table 2, wide variations exist amongst the activities in terms of averages raised by campaigns (from CHF 5,416 for 'miscellaneous' to CHF 96,738 for 'technology, business, start-ups').<sup>16</sup> The average amount raised per campaign in the 'music, concerts, festivals' and 'sport, health' categories was CHF 9,842. The figure for 'society, social projects' was CHF 10,873.

<sup>15</sup> The cultural and creative economy comprises the following activities in the report: design; film, video; photography; games; paintings, pictures; media, books, literature; fashion; music, concerts, festivals; dance, theatre; miscellaneous. 'Technology, business, start-ups' also has a tendency to include numerous cultural/creative projects: we estimate the proportion to be between 15 and 30 percent.

<sup>16</sup> These figures relate to the platforms 100-days, funders, I believe in you, I care for you, ideenkicker.ch, Lokalhelden, Progettiamo, ProjektStarter and wemakeit – the only platforms to provide us with details of how their projects were

Segment	Volume in CHF			No. of campaigns			Ø volume in CHF		
	2017	2016	Δ	2017	2016	Δ	2017	2016	Δ
Technology, business, start-ups	6,868,414	5,008,308	1,860,106	71	45	26	96,738	111,296	-14,558
Sport, health	5,225,910	2,574,473	2,651,437	531	339	192	9,842	7,594	2,247
Media, books, literature	4,145,658	681,343	3,464,314	48	63	-15	86,368	10,815	75,553
Environment, sustainability	2,844,630	665,283	2,179,347	48	31	17	59,263	21,461	37,802
Society, social projects	1,967,973	1,631,496	336,478	181	178	3	10,873	9,166	1,707
Music, concerts, festivals	1,835,998	1,856,348	-20,350	241	245	-4	7,618	7,577	41
Restaurants, bars, etc.	1,630,709	802,353	828,357	60	49	11	27,178	0	27,178
Education, knowledge, science	698,908	198,644	500,264	66	19	47	10,590	10,455	135
Film, video	678,400	793,966	-115,566	53	70	-17	12,800	11,342	1,458
Fashion	530,608	467,788	62,820	25	35	-10	21,224	13,365	7,859
Agriculture	495,019	321,651	173,368	23	13	10	21,523	24,742	-3,220
Dance, theatre	478,047	362,662	115,385	69	64	5	6,928	5,667	1,262
Tourism, hotels	381,812	250,222	131,590	12	15	-3	31,818	16,681	15,136
Art	281,500	336,489	-54,989	39	41	-2	7,218	8,207	-989
Photography	249,664	312,170	-62,506	24	35	-11	10,403	8,919	1,484
Games	201,803	171,997	29,806	9	7	2	22,423	24,571	-2,148
Design	153,587	364,171	-210,584	10	26	-16	15,359	14,007	1,352
Miscellaneous	151,645	147,439	4,206	28	27	1	5,416	5,461	-45
Politics	150,531	286,323	-135,792	12	10	2	12,544	28,632	-16,088
Software	80,978	549,301	-468,323	2	14	-12	40,489	39,236	1,253
Architecture, interior design	52,780	326,984	-274,204	5	17	-12	10,556	19,234	-8,678

**Table 2: Investments in reward-based crowdfunding / crowddonating by activity**

The average sum contributed by backers/investors has risen steadily in recent years. The average amount in 2015 was CHF 140, rising to CHF 168 in 2016 and CHF 188 in 2017. We know only the average figure. The actual amounts paid are bound to be very different depending on the product category.

In connection with the level of sums raised by crowdfunding discussed above, the question remains as to the relevance (in terms of market share) of this form of funding. It is true that rates of growth are high. However, in a comparison of those amounts with amounts obtained from other sources of finance, it quickly becomes apparent that reward-based crowdfunding / crowddonating continue to occupy a niche. While crowdfunding for the cultural and creative economy raised CHF 9.5-10.5 million in 2017, the public purse contributed CHF 2.8 billion for culture (figure for 2014).<sup>17</sup> In addition, the donations for social projects received via crowdfunding platforms of an estimated CHF 1-2 million pale into insignificance compared to the CHF 1.8 billion raised through conventional channels.<sup>18</sup> The rise in crowdfunded donations that we have been predicting in recent years has not occurred. One key platform in this segment has even closed: letshelp.ch ceased operating in January 2018 due to lack of campaigns. A collaboration between Swisscom, swissfundraising and Zewo, the platform was in operation for just 18 months.<sup>19</sup>

distributed. The report also takes into account all the Swiss campaigns conducted on Kickstarter, and major Swiss campaigns that did not run on platforms. As such, the report encompasses a very large part, though not all, of the Swiss market.

<sup>17</sup> Swiss Confederation Federal Office of Culture BAK (2017). Statistical overview of culture in Switzerland 2017.

<sup>18</sup> Figure for 2016: Zewo Foundation (2018). Donation statistics 2016. Online (29.03.2018): <https://www.zewo.ch/fur-hilfswerke/service/spendenstatistik>

<sup>19</sup> Swisscom (2018). Press release: Digital donation platform letshelp.ch ceases trading. Online (29.03.2018):

Notwithstanding the above, 1,500-plus campaigns in the reward-based crowdfunding / crowddonating segment is still a considerable number. In Switzerland, more than 5,700 projects have received funding in this way since 2011. Last year alone, some 140,000 individual amounts were donated, a figure that is rising strongly, suggesting that more people are becoming mobilised or that more people are making multiple donations. 2016 witnessed 100,000 donations made; the figure in 2015 was 88,000. The number of persons backing crowdfunding campaigns must be lower than this, however: a survey conducted by the Lucerne School of Business has shown that around one third of individuals backing crowdfunding campaigns back more than one project.<sup>20</sup> That said, this degree of mobilisation is noteworthy.

Recent years have witnessed the emergence of a number of major platforms in the reward-based crowdfunding / crowddonating segment. The market is essentially determined by six medium to large platforms, accounting for 97 percent of the market share; it means that the relevance (i.e. market share) of the other platforms in this segment is limited as things stand.

The platforms have developed very heterogeneous business models. On the one hand there are those with narrow thematic focuses, such as sport (I believe in you) or charitable aims (I care for you). On the other hand, other platforms exhibit a more broadly based thematic focus, such as wemakeit and 100-days. Moreover, there is evidence of banks also entering the crowdfunding market with their own platforms. These include the Luzerner Kantonalbank (Funders), Hypothekarbank Lenzburg (ideenkicker.ch) and Raiffeisen Group (lokalhelden.ch).

In a bid to achieve a certain size and scale their business models further, some Swiss platforms are operating abroad, too. The platform wemakeit, for instance, has a presence in Austria as well as Switzerland. Also, the first quarter of 2018 saw 'I believe in you' acquire the French platform Fosburit, which is also focused on sport crowdfunding.

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<sup>20</sup> See Dietrich, A. & Amrein, S. (2016): Crowdfunding Monitoring 2016

Table 3 shows the fee models of the platforms operating in the reward-based crowdfunding / crowddonating sphere. The fees are between zero and 12 percent of the funds raised. The two platforms levying no fees are Lokalhelden (from Raiffeisen) and Progettiamo, which is backed by the public sector.

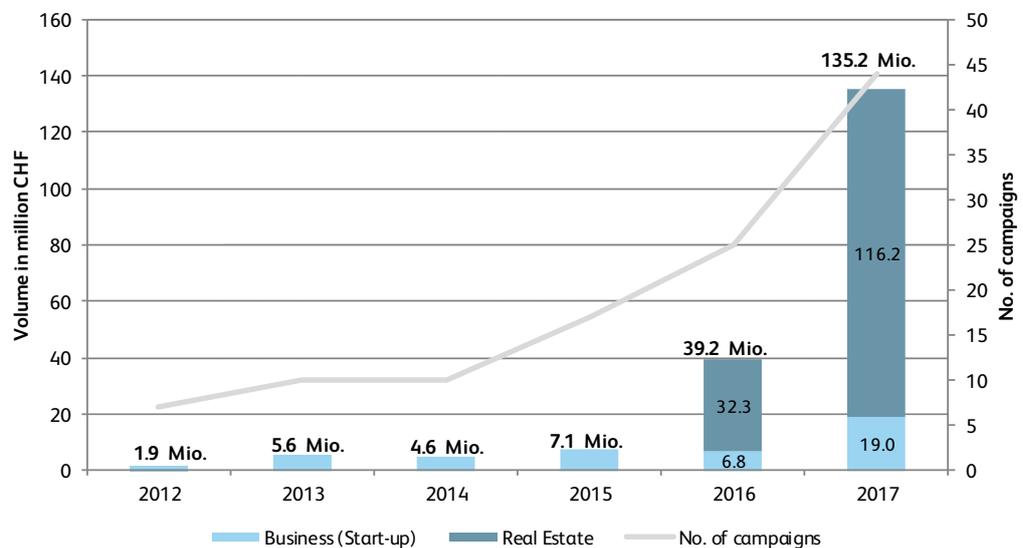
Platform	Payment model	Online since	Fee on amount raised	Other fee models, additional information
100-days	all-or-nothing	2012	6 %	
Funders	all-or-nothing	2016	7 %	
GivenGain	keep-it-all	2001	5 %	
I believe in you	all-or-nothing	2013	12 %	8 % for advice and 4 % payment transaction. No fees for unsuccessful projects
I care for you	all-or-nothing	2015	10 %	6 % admin fee and 4 % transaction fee
ideenkicker.ch	all-or-nothing	2016	4 %	4 % transaction fee
Kickstarter	all-or-nothing	2009	8-10 %	5 % admin fee, 3-5 % payment fee
Lokalhelden	all-or-nothing	2016	0 %	1.5 % for credit card payments
moBOo.ch	keep-it-all	2012	10 %	
Progettiamo	all-or-nothing	2014	0 %	
ProjektStarter	all-or-nothing	2011	8 %	5 % for "junior projects"
wemakeit	all-or-nothing	2012	10 %	4 % transaction fee, 6 % commission

**Table 3: Reward-based crowdfunding / crowddonating fee models**

### 3.3 Crowdfunding

Five platforms were servicing Switzerland's crowdfunding market with campaigns based in Switzerland at the end of 2017. These platforms were used for 42 successful campaigns (previous year: 25). The funds raised rose sharply from CHF 39.2 million in 2016 to CHF 135.2 million.

As in the previous year, the growth in the crowdfunding segment was primarily driven by the property category (see Fig. 7). This category, which emerged in Switzerland only in 2015, had by 2017 already reached CHF 116.2 million in funds raised (previous year: CHF 32.4 m). This figure relates to the portion of equity capital raised through crowdfunding. The debt capital amount is typically provided by banks. The platform crowhouse was mainly accountable for the strong growth in funds raised through real estate crowdfunding. However, three further platforms – Crowdli, Immoyou and Foxstone – went live online in 2017 and should help drive further growth in the segment. Minimum investment amounts for all four platforms are typically in the several tens of thousands of francs.



**Fig. 7: Crowdfunding volumes in Switzerland 2012-2017**

In the area of business crowdfunding, start-ups in 2017 received CHF 19.0 million (compared to CHF 6.8 million in the previous year). Investors backed a total of 18 start-ups. Last year saw the platform investiere transact the lion's share of the funds raised. Only qualified investors may use it, typically with a minimum of CHF 10,000 to invest. This makes investiere quite different from the business models of other crowdfunding platforms, such as Raizers, which do not place access restrictions on the crowd. In that respect, investiere is not a typical crowdfunding platform, as access is restricted to what might be called a "qualified crowd".

After a few years of stagnation, business crowdfunding is again posting high growth rates due, in large part, to changes to the investiere business model. The latter has, for instance, solved the problem of having too many small shareholders through the inclusion of a fiduciary function. investiere performs this fiduciary function for equity investments of less than CHF 50,000. Fees are now incurred by the investors only. Moreover, investiere is increasingly used for growth-stage and later-stage fundings. And finally, Nest represents the first pension fund to act as co-investor. The entry of Nest is arguably also a reason why the average amount invested has doubled from CHF 0.5 million to CHF 1 or so million. investiere witnessed its first exit last year in the shape of the FinTech Qumram. As of

April 2018, investiere was showing 50 start-ups in its portfolio. Four start-ups have had to be liquidated to date.

Every crowdfinancing campaign in 2017 was successfully completed. This is not least a result of careful project selection and professional project support on the part of the aforementioned platforms.

The average amounts raised vary greatly. The average amounts have risen strongly in real estate crowdfinancing, due to the frequency with which apartment blocks are financed. The equity capital portion in the property category was CHF 4.8 million in 2017 (previous year: CHF 2.7 m).

Category	Platform	Online since	Payment model	Fees/charges	Other fee models, additional information
Business (start-up) crowdfinancing	Beedoo	2017	all-or-nothing	10%	Borrower: 10% of the funds raised. Investor: 7.5% of profit when the stake is sold on.
	Bee Invested	2015	all-or-nothing	7%	Borrower: 7% of the funds raised. Investor: no fees
	c-crowd	2011	all-or-nothing	10%	Borrower: max. 10% of the funds raised. Investor: max. 5.5% of the investment.
	investiere	2010	all-or-nothing	4%	Borrower: no fees Investors: 3-6% commission of the investment plus carried interest of 15% at an annual return of at least 5%.
	Raizers	2015	all-or-nothing		Borrower: max. 10% of the funds raised. Investor: max. 5.5% of the investment.
Real estate crowdfinancing	Crowdhouse	2015	all-or-nothing	3%	3% of the property purchase price, then 5% of the net rental income for managing the property.
	Crowdli	2017	all-or-nothing	3.6%	3.0% brokerage fee and 0.6% transaction fee of the property purchase price. Management fee of 1.5%. 4-5% of net rental income for managing the property.
	Foxstone	2017	all-or-nothing	3%	3% of the property purchase price. Then 0.5%-1% of the purchase price as management fee.
	Immoyou	2017	all-or-nothing	3%	3% of the property purchase price. Then 0.3%-0.5% of the purchase price as management fee. Plus property management fees.
	myBrick	2017	all-or-nothing	2-3%	2-3% of the invested amount.

Table 4: Crowdfinancing fee models

### 3.4 Crowdlending<sup>21</sup>

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Fourteen platforms were active in Switzerland as of the end of 2017. The platforms focus mainly on one or two crowdlending categories. The Cashare and CreditGate24 platforms offer business, consumer and real estate crowdlending. Seven new platforms went live in 2016. They were joined in 2017 by Acredius, Creditfolio and Crowd4Cash.

2017 and 2018 also witnessed the launch by providers Lendity and Impact-Lending of a kind of “umbrella platform” designed to invest in loans on Swiss crowdlending platforms on behalf of institutional investors. These providers are aiming to offer a fund that invests in a basket of selected loans across a range of platforms.

Launched last year, the Swiss Marketplace Lending Association (SMLA) is an industry organisation looking to improve transparency in the Swiss market and promote the development of the crowdlending market and its ecosystem.

The crowdlending segment registered a volume of CHF 186.7 million in 2017 (previous year: CHF 55.1 m), while the number of successfully acquired loans rose from 840 to 2,035. Of the CHF 186.7 million, CHF 111.6 million is accounted for by business crowdlending (loans for SMEs). The volume in this subsegment was CHF 28.1 million in 2016. The consumer crowdlending subsegment (loans for private individuals) also more than doubled (+116 %) in 2017 compared to the previous year and now stands at CHF 52.0 million (see Fig. 8). Moreover, real estate crowdlending saw strong growth in 2017. CHF 23.1 million was raised.

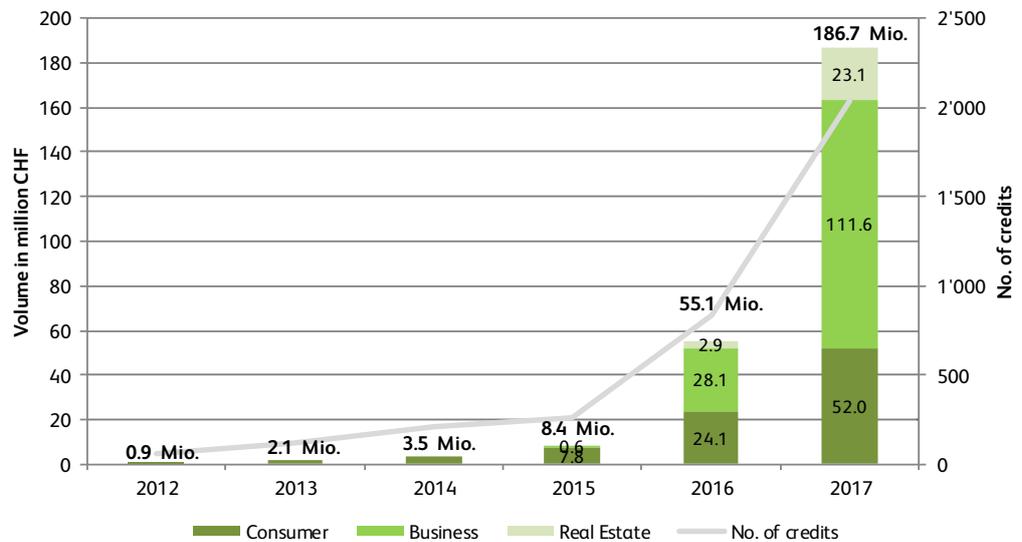
The common factor linking these three crowdlending categories is their focus on raising borrowed capital. The nature of the loans can be very different, though. This can be seen not least in the heterogeneity of the average loan amounts: in the case of loans to SMEs, the figure hovered around CHF 300,000,<sup>22</sup> a sharp rise compared to the previous year (2016: CHF 171,000). The largest transaction in this segment was a loan for an SME of CHF 8.7 million. In the case of consumer crowdlending, the average loan amount was around CHF 31,000 (2016: CHF 36,000). For real estate crowdlending, the average loan amount was CHF 854,000. Here, the largest transaction was CHF 7 million.

Lenders invested an average of CHF 25,000 in SMEs in 2017 (2016: CHF 18,000). The equivalent figure for consumer loans remained unchanged compared to the previous year at CHF 4,000. It is safe to assume, however, that the actual loan amounts vary greatly, so these averages should be treated with caution. Alongside private investors, institutional investors and family offices are showing increasing interest in the crowdlending segment as a new (to them) investment class. They are typically able to make considerably larger investments than private individuals.

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<sup>21</sup> The crowdlending section has been largely adopted from: Dietrich, A., Amrein, S., von der Heyde, F., Heuermann, A. & Rüdüsühli, M., (2018). Crowdlending Survey 2018.

<sup>22</sup> The average amount does not include Advanon's short-term loans.

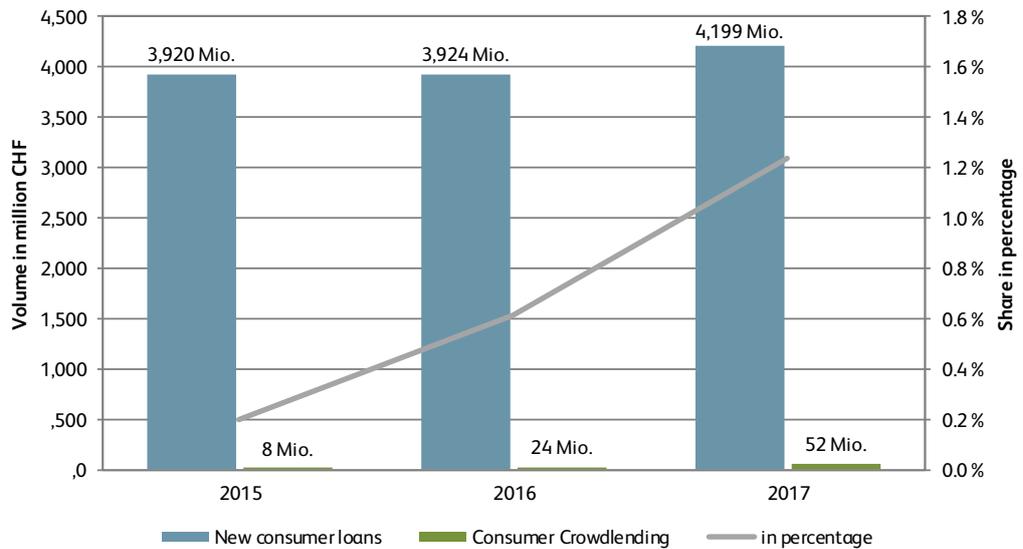


**Fig. 8: Crowdlending volumes in Switzerland 2012-2017**

When considering the volumes of the various crowdlending segments, there is always a question as to their relevance in respect of market share. One way to classify the numbers is to compare the submarkets in which the crowdlending platforms operate. Below we show the overall trend in the consumer credit market (consumer crowdlending), SME loan market (business crowdlending) and mortgage loan market (real estate crowdlending) and the size of the corresponding market share of the crowdlending market.

The total volume of outstanding consumer credit in Switzerland at the end of 2017 stood at CHF 7.2 billion. That volume has increased slightly for the first time since 2009.<sup>23</sup> In addition, CHF 8.7 billion worth of leases was owed. 2017 saw new consumer credit to the value of some CHF 4.2 billion taken out. The total amount raised by the consumer crowdlending segment – CHF 52 million – is very small relative to the overall market. As can be seen in Fig. 9, however, consumer crowdlending's share of new consumer credit in recent years has risen steadily to reach 1.2 % in 2017.

<sup>23</sup> Verein zur Führung einer Zentralstelle für Kreditinformation (2018). Annual Report 2016. Online (01.04.2018): <https://www.zek.ch/de/ch/uber-uns/jahresbericht-statistiken>



**Fig. 9: Consumer crowdlending share of new consumer credit 2015-2017**

The Swiss mortgage market includes loans to private individuals, businesses and the public sector. As at the end of 2017 the volume of mortgage credit on the books of Swiss banks stood at CHF 974 billion, CHF 733 billion of which is accounted for by private households.<sup>24</sup> The mortgage market has seen very strong growth in recent years: the overall value of mortgages granted to private households over the past five years has grown by 3.1 percent per annum on an annualised basis.<sup>25</sup> The mortgage market for private households is seeing an estimated CHF 150-180 billion in new loans taken out per annum (taking into account growth, maturities, repayments). In this area, too, the volume of CHF 23.1 million raised through crowdlending in the previous year is still a tiny fraction of the overall market.

In the SME credit market<sup>26</sup>, loans owed to Swiss banks totalling CHF 298 billion were outstanding as at the end of 2017.<sup>27</sup> This means that almost 90 percent of all loans taken out by businesses in Switzerland are accounted for by SMEs.<sup>28</sup> The market has grown at an average of 2.3 percent per annum over the past five years. Even though we do not have data regarding new loans for the market as a whole in 2016, it is clear that the volume of business crowdlending (at CHF 95.9 million) is relatively low in this subsegment. At the same time, the relatively low volumes across all three subsegments point to the potential of crowdlending as an alternative source of funding. We expect crowdlending's share of the corresponding markets to rise significantly as time passes.

The introduction of the FinTech revision has eased the hurdles for FinTech businesses and thus also for crowdfunding platforms. The changes affect the crowdfunding sector in two key areas: firstly, the

<sup>24</sup> Swiss National Bank SNB (2018). Data portal. Domestic mortgage credit. Online (10.04.2018): <https://data.snb.ch/>

<sup>25</sup> For a comprehensive analysis of the mortgage market, see: Lengwiler, Christoph; Seiler Zimmermann, Yvonne & Amrein, Simon (2018). Immobilienfinanzierung und deren aktuelle Regulierung. In Armin Jans; Christoph Lengwiler; Marco Passardi (Editor), Krisenfeste Schweizer Banken? (317-360). Zurich: NZZ Libro.

<sup>26</sup> An SME is defined as a business employing up to 250 people.

<sup>27</sup> Swiss National Bank SNB (2018). Data portal. Corporate loans by size of business. Total loans, utilisation. Online (10.04.2018): <https://data.snb.ch/>

<sup>28</sup> For a comprehensive analysis of loans issued to SMEs, see: Dietrich, Andreas; Wernli, Reto & Duss, Christoph (2017). Studie zur Finanzierung der KMU in der Schweiz 2016.

maximum period that funds can be held for settlement purposes has risen from seven to 60 days. This change has been welcomed by the sector, as it has significantly simplified the credit process.

Secondly, the highly restrictive “20 lender rule” for crowdfunding loans has been softened by raising the threshold to which it applies to CHF 1 million. Or to put it another way: the revision of the banking legislation (BankV) means that loans of less than CHF 1 million can now be funded by more than 20 lenders.

This 20 lender rule has, however, only been lifted for loans to entities involved in “commercial-industrial activities”. While loans for SMEs meet this “commercial-industrial” condition, those for private individuals do not, so the 20-lender rule continues to apply to consumer crowdlending and real estate crowdfunding.

It is the view of the authors of this report that the 20 lender rule should be lifted for all three subsegments of the Swiss crowdlending market: distinguishing between “commercial-industrial” and “private” loans serves little purpose from an investor protection perspective.

Crowdlending fees are typically related to the amount of the loan (see Table 5). Fees are often payable by both lenders and borrowers. Moreover, depending on the platform, fees can apply when the transaction is concluded as well as over time. The bandwidths are accordingly broad and the fee models in part hard to compare.

Platform	Business crowdlending		Consumer crowdlending		Real estate crowdlending	
	Borrower	Lender	Borrower	Lender	Borrower	Lender
3Circlefunding	1 % p.a.	0.4 % p.a.	0.75 % p.a.	0.4 % p.a.		
Acredius	1 % once only	1 % once only + 20 % on interest				
Cashare	0.75 % p.a.	0.75 % p.a.	0.75 % p.a.	0.75 % p.a.	0-0.75 % p.a.	0.5-0.75 % p.a.
Creditfolio			n/a	none		
CreditGate24	0.6-0.8 % p.a.	1 % p.a.	0.6-0.8 % p.a.	1 % p.a.	Depends <sup>29</sup>	n/a
Creditworld	0.45-1.95 % once only	none				
Crowd4Cash	0.7 % p.a.	0.5 % p.a.	0.7 % p.a.	0.5 % p.a.		
Funders	0.8 % once only	0.8 % once only				
Hyposcout					3 % once only	none
Lend			0.75 % p.a.	1 % p.a.		
Lendico	2-4.5 % once only	1 % p.a.				
Lendora	0.7 % p.a.	1 % p.a.	0.7 % p.a.	1 % p.a.		
Splendit			CHF 120 p.a.	2 % once only		
Swisspeers	0.5 % p.a.	0.25 % p.a.				
Swisslending					2-5 % once only	none

**Table 5: Crowdlending fee model**

<sup>29</sup> Fees depend on borrower’s financial situation

### 3.5 Invoice trading

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The basic idea of invoice trading is to sell accounts receivable via an online platform. In that respect, the model is similar to that of the well-known principle of factoring. However, invoice trading differs from traditional factoring in respect of its automation, flexibility and risk assignment. Traditional factoring providers (and banks offering this service) still typically process the invoices manually; this process is more standardised in the case of invoice trading platforms. Another key difference compared to conventional factoring is the direct linking of the sellers and buyers/investors of the invoices. In that respect, invoice trading platforms assume no failure risk and do not offer liquidity. Instead, all the platforms do is intermediate accounts receivable. The recovery of the receivables falls to the seller of the receivables, not the invoice trading provider. That said, it should be noted that businesses can sell individual invoices at certain times only. Flexibility is correspondingly greater than with factoring. At this point in time, only FinTech start-up Advanon is offering a business model of this nature in Switzerland. All the following facts and figures have been provided by that one platform.

The invoice trading volume stood at CHF 23.5 million in 2017 (2016: CHF 17.2 m.<sup>30</sup>), while the number of transactions rose from 600 to 1,500. The number of transactions is substantially lower than the number of funded invoices, due to the fact that invoices are typically bundled together to create individual transactions.

A few facts:

- The average funding per transaction is approx. CHF 21,000.
- 95 % of investors are private individuals. To date, 950 private individuals have contributed finance via Advanon.
- The net return (after deduction of losses and fees) to date has been a not inconsiderable 8.3 percent (according to Advanon).
- Time taken for a transaction to be financed: 25 minutes.
- The default rate for 2016 and 2017 is around 1 %.

It is not always easy to distinguish between business models. For instance, Advanon distinguishes between “true sales” and “pre-financing”. Underlying true sales is a factoring contract. Pre-financing, on the other hand, is unsecured short-term credit, which can come under business crowdlending. Some of Advanon’s overall volume has therefore been allocated to the crowdlending segment.

In partnership with mortgage lender Hypothekarbank Lenzburg, Advanon operates the platform HypiCash.ch, and the platform KMUcash.ch in partnership with the Basel Landschaft Cantonal Bank.

Tradeplus24 is another invoice trading provider. This accepts funding from institutional investors only, so does not fall under our definition of crowdfunding and is not included in the report.

### 3.6 Other business models in the realm of alternative finance

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Alongside the classic crowdfunding platforms, other schemes exist that match online capital providers with capital seekers, yet do not meet the crowdfunding criteria laid down by this report. These included B2B (business-to-business) platforms such as the aforementioned Tradeplus24, as well as loanboox and Remaco.

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<sup>30</sup> The figure for 2016 is for invoice trading as well as short-term loans, while the 2017 figure covers invoice trading only. See also footnote 14.

loanboox went live on 1 September 2016 as an online brokerage platform for corporations under public law and professional investors. It is the first platform in Switzerland to provide these services via the internet. From its launch to the end of 2017, loanboox has transacted loans to the value of some CHF 2.5 billion.

Unlike typical crowdfunding platforms, loanboox's business model has adopted a B2B approach, being receptive to institutional and professional investors only. The platform can be used by municipalities, towns and cantons to solicit loans ranging from between CHF 500,000 and CHF 500 million. Institutional investors (but not private individuals) are then able to respond with their offers. The loans can be provided by one or more lenders. Until now, most loans have been provided by a single counterparty. loanboox confines itself purely to providing broking services and only charges the borrower a one-off fee amounting to one basis point per year for the life of the loan. Lenders incur no costs. loanboox expanded into Germany in 2017.

Another example is Remaco with its corporate direct lending model. Remaco's direct lending platform links businesses seeking capital with a circle of professional qualified investors (in accordance with the Federal Act on Collective Investment Schemes). As an alternative to bank loans, businesses are able to source their capital via the Remaco platform.

Interestingly, this development indicates that platforms in Switzerland are starting to position themselves in the B2B segment. While the amounts raised via P2P models (private-to-private, e.g. consumer loans via crowdfunding platforms) or P2B models (private-to-business, e.g. SME loans via crowdfunding platforms) are currently in the low three digit millions, B2B models with their high funding volumes are also being watched closely by the banks. It would come as no surprise if banks started offering services in this area.

## 4 Crowdfunding: an international comparison

Switzerland's crowdfunding market has evolved strongly in recent years. Double-digit million volumes across all crowdfunding segments (reward-based crowdfunding / crowddonating, crowdinvesting, crowdlending) were recorded for the first time in 2016. Last year, the market volume in Switzerland almost tripled again, rising to CHF 374.5 million. Along with this development, the variety of business models for crowdfunding platforms has also increased significantly over the last two to three years. And finally the number of relevant platforms has also risen. Most crowdfunding segments (e.g. consumer crowdlending, business crowdlending, business/start-up crowd investing) now feature at least two to three platforms transacting larger volumes. How should these changes in the Swiss market be viewed in an international context? How far advanced is the Swiss crowdfunding market in terms of volume?

Fig. 10 shows the crowdfunding volumes of selected countries. Since at the time of publication the only figures available for 2017 are those for Switzerland, the following comparison focuses on 2016. China in 2016 hosted the world's largest crowdfunding market. Crowdfunding was used to transact the equivalent of CHF 203.6 billion (2015: CHF 97.8 billion).<sup>31,32</sup> The figure for the USA in 2016 was CHF 25.1 billion (2015: CHF 22.3 billion),<sup>33</sup> in the UK CHF 5.9 billion (2015: 4.6 billion).<sup>34</sup> Volumes in Switzerland's neighbouring countries were CHF 486 million for France (2015: CHF 341 million), CHF 351 million for Germany (2015: CHF 266 million) and CHF 24 million for Austria (2015: CHF 13 million).<sup>35</sup> Switzerland in 2016 recorded CHF 128 million, and CHF 375 million in 2017.

Due the difference in size and economic strength of the countries outlined above, assertions as to their absolute volume figures should be treated with caution. Fig. 11 therefore presents the 2015 and 2016 volumes as a ratio of the resident population. The reader will notice that China, the UK and the USA also come top in this ranking – if in a slightly different order. In China, around CHF 148 per head of population was spent on or invested via crowdfunding. The amount in 2015 was CHF 71. In the UK and the USA, the volumes per capita in 2016 were CHF 90 and CHF 78 respectively. In continental Europe it is noticeable that crowdfunding generates high amounts per capita, particularly in Estonia. The figure for Switzerland in 2016 was CHF 15, although the country leapt forward in 2017 to reach CHF 45 per capita.

<sup>31</sup> University of Cambridge. Cultivating Growth. The 2nd Asia-Pacific Alternative Finance Industry Report. Online. (04.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>.

<sup>32</sup> Annual average exchange rate used. Federal Tax Administration. Annual average exchange rate. Online (06.04.2018): <https://www.estv.admin.ch/estv/de/home/direkte-bundessteuer/wehrpflichtersatzabgabe/dienstleistungen/jahresmittelkurse.html>

<sup>33</sup> University of Cambridge. The Americas Alternative Finance Industry Report. Hitting Stride. Online. (04.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>.

<sup>34</sup> University of Cambridge. Entrenching Innovation. The 4th UK Alternative Finance Industry Report. Online. (06.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

<sup>35</sup> University of Cambridge. Expanding Horizons. The 3rd European Alternative Finance Industry Report. Online. (06.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

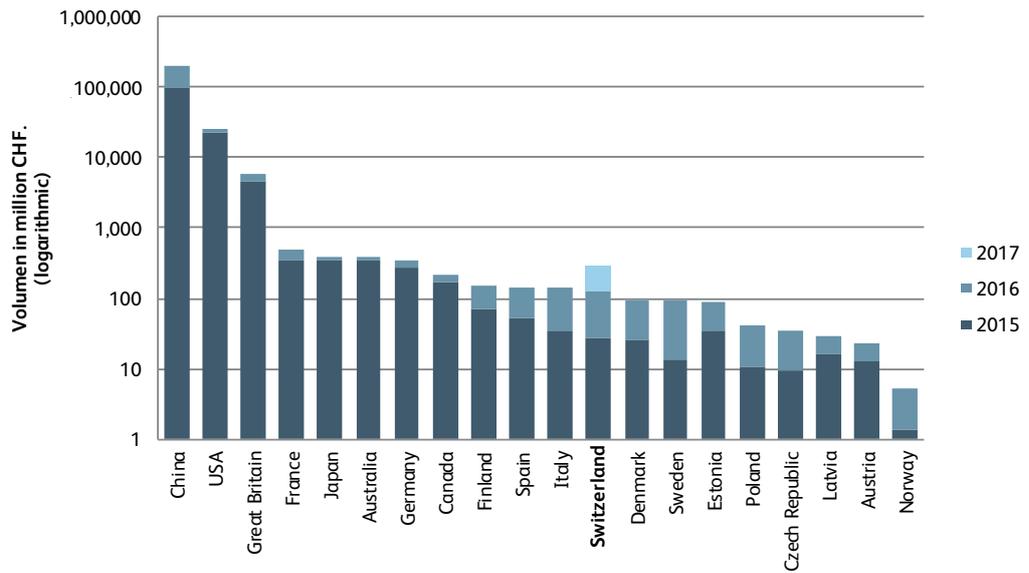


Fig. 10: Crowdfunding volumes in selected countries <sup>31, 32, 33, 34, 35</sup>

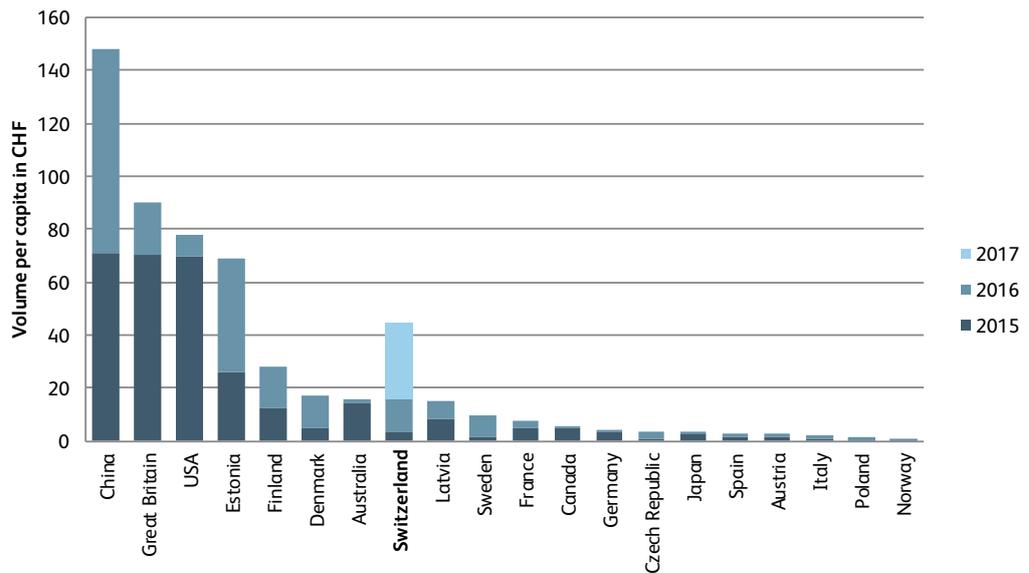


Fig. 11: Crowdfunding volumes per inhabitant in selected countries <sup>31, 32, 33, 34, 35, 36</sup>

Looking at the crowdfunding volumes per capita, Fig. 12 shows that the Swiss crowdfunding market did not “wake up” until 2015 and that development since then has been significantly more dynamic than in other comparable continental European markets such as Germany. At the same time, the spread of crowdfunding – taking per capita volumes into account – is still some three years behind the leading markets of the USA and the UK.

<sup>36</sup> The World Bank. Population total. Online (4.4.2018): <https://data.worldbank.org/indicator/sp.pop.totl>

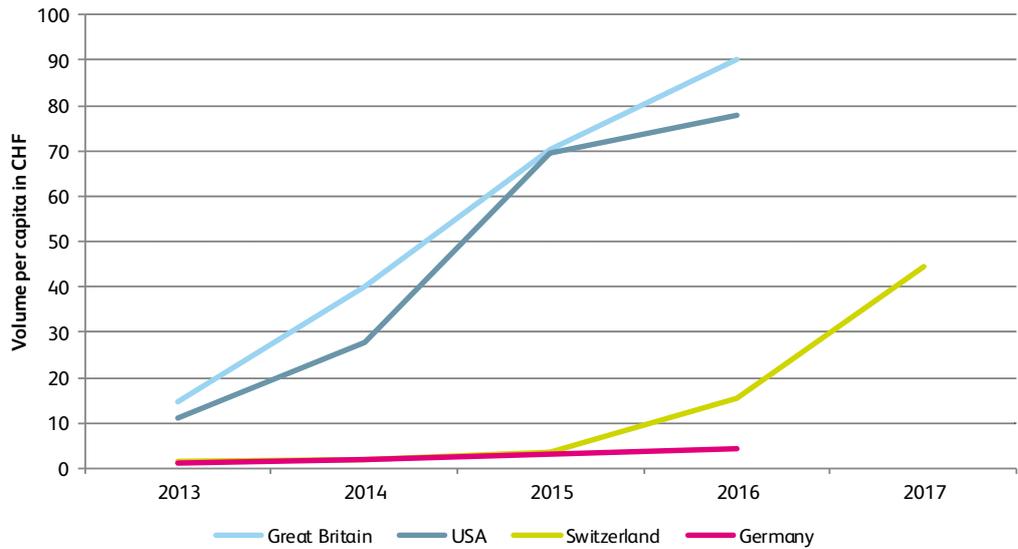


Fig. 12: Crowdfunding volume per inhabitant in selected countries 2013-2017 <sup>31, 32, 33, 34, 35, 36</sup>

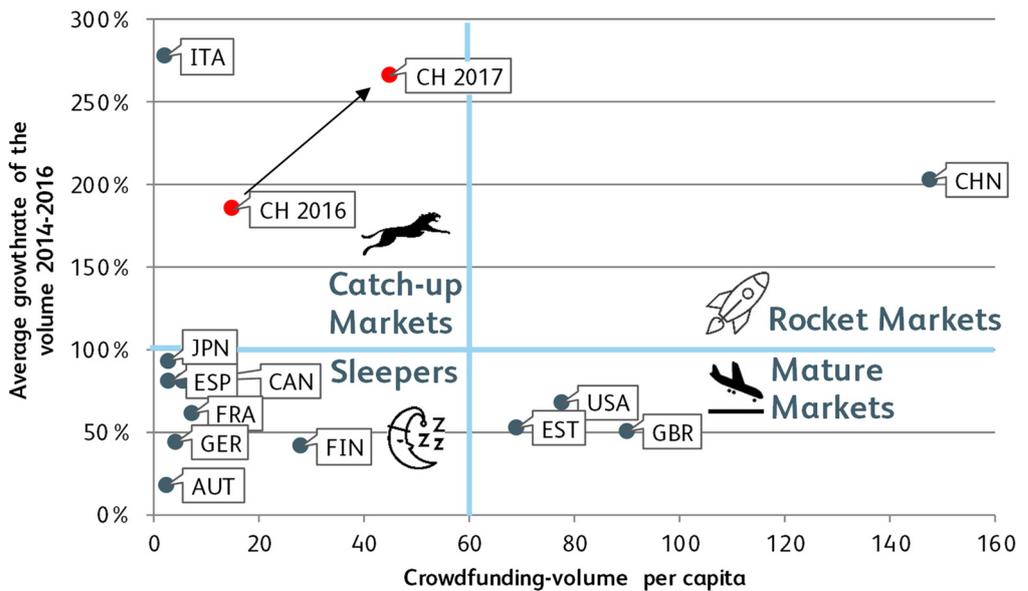


Fig. 13: Average growth (2014-2016) and per capita crowdfunding volume (2016) <sup>31, 32, 33, 34, 35, 36</sup>

Fig. 13 combines the per capita volume with the annualised growth of crowdfunding's national volumes between 2014 and 2016. This shows both the market maturity and the market dynamics. The countries in the illustration may be divided into four categories: the "Sleepers" exhibit low rates of growth and low volumes. The "Catch-up Markets" also exhibit low volumes, but their growth rates are very high. The "Rocket Markets" achieve very high volumes, yet still exhibit high growth. The "Mature Markets" exhibit high volumes, but their rates of growth are no longer quite so high.

Switzerland exhibits comparatively high growth figures. However, since the per capita volume is still rather low, the Swiss market is at the top left in the graph. In 2017 growth in the Swiss crowdfunding market was once again very high. Switzerland also seems to be catching up somewhat with the more mature markets in terms of per capita volume.

#### 4.1 Volumes and structure of selected crowdfunding markets

Table 6 shows not only the per capita crowdfunding volumes of the individual countries, but also the volumes as a percentage of gross domestic product (GDP). Also shown in Table 7 is the portion (in terms of volume) of the individual forms of crowdfunding compared to the overall market. There are various explanations for the difference in absolute and relative terms of the importance – which can be very marked – of crowdfunding in the countries outlined above. For one thing, the regulatory environment can and does exert a major influence on the development of crowdfunding. For another thing, it should be noted that the financial systems of countries in continental Europe differ greatly from those of the USA and the UK. In the latter two countries, more of the finance intermediation occurs directly via the capital markets, while the financial systems of the other countries could be characterised as bank-oriented, such that much of the intermediation takes place via the banks. Also worth noting are cultural differences, such as the willingness – related to innovativeness or tradition – to invest in nascent businesses. Finally, there is a greater awareness of crowdfunding in the USA and the UK than in most continental European countries.

Country	2016 volume in CHF m	2015 volume in CHF m	Difference in percent	2016 volume in CHF per inhabitant	Volume in % GDP
China	203,629	97,665	108 %	148	1.85 %
USA	25,147	22,346	13 %	78	0.14 %
UK	5,914	4,574	29 %	90	0.23 %
France	486	341	43 %	7	0.02 %
Japan	392	347	13 %	3	0.01 %
Germany	351	266	32 %	4	0.01 %
Canada	210	172	22 %	6	0.01 %
Finland	155	68	127 %	28	0.07 %
Spain	143	53	167 %	3	0.01 %
Italy	139	34	305 %	2	0.01 %
<b>Switzerland (2017 in brackets)</b>	128 (375)	28	363 % (192 %)	15 (45)	0.02 % (0.05 %)
Denmark	97	26	278 %	17	0.03 %
Sweden	94	14	561 %	9	0.02 %
Estonia	90	34	163 %	69	0.39 %
Poland	42	11	289 %	1	0.01 %
Czech Republic	34	10	256 %	3	0.02 %
Latvia	30	16	82 %	15	0.11 %
Austria	24	13	84 %	3	0.01 %
Norway	5	1	285 %	1	0.00 %

**Table 6: Crowdfunding volumes 2016 worldwide** <sup>31, 32, 33, 34, 35 36, 37</sup>

<sup>37</sup> The World Bank. Current GDP. Online (4.4.2018): <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

Table 7 shows the shares of the most important crowdfunding segments as a percentage of the respective national crowdfunding volume. Strongly developed crowdfunding markets often have relatively large crowdlending volumes. In China, for example, the share of consumer and business crowdlending accounts for 94 percent. In the USA, business and consumer crowdlending accounted for around 88 percent of the total crowdfunding market of CHF 25.1 billion. In the UK, business and consumer crowdlending account for 54 percent of the market volume. However, there are also countries in which other forms of crowdfunding are more relevant. In Sweden, for example, crowd investing is of relatively high importance.

The high crowdlending volumes in the USA and the UK are strongly characterised by a small number of platforms. In the UK alone, CHF 1.6 billion in loans were transacted through business crowdlending platform FundingCircle in 2017 (2016: CHF 1.1 billion), Zopa, which is active in consumer crowdlending, accounted for CHF 1.2 billion in 2017 (2016: CHF 920 million).<sup>38</sup>

In the USA, the largest US platform, LendingClub, transacted CHF 8.9 billion in loans in 2017 (2016: CHF 8.5 billion).<sup>39</sup> The Prosper platform handled CHF 2.8 billion in 2017 (2016: CHF 2.2 billion).<sup>40</sup>

Country	Market structure				
	Crowdinvesting	Consumer crowdlending	Business crowdlending	Reward-based crowdfunding	Other
China	0%	66%	28%	1%	5%
USA	5%	83%	5%	2%	5%
UK	8%	26%	28%	1%	37%
France	20%	40%	16%	12%	12%
Japan	5%	1%	92%	1%	0%
Germany	19%	56%	10%	10%	5%
Canada	11%	12%	11%	17%	50%
Finland	20%	44%	33%	3%	0%
Spain	28%	14%	34%	10%	14%
Italy	1%	20%	36%	16%	27%
<b>Switzerland (2017 in brackets)</b>	<b>31% (36%)</b>	<b>19% (14%)</b>	<b>22% (26%)</b>	<b>13% (8%)</b>	<b>16% (16%)</b>
Denmark	0%	0%	9%	6%	85%
Sweden	84%	6%	0%	9%	1%
Estonia	8%	46%	3%	0%	43%
Poland	2%	84%	2%	9%	4%
Czech Republic	1%	51%	0%	6%	42%
Latvia	0%	72%	8%	0%	20%
Austria	22%	0%	23%	18%	37%
Norway	12%	0%	0%	82%	6%
Iceland	0%	0%	0%	100%	0%

**Table 7: Crowdfunding market structure 2016 worldwide** <sup>31, 32, 33, 34, 35</sup>

<sup>38</sup> For an overview of crowdlending providers and their volumes in the UK, see: P2PFA (2018). P2PFA Member Loanbook Data. Online (07.04.2018): <https://p2pfa.org.uk/data/>

<sup>39</sup> Lending Club (2018). Investor Relations. Online (07.04.2018): <http://ir.lendingclub.com/corporateprofile.aspx?iid=4213397>

<sup>40</sup> Prosper (2018). Media. Online (07.04.2018): <https://www.prosper.com/about-us/media/>

In addition, the structure of lenders has changed a great deal in the mature markets. The proportion of institutional investors has risen steadily in recent years and has contributed significantly to the positive growth of crowdfunding. In the UK, institutional investors in the consumer crowdlending, business crowdlending and business/start-up crowd investing segments accounted for between 25 and 32 percent in 2016.<sup>41</sup> In the USA, this figure was even higher than that in 2016. In consumer crowdlending, 70 percent was financed by institutional investors in 2017. The figure for business crowdlending was slightly lower at 67 percent and for business/start-up crowdinvesting at 21 percent.

## 4.2 Business models

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Alongside the number of active platforms and relative volumes, indicators of the growing maturity of crowdfunding markets include the diversity of their business models and the ancillary services offered.

In terms of numbers of active platforms, the Swiss market has made strong progress in the past two years. In terms of diversity, here too, clear progress has been made since 2015. Since 2015, for instance, platforms have appeared servicing the real estate crowdinvesting as well as the invoice trading segments. Equally, the market for SME loans raised via crowdfunding platforms began emerging in 2015. Since 2016, offerings in the area of real estate crowdlending have also appeared. This means that all the key business models that are available in advanced markets also now feature in Switzerland.

Furthermore, the platforms' product offerings also expanded slightly last year. In the crowdlending and crowdinvesting segments, secondary markets and funds, which automatically diversify investments, are somewhat more prevalent: the CreditGate24 platform has, for instance, offered a secondary market since 2016. Various funds are currently also being planned.

## 4.3 Conclusion

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International trends are continuing to exhibit strong growth in transaction volumes (absolute and relative) across all crowdfunding segments. Switzerland seems to be catching up somewhat with the leading countries, but is probably still about three years behind. In addition, the Swiss market as such is much smaller than leading countries such as China, the USA or the UK. In this respect, the corresponding circumstances are also significantly different. Due to the smaller size of the domestic market, Swiss platforms will always have a "scale disadvantage". At an individual platform level, this problem could be countered by extending offerings beyond the country's borders. A few Swiss platforms have availed themselves of this opportunity, but it is also associated with major challenges.

Overall, it should be noted that the Swiss market has developed somewhat more rapidly than the European countries in the last two years and is now – in terms of relative volumes – probably in the upper third. All its neighbouring countries currently have lower crowdfunding volumes in relative terms.

With regard to the diversity of business models, the Swiss market offers a broad base. This means that all the key business models that are available in advanced markets also now feature in Switzerland. In addition, every segment of the market now features platforms that have existed for at least two to three years.

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<sup>41</sup> University of Cambridge. Entrenching Innovation. The 4th UK Alternative Finance Industry Report. Online. (06.04.2018): <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

## 5 Forecasts: crowdfunding in 2018

In light of the above results, we offer the following tentative forecasts for the development of the crowdfunding market in 2018:

### 1. Continuing high growth

Last year's growth forecasts were accurate. As expected, the crowdlending and crowdinvesting segments contributed most strongly to the growth volume in 2017.

The high growth figures in Switzerland's crowdfunding market are set to continue in 2018. We are anticipating a volume of between CHF 900 million and 1.1 billion for Switzerland's crowdfunding market in 2018.

- **Crowdlending:** the crowdlending segment, in particular, will see the proportion of institutional investors rise, which – compared to the other crowdfunding segments – will lead to above-average levels of growth. The business crowdlending subsegment, in particular, is set to rise very strongly. The real estate crowdlending market will hit the three-digit millions for the first time. Equally, we are not expecting growth in the consumer crowdlending subsegment to slacken. Any bottleneck in relation to market trends will primarily occur on the borrowers' side, not that of the lenders.
- **Crowdinvesting:** the main growth driver in the crowdinvesting segment is the real estate crowdinvesting subsegment. The growth rates we have witnessed in the business/start-up crowdinvesting subsegment in 2017 are set to continue.
- **Reward-based crowdfunding / crowddonating:** the reward-based crowdfunding market will continue its path of growth, since the concept is now fairly well known in Switzerland. Reward-based crowdfunding / crowddonating is well established in certain areas, such as sports and the cultural and creative economy. Volumes in 2018 will be driven by large commercial projects on the high-profile US platforms. On the other hand, we are also seeing reward-based crowdfunding / crowddonating broadening its scope and being used more and more by clubs and societies, for example. With regard to major Swiss campaigns, the fundraising campaign initiated by the magazine *Republik* in 2017 represented something of a milestone. The capital raised of over CHF 3.5 million shows that broad-based mobilisation is also possible in Switzerland where large campaigns are concerned.

### 2. Market structure: concentration in the Swiss market

The Swiss crowdfunding market is characterised by a high degree of concentration: as of the end of 2017, the six largest players in the crowdlending segment, for instance, accounted for 96 percent of the market. In the reward-based crowdfunding / crowddonating segment, the six largest platforms have a 97 percent market share. We are expecting this concentration tendency to continue. Small, innovative niche players with an eye on cost-effectiveness should be able to establish a toehold in the market.

### 3. Institutional lenders to gain in importance

Institutional investors are already playing an important role in the crowdlending and crowdinvesting segments of mature crowdfunding markets such as the USA and UK. They assume a key role when it comes to funding large loans. Although we do not have any relevant figures for Switzerland yet, we are convinced that institutional investors are essential as facilitators of the market growth.

### 4. Regulation: mixed results

The introduction of the FinTech revision in summer 2017 addressed some important problem areas: the retention period of monies was increased to 60 days, which has simplified the transacting of campaigns by platforms. In addition, loans of up to one million francs in the business crowdlending subsegment can now be solicited from more than 20 persons: this “20 lender rule”, however, has only been lifted for the business crowdlending subsegment; it remains in force for consumer crowdlending. The authors hope that loans for private individuals will also, in the not too distant future, be able to benefit from a lifting of the 20 lender rule.

### 5. Crowdfunding goes blockchain

Two Swiss platforms have already announced their intention to launch exciting products based on blockchain technology in 2018. From spring 2018, Swisspeers is looking to transact loans between business and investors as “smart contracts” in the Ethereum blockchain and represent creditors’ claims using tokens. Wemakeit is planning to launch a new crowdfunding platform that will be completely blockchain based. We are anticipating that blockchain technology will find other fields of application in the crowdfunding market in the coming years.

### 6. Positive effect of transparency on growth

The Crowdfunding Monitoring report is already in its fifth edition. Annual funds raised over that time have risen from just CHF 11.6 million to CHF 374.5 million. The last five years have seen awareness of crowdfunding as a means of raising finance skyrocket, much of which is down to media interest in and coverage of the topic.

When it comes to transparency, however, there is room for improvement among Swiss platforms – especially by comparison with leading countries and platforms. Institutional and private lenders alike would, for instance, find it very useful to have a better understanding of the risk and return figures in the Swiss crowdlending market. It is against this background that the Swiss Marketplace Lending Association (SMLA) was founded. One of its aims is to publish key figures on a regular basis and to persuade all the platforms to use the same definitions. We are anticipating that this increasing transparency will have a positive impact on growth.

## Appendix: Market participants

The following profiles were provided by the platforms featured.

		<b>Name</b>	<b>3circlefunding</b> www.3circlefunding.ch
		<b>Legal owner</b>	3circlefunding GmbH
<b>Managing director(s)</b>	Anthony McCarthy	<b>Address</b>	Höschgasse 25 8008 Zurich
<b>When established</b>	2017	<b>Email</b>	admin@3circlefunding.ch
<b>Number of staff</b>	4 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	We offer crowd-based funding aimed at giving investors and borrowers more control and freedom regarding the loans. We also offer a secondary market for the loans.		
<b>Fee model</b>	Listing & service fee		

		<b>Name</b>	<b>100-DAYS</b> www.100-days.net
		<b>Legal owner</b>	100-Days.net GmbH
<b>Managing director(s)</b>	Romano Strebel & Christian Klinner	<b>Address</b>	St. Jakobstrasse 54a 8004 Zurich
<b>When established</b>	2012	<b>Email</b>	support@100-days.net
<b>Number of staff</b>	1.2 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Reward-based crowdfunding/crowddonating		
<b>Brief profile</b>	100-Days is a Swiss crowdfunding pioneer and leader in service and project campaigning in three languages D/E/F. Project initiators benefit from a user-friendly project dashboard, tools and widgets, an exclusive manual, all the usual payment channels and access to Ron Orp, Switzerland's most urban community. Other 100-Days services include basic and project workshops, plus campaigning concepts.		
<b>Fee model</b>	6 % of the target amount if successful (8 % in the case of phased projects)		

		<b>Name</b>	<b>Acredius</b> www.acredius.ch
		<b>Legal owner</b>	n/a
<b>Managing director(s)</b>	Ghassen Benhadjsalah	<b>Address</b>	Rämistrasse 5 8024 Zurich
<b>When established</b>	2017	<b>Email</b>	info@acredius.ch
<b>Number of staff</b>	2 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Acredius is a secure online platform that provides an innovative way of linking investors with borrowers. Investors can diversify their portfolios and tap into interesting revenue streams. Borrowers obtain access to fair financing solutions.		
<b>Fee model</b>	Borrower pays the platform 1 % of the amount owed. Investor pays the platform 1 % of the invested amount and 20 % of the interest accrued.		

		<b>Name</b>	<b>Advanon</b> www.advanon.com
		<b>Legal owner</b>	
<b>Managing director(s)</b>	Phil Lojacono	<b>Address</b>	Hardstrasse 301 8005 Zurich
<b>When established</b>	2015	<b>Email</b>	info@advanon.com
<b>Number of staff</b>	20	<b>Telephone</b>	+41 44 585 38 50
<b>Form</b>	Invoice trading		
<b>Brief profile</b>	Advanon offers a platform that allows SMEs to sell their invoices directly to investors. The result is that SMEs have access to liquidity and investors can invest in a new asset class.		
<b>Fee model</b>	SMEs: 1 % of the funding amount. Investors: 10-20 % of the profit on successful repayment		

		<b>Name</b>	<b>Beedoo</b> www.beedoo.ch
		<b>Legal owner</b>	Beedoo SA
<b>Managing director(s)</b>	David Croisier	<b>Address</b>	Chemin de Chaumets 19b 1277 Borex
<b>When established</b>	2017	<b>Email</b>	info@beedoo.ch
<b>Number of staff</b>	1	<b>Telephone</b>	+41 22 368 08 08
<b>Form</b>	Crowdfunding		
<b>Brief profile</b>	For investors and entrepreneurs looking for more than finance.		
<b>Fee model</b>	Success fee		

		<b>Name</b>	<b>Bee Invested</b> www.beeinvested.ch
		<b>Legal owner</b>	Bee Invested Partners Sàrl
<b>Managing director(s)</b>	Hichame Metatla	<b>Address</b>	Route de Saint Julien, 184 A 1228 Plan-les-Ouates
<b>When established</b>	2015	<b>Email</b>	<a href="mailto:contact@beeinvested.ch">contact@beeinvested.ch</a>
<b>Number of staff</b>	3 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdfunding		
<b>Brief profile</b>	We want everyone to become a business angel. For us, the link between the private individual and business harbours immense potential in terms of sourcing capital. It also drives entrepreneurship and innovativeness.		
<b>Fee model</b>	7 % of target amount		

		<b>Name</b>	<b>Cashare</b> www.cashare.ch
		<b>Legal owner</b>	Cashare AG
<b>Managing director(s)</b>	Michael Borter	<b>Address</b>	Bösch 65 6331 Hünenberg
<b>When established</b>	2008	<b>Email</b>	support@cashare.ch
<b>Number of staff</b>	11 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Cashare provides a platform for alternative investment and funding opportunities via the crowd for private individuals and SMEs. Founded in 2008, Cashare was the first Swiss crowdfunding platform to launch.		
<b>Fee model</b>	Fees only if successful: 0.75 % p.a. per party. Min. fee for borrowers: CHF 50.- (private individuals), CHF 300.- (SMEs). No fee in event of early repayments to lenders or for checks.		

		<b>Name</b>	<b>c-crowd</b> www.c-crowd.com
		<b>Legal owner</b>	c-crowd AG
<b>Managing director(s)</b>	Philipp Steinberger	<b>Address</b>	Zeughausstrasse 13 9053 Teufen
<b>When established</b>	2010	<b>Email</b>	info@c-crowd.com
<b>Number of staff</b>	0 (FTEs)	<b>Telephone</b>	+41 43 300 80 20
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	c-crowd is a Swiss online platform that brings together entrepreneurs and investors. It hosts crowdfunding campaigns for Swiss public limited companies (AG) and acts as a marketplace for Swiss and nondomestic entrepreneurs. Entrepreneurs and investors contact each other in the c-crowd marketplace and negotiate equity stakes. c-crowd is not involved in this process, it only provides the platform.		
<b>Fee model</b>	10% of target amount		

		<b>Name</b>	<b>CONDA</b> <a href="http://www.conda.ch">www.conda.ch</a>
		<b>Legal owner</b>	CONDA AG
<b>Managing director(s)</b>	Daniel Horak & Paul Pöltner	<b>Address</b>	Zugerstrasse 76b 6341 Baar
<b>When established</b>	2015	<b>Email</b>	team@conda.ch
<b>Number of staff</b>	20 (FTEs)	<b>Telephone</b>	+41 41 720 02 12
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	International crowdinvesting platform for start-ups, SMEs & property projects in Austria, Germany, Switzerland, Slovenia, Slovakia and Poland		
<b>Fee model</b>	Mostly transaction-based		

		<b>Name</b>	<b>Creditfolio</b> www.creditfolio.ch
		<b>Legal owner</b>	Creditfolio AG
<b>Managing director(s)</b>		<b>Address</b>	Solothurnerstrasse 72 4053 Basel
<b>When established</b>	2017	<b>Email</b>	info@creditfolio.ch
<b>Number of staff</b>	1 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Creditfolio AG aims to bring together persons requiring a loan with investors/lenders. To achieve this, Creditfolio AG has established an online platform that allows borrowers to announce their need for loan (credit project). Potential investors can browse the platform for opportunities and participate in credit projects by advancing funds. Investors receive interest from borrowers by way of consideration.		
<b>Fee model</b>	n/a		

		<b>Name</b>	<b>CreditGate24</b> www.creditgate24.com
		<b>Legal owner</b>	CreditGate24 AG
<b>Managing director(s)</b>	Stefan Benkert	<b>Address</b>	Alemannenweg 6 8803 Rüslikon
<b>When established</b>	2015	<b>Email</b>	info@creditgate24.com
<b>Number of staff</b>	26 (FTEs)	<b>Telephone</b>	+41 44 515 94 09
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	CreditGate24 brings borrowers and private/institutional investors together on its highly automated direct-lending platform. It also operates in the area of consumer/private loans and loans for SMEs/self-employed.		
<b>Fee model</b>	0.6-1 % for borrowers, 1 % for investors		

		<b>Name</b>	<b>creditworld</b> www.creditworld.ch
		<b>Legal owner</b>	creditworld AG
<b>Managing director(s)</b>	Kai Ren, Philipp Schneider & Philipp Schnyder	<b>Address</b>	Selnaustrasse 5 8001 Zurich
<b>When established</b>	2016	<b>Email</b>	info@creditworld.ch
<b>Number of staff</b>	8 (FTEs)	<b>Telephone</b>	+41 44 510 87 02
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	creditworld brings together Swiss SMEs with private individuals and professional investors. Businesses benefit from attractive terms and fair contractual conditions. Investors gain access to a new investment class offering interesting returns while at the same time supporting the backbone of the Swiss economy.		
<b>Fee model</b>	Depends on loan amount for the borrower (0.45-1.50 %), but min. CHF 1,000. No fees for investors		

		<b>Name</b>	<b>Crowdhouse</b> www.crowdhouse.ch
		<b>Legal owner</b>	Bricks & Bytes AG
<b>Managing director(s)</b>	Robert Plantak, Ardian Gjeloši	<b>Address</b>	Nidelbadstrasse 2 8038 Zurich
<b>When established</b>	2015	<b>Email</b>	info@crowdhouse.ch
<b>Number of staff</b>	50 (FTEs)	<b>Telephone</b>	+41 44 377 60 60
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	Crowdhouse is the first platform for investing online in existing Swiss investment properties with joint ownership entered in the Swiss Land Register. Minimum investment: CHF 25,000.-, annual yield 5-6%. Crowdhouse searches for properties, finds co-investors via the platform, conducts the negotiations with the banks providing mortgages and takes care of the purchase formalities and transfer of ownership with the notary and authorities. Following a successful purchase, Crowdhouse manages the property.		
<b>Fee model</b>	One-off 3% of the property purchase price, then 5% of the net rental income for managing the property.		

		<b>Name</b>	<b>Crowdli</b> www.crowdli.ch
		<b>Legal owner</b>	Crowdli AG
<b>Managing director(s)</b>	Felix Helling	<b>Address</b>	Zürcherstrasse 310 8500 Frauenfeld
<b>When established</b>	2017	<b>Email</b>	helling@crowdli.ch
<b>Number of staff</b>	2 (FTEs)	<b>Telephone</b>	+41 41 525 33 77
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	Crowdfunding to invest in Swiss properties		
<b>Fee model</b>	3.0% brokerage fee and 0.6% transaction fee. 1.5% of the net rental income as management fee		

		<b>Name</b>	<b>Crowd4Cash</b> www.crowd4cash.ch
		<b>Legal owner</b>	Crowd Solutions AG
<b>Managing director(s)</b>	Roger Bossard	<b>Address</b>	Bellevueweg 42 6300 Zug
<b>When established</b>	2017	<b>Email</b>	info@crowd4cash.ch
<b>Number of staff</b>	3 (FTEs)	<b>Telephone</b>	+41 41 525 33 77
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Crowd4Cash brings borrowers and private/institutional investors together on its user-friendly crowdlending platform. Crowd4Cash finances Swiss consumer and SME loans of up to CHF 250,000. Investments can be transacted using cryptocurrencies		
<b>Fee model</b>	Fees only if successful: 0.70% p.a. (borrower) and 0.50% p.a. (investor)		

		<b>Name</b>	<b>Fengarion</b> www.fengarion.org
		<b>Legal owner</b>	Georgios Topoulos
<b>Managing director(s)</b>	Christine Do Phan	<b>Address</b>	78 Av. Vaudagne 1217 Meyrin
<b>When established</b>	2010	<b>Email</b>	contact@fengarion.org
<b>Number of staff</b>	20 volunteers	<b>Telephone</b>	+41 76 576 20 48
<b>Form</b>	Crowddonating		
<b>Brief profile</b>	Fengarion is a registered charitable organisation domiciled in Meyrin, Canton Geneva. Fengarion is funded exclusively by its members. Fees are not levied on donations to projects. The funds raised through crowdfunding flow directly to the project initiators. All Fengarion does is administer the collection of donations.		
<b>Fee model</b>	0 %		

		<b>Name</b>	<b>Foxstone SA</b> www.foxstone.ch
		<b>Legal owner</b>	Dan Amar
<b>Managing director(s)</b>	Dan Amar	<b>Address</b>	Avenue de la Praille 50 1227 Carouge
<b>When established</b>	2017	<b>Email</b>	info@foxstone.ch
<b>Number of staff</b>	10 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdinvesting & crowdlending		
<b>Brief profile</b>	Foxstone aims to democratise property investing. The minimum threshold for investments is CHF 25,000. The crowd uses the Foxstone platform to purchase houses, but it is also possible to obtain hybrid (mezzanine) finance.		
<b>Fee model</b>	n/a		

		<b>Name</b>	<b>Funders</b> www.funders.ch
		<b>Legal owner</b>	Luzerner Kantonalbank AG
<b>Managing director(s)</b>	Guido Hauser & Daniel Lütolf	<b>Address</b>	Pilatusstrasse 12 6003 Lucerne
<b>When established</b>	2016	<b>Email</b>	info@funders.ch
<b>Number of staff</b>	2.5 (FTEs)	<b>Telephone</b>	+41 41 206 25 01
<b>Form</b>	Reward-based crowdfunding and crowdlending		
<b>Brief profile</b>	Funders a platform for reward-based crowdfunding and crowdlending projects. Initiators (inventors, creatives, start-ups, SMEs, clubs/societies, event organisers and not-for-profit organisations) can realise projects with the backing of numerous funders. Crowdfunding: realising innovations, dreams and projects together		
<b>Fee model</b>	7 % including transaction costs in the case of reward-based crowdsupporting. Crowdlending: 0.8 % for funders, 0.8 % for borrowers (on the overall sum)		

		<b>Name</b>	<b>GivenGain</b> www.givengain.com
		<b>Legal owner</b>	GivenGain Foundation
<b>Managing director(s)</b>	Johannes van Eeden	<b>Address</b>	Avenue Centrale 85 1884 Villars-sur-Ollon
<b>When established</b>	2001	<b>Email</b>	marc@givengain.com
<b>Number of staff</b>	5 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowddonating		
<b>Brief profile</b>	GivenGain was founded by two brothers in July 2001. The company motto is: "it is more blessed to give than to receive". GivenGain offers not-for-profit organisations improved management, network set-up and maintenance, and help to create ideas that people can believe in. Donations for projects through GivenGain are administered within a certified "non-profit-compliant" environment.		
<b>Fee model</b>	5 %		

		<b>Name</b>	Hyposcout AG www.hypo-scout.ch
		<b>Legal owner</b>	Hyposcout AG
<b>Managing director(s)</b>	Jean-Pierre Pfenninger	<b>Address</b>	Neugutstrasse 66 8600 Dübendorf
<b>When established</b>	2016	<b>Email</b>	info@hypo-scout.ch
<b>Number of staff</b>	20 (FTEs)	<b>Telephone</b>	+41 44 533 75 00
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Hyposcout AG provides intermediation between investors and persons seeking a mortgage, bringing both sides together.		
<b>Fee model</b>	Hyposcout AG receives 3 % of the capital amount from the borrower on a successful outcome (min. 5,000 CHF).		

		<b>Name</b>	<b>I believe in you</b> www.ibelieveinyou.ch
		<b>Legal owner</b>	I believe in you AG
<b>Managing director(s)</b>	Nick Gast	<b>Address</b>	Kramgasse 5 3011 Bern
<b>When established</b>	2013	<b>Email</b>	info@ibelieveinyou.ch
<b>Number of staff</b>	9 (FTEs)	<b>Telephone</b>	+41 31 544 35 20
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	I believe in you is the first crowdfunding platform to focus wholly on the funding of Swiss sporting projects. IBIY is open to everyone. Individual athletes, teams, recreational / amateur / elite athletes, clubs/societies and promoters can publicise and fund their projects via the platform. IBIY's operations are funded by administration fees and sponsors.		
<b>Fee model</b>	4 % payment fee, 8 % consultancy fee. Fees incurred only if project is successful.		

		<b>Name</b>	<b>I care for you</b> www.icareforyou.ch
		<b>Legal owner</b>	I care for you Foundation
<b>Managing director(s)</b>	Corinne Wissing	<b>Address</b>	Kramgasse 5 3011 Bern
<b>When established</b>	2015	<b>Email</b>	corinne.wissing@icareforyou.ch
<b>Number of staff</b>	1.4 (FTEs)	<b>Telephone</b>	+41 31 544 35 21
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	Crowdfunding for social and humanitarian projects run by organisations or private individuals.		
<b>Fee model</b>	10 % inclusive of transaction fee		

		<b>Name</b>	<b>Ideenkicker</b> www.ideenkicker.ch
		<b>Legal owner</b>	Municipal association of the Lebensraum Lenzburg Seetal (LLS) / Hypothekbank Lenzburg AG (HBL)
<b>Managing director(s)</b>	Jörg Kyburz and Marianne Wildi	<b>Address</b>	Niederlenzerstrasse 25 5600 Lenzburg
<b>When established</b>	2016	<b>Email</b>	info@ideenkicker.ch
<b>Number of staff</b>	0.1 (FTEs)	<b>Telephone</b>	+41 62 885 11 11
<b>Form</b>	Reward-based crowdfunding/crowddonating		
<b>Brief profile</b>	Platform of the municipal association of the Lenzburg-Seetal region for promoting the region's appeal.		
<b>Fee model</b>	4 % (pure transaction costs)		

 Invest in Swiss Real Estate.		<b>Name</b>	<b>immoyou</b> www.immoyou.ch
		<b>Legal owner</b>	Bettina C. Stach
<b>Managing director(s)</b>	Bettina C. Stach	<b>Address</b>	Thurgauerstrasse 32 8050 Zurich
<b>When established</b>	2016	<b>Email</b>	info@immoyou.ch
<b>Number of staff</b>	4.3 (FTEs)	<b>Telephone</b>	+41 44 261 21 21
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	Management, purchase, sale of co-ownership shares of properties		
<b>Fee model</b>	One-off 3 % of the property purchase price, 0.3 % p.a. management fee, 3 % of the rental income for managing the property.		

 <b>investiere</b> venture capital		<b>Name</b>	<b>investiere</b> www.investiere.ch
		<b>Legal owner</b>	Verve Capital Partners AG
<b>Managing director(s)</b>	Steffen Wagner & Lukas Weber	<b>Address</b>	Oberdorfstrasse 38 6340 Baar
<b>When established</b>	2010	<b>Email</b>	info@investiere.ch
<b>Number of staff</b>	17 (FTEs)	<b>Telephone</b>	+41 44 380 29 35
<b>Form</b>	Crowdfunding		
<b>Brief profile</b>	<p>Investiere.ch is one of the leading online start-up investment platforms in Europe. The 13,000 members currently constituting the investiere.ch community use the platform to identify the most promising start-ups, which are then carefully scrutinised and selected by industry experts and the investiere team. investiere.ch offers accredited private individuals and institutional investors direct and professional access to start-up investments and makes venture capital investing available to a broad public. To date investiere.ch has successfully completed 60 financing rounds. This portfolio is representative of Switzerland's innovation landscape across industry sectors. investiere.ch was launched in 2010 and operates offices in Baar, Zurich and Geneva. With its minority shareholder Zürcher Kantonalbank, investiere.ch is Switzerland's leading start-up investor and ranks amongst the best-known Swiss FinTechs internationally.</p>		
<b>Fee model</b>	6-3 % commission paid by the investor plus carried interest of 15 % at an annualised return of at least 5 %.		

		<b>Name</b>	<b>LEND</b> www.lend.ch
		<b>Legal owner</b>	Switzerlend AG
<b>Managing director(s)</b>	Michel Lalive d'Epinay, Florian Kübler	<b>Address</b>	Hofackerstrasse 13 8031 Zurich
<b>When established</b>	2016	<b>Email</b>	info@lend.ch
<b>Number of staff</b>	8.4 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Peer-to-peer lender in Switzerland		
<b>Fee model</b>	Borrower: 0.75 % p.a., investor: 1 % of the amount invested		

		<b>Name</b>	<b>Lendico Schweiz AG</b> www.lendico.ch
		<b>Legal owner</b>	PostFinance AG
<b>Managing director(s)</b>	Myriam Reinle	<b>Address</b>	Talacker 35 8001 Zurich
<b>When established</b>	2016	<b>Email</b>	info@lendico.ch
<b>Number of staff</b>	4 (FTEs)	<b>Telephone</b>	079 461 74 74
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	This digital market place brings investors and persons seeking credit together as a simple, flexible alternative to conventional business credit.		
<b>Fee model</b>	Borrower: one-off fee of 2-4.5 % on the loan amount, 1 % on repayments		

		<b>Name</b>	<b>Lendora</b> www.lendora.ch
		<b>Legal owner</b>	Lendora SA
<b>Managing director(s)</b>	Simon Pelletier	<b>Address</b>	Chemin du Bocage 7 1066 Epalinges
<b>When established</b>	2016	<b>Email</b>	info@lendora.ch
<b>Number of staff</b>	3 (FTEs)	<b>Telephone</b>	+41 43 508 71 97
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Lendora is a crowdlending platform that leverages technology to offer easier access to loans and make investing more appealing.		
<b>Fee model</b>	0.7 % p.a. for borrowers and 1 % of the monthly repayments for investors		

		<b>Name</b>	<b>Lokalhelden.ch</b> www.lokalhelden.ch
		<b>Legal owner</b>	Raiffeisen Switzerland
<b>Managing director(s)</b>	André Stöckli and Elodie Schwab	<b>Address</b>	Raiffeisenplatz 9000 St. Gallen
<b>When established</b>	2016	<b>Email</b>	info@lokalhelden.ch
<b>Number of staff</b>	1.9 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowddonating / reward-based crowdfunding		
<b>Brief profile</b>	Raiffeisen's crowdfunding portal for clubs/societies, institutions and private individuals with not-for-profit projects.		
<b>Fee model</b>	0 %, 1.5 % on credit card payments		

		<b>Name</b>	<b>moBOo.ch</b> www.moboo.ch
		<b>Legal owner</b>	Michel Grand
<b>Managing director(s)</b>	Michel Grand	<b>Address</b>	Chemin des Rairettes 23 1997 Haute-Nendaz
<b>When established</b>	2012	<b>Email</b>	contact@moboo.ch
<b>Number of staff</b>	1 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	A project that aims to help others. Bringing international attention to local projects.		
<b>Fee model</b>	10 % of target amount		

		<b>Name</b>	<b>myBrick.ch</b> <b>www.mybrick.ch</b>
		<b>Legal owner</b>	<b>myBrick SA</b>
<b>Managing director(s)</b>	Waleed Julier & Yashar Rahmatollahi	<b>Address</b>	Avenue de Chailly 1, 1012 Lausanne
<b>When established</b>	2017	<b>Email</b>	info@mybrick.ch
<b>Number of staff</b>	3 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdinvesting		
<b>Brief profile</b>	myBrick.ch is a real estate crowdfunding platform focusing on the Swiss market. Our platform is a marketplace that matches investors to property sellers. We provide the opportunity for individuals to co-invest and become property owners by investing smaller amounts than traditionally required. Our target market is the French-speaking part of Switzerland.		
<b>Fee model</b>	2-3 % of the invested amount		

		<b>Name</b>	<b>Progettiamo</b> <b>www.progettiamo.ch</b>
		<b>Legal owner</b>	Enti Regionali per lo Sviluppo del Canton Ticino (Locarnese e Vallemaggia, Bellinzonese e Valli, Luganese, Mendrisiotto e Basso Ceresio)
<b>Managing director(s)</b>	Igor Franchini, Daisy Albertella, Roberta Angotti, Nicolò Mandozzi and Alan Sisini	<b>Address</b>	c/o ERS-LVM C.P. 323 6600 Locarno
<b>When established</b>	2014	<b>Email</b>	info@progettiamo.ch
<b>Number of staff</b>	1 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	Progettiamo.ch is an institutional platform that supports projects in Canton Ticino with traditional fundraising and crowdfunding. The projects are supervised by regional project managers up to implementation. Progettiamo is funded by public and private sponsors.		
<b>Fee model</b>	0 % of target amount		

		<b>Name</b>	<b>ProjektStarter</b> <b>www.projektstarter.ch</b>
		<b>Legal owner</b>	Designatelier GmbH
<b>Managing director(s)</b>	Lukas Wullimann	<b>Address</b>	Weissensteinstr. 81 4500 Solothurn
<b>When established</b>	2011	<b>Email</b>	mail@projektstarter.ch
<b>Number of staff</b>	1 (FTEs)	<b>Telephone</b>	+41 32 622 07 07
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	Platform for documenting and funding creative projects. It aims to develop, promote and design products and project ideas		
<b>Fee model</b>	8 % of target amount, 5 % for junior projects		

 <small>EQUITY CROWDFUNDING PLATFORM</small>		<b>Name</b>	<b>Raizers</b> www.raizers.com
		<b>Legal owner</b>	Maxime Pallain & Grégoire Linder
<b>Managing director(s)</b>	Maxime Pallain	<b>Address</b>	41 avenue du Mont d'Or 1007 Lausanne
<b>When established</b>	2015	<b>Email</b>	contact@raizers.com
<b>Number of staff</b>	12 (FTEs)	<b>Telephone</b>	+41 22 575 27 27
<b>Form</b>	Crowdinvesting and crowdlending		
<b>Brief profile</b>	Raizers is a crowdfunding platform specialising in equity capital. It is active across all sectors, analyses every project and evaluates its potential for funding success.		
<b>Fee model</b>	Borrower: depends on volume, max. 10 %; investor: max. 5.5 %		

		<b>Name</b>	<b>Splendit</b> www.splendit.ch
		<b>Legal owner</b>	Switzerland AG
<b>Managing director(s)</b>	Michel Lalive d'Epinay, Florian Kübler	<b>Address</b>	Hofackerstrasse 13 8031 Zurich
<b>When established</b>	2014	<b>Email</b>	info@splendit.ch
<b>Number of staff</b>	0 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Splendit is a crowdlending platform for students. Crowdlending broker and facilitator of student loans.		
<b>Fee model</b>	Monthly fee of CHF 10 for students during loan period. Investors pay a one-off 2 % when the funds are released.		

		<b>Name</b>	<b>SwissLending</b> www.swisslending.ch
		<b>Legal owner</b>	
<b>Managing director(s)</b>	Dominique Goy	<b>Address</b>	Rue du Général-Dufour 20 1204 Genève
<b>When established</b>	2016	<b>Email</b>	contact@swisslending.ch
<b>Number of staff</b>	1 (FTEs)	<b>Telephone</b>	+41 22 730 10 08
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	SwissLending is a crowdfunding platform focused on real estate crowdlending. It brings together property developers and investors		
<b>Fee model</b>	5 % for borrower, investor incurs no fee		

		<b>Name</b>	<b>swisspeers</b> www.swisspeers.ch
		<b>Legal owner</b>	swisspeers AG
<b>Managing director(s)</b>	Alwin Meyer	<b>Address</b>	Zürcherstrasse 12 8400 Winterthur
<b>When established</b>	2016	<b>Email</b>	info@swisspeers.ch
<b>Number of staff</b>	6 (FTEs)	<b>Telephone</b>	+41 52 511 50 80
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	Swisspeers is an independent crowdlending platform that allows businesses to source capital directly from investors without intermediaries such as financial institutions. This peer-to-peer funding model is a straightforward alternative to traditional bank loans and is completely transparent: the credit rating is a neutral process conducted by swisspeers in accordance with clear criteria, and the price is set by means of an auction in the investment market. Swisspeers offers investors the chance to invest directly in SMEs and thus get around the investment crisis in Swiss franc fixed-rate transactions. These alternative investment opportunities with their attractive yield/risk profile help strengthen the Swiss business community.		
<b>Fee model</b>	Borrower: 0.5% p.a.; lender: 0.25% p.a.		

		<b>Name</b>	<b>WeCan.Fund</b> www.wecanfund.ch
		<b>Legal owner</b>	
<b>Managing director(s)</b>	Vincent Pignon	<b>Address</b>	Bahnhofplatz 17 8400 Winterthur
<b>When established</b>	2016	<b>Email</b>	contact@wecan.fund
<b>Number of staff</b>	5 (FTEs)	<b>Telephone</b>	+41 22 730 10 08
<b>Form</b>	Crowdlending		
<b>Brief profile</b>	WeCan.Fund is a crowdlending platform that allows savers to lend their money directly to SMEs.		
<b>Fee model</b>	1-5% for borrowers. Lenders incur no fee		

		<b>Name</b>	<b>wemakeit</b> www.wemakeit.com
		<b>Legal owner</b>	Verein Wemakeit.ch
<b>Managing director(s)</b>	Céline Fallet & Leandro Davies	<b>Address</b>	Schöneggstrasse 5 8004 Zurich
<b>When established</b>	2012	<b>Email</b>	hello@wemakeit.com
<b>Number of staff</b>	6 (FTEs)	<b>Telephone</b>	
<b>Form</b>	Reward-based crowdfunding		
<b>Brief profile</b>	wemakeit was founded in Switzerland in February 2012, since when it has grown to become one of Europe's largest crowdfunding platforms. Alongside the continuous growth in projects and expansion of partnerships and consultancy services, wemakeit took a step into the digital future in 2017 by introducing Bitcoin as a means of payment. The decision by the management to remain an independent, owner-managed enterprise has proved a wise decision. wemakeit records profits without the need for outside funding or investors, and has firmly stood its ground as market leader in Switzerland.		
<b>Fee model</b>	10% (6% commission, 4% transaction fee)		

## Appendix: Statistics

No. of campaigns					
Year	Crowdinvesting	Reward-based crowdfunding / crowddonating	Crowdlending	Invoice trading	Total
2008	0	0	17	0	17
2009	0	0	28	0	28
2010	3	0	74	0	77
2011	6	15	85	0	106
2012	7	331	61	0	399
2013	10	594	116	0	720
2014	10	854	214	0	1,078
2015	17	1,059	266	n/a	1,342
2016	25	1,338	840	n/a	2,203
2017	42	1,536	2,086	n/a	5,113
<b>2008-2017</b>	<b>120</b>	<b>4,668</b>	<b>3,787</b>	<b>n/a</b>	<b>11,083</b>

Campaign volumes disbursed in CHF million					
Year	Crowdinvesting	Reward-based crowdfunding / crowddonating	Crowdlending	Invoice trading	Total
2008	0	0	0.1	0	0.1
2009	0	0	0.2	0	0.2
2010	0.4	0	1.3	0	1.7
2011	1.7	0.3	1.1	0	3.1
2012	1.9	2.5	0.9	0	5.3
2013	5.6	4.2	1.8	0	11.6
2014	4.6	7.7	3.5	0	15.8
2015	7.1	12.3	7.9	0.4	27.7
2016	39.2	17.0	55.1	17.0 <sup>42</sup>	128.2
2017	135.2	29.1	186.7	23.5	374.5
<b>2008-2017</b>	<b>195.7</b>	<b>73.1</b>	<b>258.5</b>	<b>40.9</b>	<b>568.3</b>

<sup>42</sup> The amount in the invoice trading segment comes from Advanon. In 2016 no differentiation could be made between Advanon's invoice trading and short-term credit volumes. The differentiation was made in 2017.

## Authors

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Prof Dr Andreas Dietrich (1976) heads the Institute of Financial Services Zug IFZ and is Head of Studies of the MSc in Banking and Finance and CAS Digital Banking at the Lucerne School of Business. He studied at the University of St. Gallen (HSG), where he also obtained his doctorate. He worked as a research associate at the HSG and completed a research year at DePaul University in Chicago. He has been at the IFZ since 2008. He also has a seat on the board of directors of the Lucerne Cantonal Bank.

### Simon Amrein

Simon Amrein (1985) is a PhD researcher at the European University Institute (EUI) in Florence and has been a senior research associate at the Institute of Financial Services Zug IFZ since 2009. He holds an MSc in Banking and Finance from the Lucerne School of Business, an MSc in Economic History from the London School of Economics and Political Science, and a Master of Research.

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# We are grateful to the following platforms for supporting this study

100-Days  
3CircleFunding  
acredius  
Advanon  
Beedoo  
Cashare  
Conda  
Creditfolio  
CreditGate24

Creditworld  
Crowd4Cash  
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SwissLending  
Swisspeers  
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[www.hslu.ch/crowdfunding](http://www.hslu.ch/crowdfunding)  
ISBN 978-3-906877-37-2