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ALLIANCE OF INTERNATIONAL BUSINESS LAWYERS

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Summer School in Utrecht

The Summer School 2017 took place in Utrecht from the 20 – 24 June and was organised by Marree en Dijkhoorn. After arriving at the Eye Hotel, the group met at a very nice place to get to know each other. This year young lawyers from Spain, Germany, Belgium, UK, Italy and Netherlands took part in the Summer School.

The first day began with a lecture of Alexander Steenaert, partner at Marree en Dijkhoorn. At first he introduced the group to the Netherlands and showed them interesting places to visit in Utrecht and talked about some historical facts. The second important topic was the introduction of the Dutch legal system. They learned facts about the offices and the team of Marree en Dijkhoorn, as well as the history of its establishment.

In the afternoon Ralf de Koning, a lawyer at Marree en Dijkhoorn, specialized in insolvency law and financial law, gave the group a lecture about financing instruments and general ways of collecting financial resources, such as credit, private placement, factoring, surety, leasing, subsidy, which can be used by an entrepreneur depending on his needs. He explained the facts and problems, to which the entrepreneur should pay attention in every case. His lecture prepared the young lawyers for the main theme – crowdfunding.



Hosting by Marree en Dijkhoorn

Marree en Dijkhoorn is the Dutch member of Alliuris and has offices in Amersfoort and Amsterdam. The law firm advises national and international clients on Dutch corporate and commercial law, as well as on all other aspects of law on doing business in the Netherlands. Established in 1981, Marree en Dijkhoorn has grown into a firm with a staff of more than fifty. The lawyers are all trained in corporate law and specialise in the various legal fields relevant to international businesses. The firm also has a strong in-house team of experts in insurance and liability law.

We thank them for organizing a great Summer School this year with an interesting legal topic as well as a diverse side program.

Crowdfunding

The topic crowdfunding was introduced to the group by Gijsbert Koren from Douw en Koren crowdfunding consultancy. Crowdfunding is providing of a project by many small investors. We were lectured about what could be a project and how to find a good one; how crowdfunding platforms work and what is a deadline in the context of crowdfunding. We discussed how to use existing networks and to develop it further. We also spoke about the reason why people participate in crowdfunding and how to motivate them to invest, to use their intrinsic and extrinsic motivation.

The group discussed all transitional stages of crowdfunding from the project and crowdfunding platform to networking.

They were introduced to four types of crowdfunding: donations, rewards, lending and equity. Gijsbert Koren not only talked about what crowdfunding is and how it works, but also highlighted some facts about crowdfunding in history. Not everybody knows that the Statue of Liberty in New York was paid by French people in a way like crowdfunding. Nowadays cities and communities use crowdfunding to build roads, bridges and realise social projects. As a reward the name of the investor can be placed on these buildings. The group was very interested to hear about his experience in working in this field, as well as problems and questions of crowdfunding.

We had the chance to hear the presentation of Maarten de Jong from "Oneplanetcrowd"- the biggest Eco social crowdfunding platform of Europe via Skype. He told us about his experience of the platform working in different countries. From his point of view it is most difficult to develop crowdfunding business for platforms in Germany because of the legal prescriptions, which protect primarily the investors. It is easier to work and develop this business in UK, where more people prefer to invest in crowdfunding projects as well.



Rob Meelker & Alexander Steenaert from Marree en Dijkhoorn





Lewis Glasson, Janneke Pellikaan and Maaïke Hilhorst

Crowdfunding – risks and benefits

Crowdfunding contains a high risk, because no crowdfunding platform and no entrepreneur can guarantee the outcome of the project.

But there are also many examples of really good working projects. We can't speak of a quick turn-over of capital and high interest but as a long-term investment it could be a good choice.

There are also disadvantages for the side of the entrepreneur. If an entrepreneur needs the financial resources very quickly it could not be a suitable way of financing the business, because of the deadline for collecting the money. The crowdfunding platform opens the opportunity to invest within a definite time. In case the whole sum will not be reached, the collecting opportunity closes and the investors receive their money back. It was made for protection of the investors. So as a result the entrepreneur didn't receive the financing resources and lost the time. For a quicker way to find the financial support the entrepreneur should contact the bank. So the crowdfunding way of financing is more appropriate for new ideas and start-ups.

"Crowdfunding within the EU – a developing area that not many attendees had come across before, but all certainly left with a lot more knowledge than when they arrived." – said Lewis Glasson a solicitor in litigation department of Kerman & Co. (London, UK).

Crowdfunding is not only about how to collect the money from investors, but also about how to use the collected resources properly, reducing risks, to build and to develop the business, satisfying own interests and the investor's at the same time. Every European country has its own regulation of crowdfunding. In some countries a strong protection of investors can be observed, whereas other countries have favourable conditions for the developing of businesses based on crowdfunding.

After the lectures the group had the pleasure to cook together some Italian food.

The second day started with the presentation of the founder of Bundles - an enterprise in the Netherlands, using crowdfunding to collect financial resources. The group had the opportunity to ask questions to better understand how his business works. He was interested in working abroad; so they started to work on solving his problems, which can appear by working in another country: structure, costs, regulatory and tax implications. After a short preparation they discussed how crowdfunding works in the participants' countries and what kind of problems exist in this context. Interesting to know was that the entrepreneur has built his company structure including Special Purpose Vehicle (SPV).

That means that the entrepreneur, who received the financing via a crowdfunding platform from small investors doesn't work with these investors directly – he has established a SPV. It is the common structure of the company, financed via crowdfunding.



Olena Erenburg, Raúl González and Gabriele Cory



Side Program

SPV is not legally defined in most attendee's respective countries and in the Netherlands as well. That is why the other important question was, if the company can work with the existing company structure in other European countries. So the young lawyers needed to consult the Bundles-company not only in crowdfunding, but also in the company law.

On the third day all participants presented the opportunities and distinctive features for Bundles of working in Belgium, Germany, Italy, UK and Spain.

After the presentations the entertainment program started. It was very amusing to escape from the old female jail. They were separated into two groups and in the end one group managed to escape. Afterwards they were expected at the party of moot court participants and young lawyers from the bar association after moot court competitions.

Every evening the participants gathered in a nice place to share their experiences and to discuss interesting topics and current problems.

"Alliuris Summer School is an extremely valuable experience, not only because of the academic activities, which have been pretty much instructive, but also because of the chance to share experiences with colleagues of other jurisdictions. Besides, doing it out of the office while you relax with a drink definitely helps building stronger bonds." – describes Raúl González, the tax lawyer at Marco Legal (Barcelona, Spain) his experience.

On Saturday the group went to Amsterdam and took a boat tour there, seeing the canals of this beautiful city and some other nice places.

Utrecht was a good choice not only to work and to learn there, but also to spend free time.

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