

# **Legal System on Crowdfunding and Investor Protection**

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Crowdfunding is a method of raising funds which often involves trade in shares via Internet service platforms which matches individual investors and those organisations and companies with potential financial needs. It is also an important method of fund-raising to those businesses in their preliminary or early state of their corporate life.

Crowdfunding as an online financial service has increased its popularity rapidly among investors and those with financial needs since the system was built. However, this kind of equity based crowdfunding involves offering and issuance of securities which triggers a debate among countries of whether certain regulation and supervision are needed and how should they be carried out.

The form of funding uses the Internet as its media and makes the issue of investor protection an even more important question to be considered. In this research project we try to approach these questions from a comparative perspective, in order to explore the development of crowdfunding in our country nowadays and the deficiency of the concerning regulations. By this means, we hope we can provide some legislative suggestions and find the balancing point between investor protection and the development of the business and further facilitate this kind of equity based funding system. Furthermore, we also want to set up an example for the future legislation of other relating online financial services as a reference.