sciendo

Providing Loans to Consumers through Peer-to-peer Lending in the Context of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on Credit Agreements for Consumers

Simona Heseková & Maroš Katkovčin*

Summary: This paper focuses on the examination of the peer-to-peer lending areas defined with regard to the new Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC and the original draft Consumer Credit Directive 2021/0171 with regards to the Slovak Republic specificities in the area of peer-to-peer lenging. Furtherhore this paper presents the results of the analysis of peer-to-peer lending in the Slovak Republic based on the absence of studies assessing peer-to-peer lending legislative regulations in individual countries, in terms of i) the nature of peer-to-peer lending in the Slovak Republic from the perspective of peer-to-peer lending entities in the Slovak Republic, ii) the strictness of legislative regulation of peer-to-peer lending on the financial market in the Slovak Republic, iii) the corporate nature of companies providing peer-to-peer lending services, iv) the controversial aspects of peer-to-peer lending in the context of the decision-making practice of courts.

Keywords: peer-to-peer lending, crowdfunding, directive on credit agreements for consumers, financial market, investors, peer-to-peer lending platform

Citation: HESEKOVÁ, S., KATKOVČIN, M. V. Providing Loans to Consumers through Peer-to-peer Lending in the Context of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on Credit Agreements for Consumers. *European Studies – the Review of European law, Economics and Politics*. 2024, vol. 11, no. 1, pp. 251–273, DOI: 10.2478/eustu-2024-0011.

* *Simona Heseková* is an associate professor at the Comenius University in Bratislava, Department of Financial Law focusing scientifically on various issues in the area of financial market law. Contact: simona.hesekova@uniba.sk. *Maroš Katkovčin* is an assistant professor at the Comenius University in Bratislava, Department of Financial Law focusing scientifically on various issues in the area of financial market law, commercial law and public procurement law. Contact: maros.katkovcin@uniba.sk

1. Introduction

Three parties are involved in peer-to-peer lending, which is a form of financing, namely the debtor, the investor, and the provider of the internet platform through which the funds are rendered between the debtor and the investor or multiple investors usually. Peer-to-peer lending follows the crowdfunding idea, i. e. raising funds from a large group of people each of whom provides a relatively small amount of the total funding. With peer-to-peer lending, instead of lending funds from a single source (a single creditor), the lender lends funds from a larger number of individuals—investors (multiple creditors).[1]

The first peer-to-peer lending appeared in 2005 or 2006.[2] Since then, peer-to-peer lending has experienced a surge in popularity, which has led to divergent legislative regulation of this financial innovation at national levels, which led to the need for legislative changes and ongoing efforts to unify peer-to-peer lending legislation at the European Union level. The rapid emergence of peer-to-peer lending has resulted in the development of peer-to-peer lending alternatives reflecting the needs of the financial market. Due to the high adaptability that is common with financial innovations in general, we can see different types of peer-to-peer lending in the financial market. The diversity of peer-to-peer lending increases the demands placed on financial market lawmakers and regulators, with lawmaking directly influenced by the situation of the financial market, including the business models of existing peer-to-peer lenders, which vary from country to country (often with cross-border reach). Several previous analyses highlight this fact and establish the need for an analysis of the peer-to-peer lending situation at national levels; however, most of the studies deal with peer-to-peer lending in China and the United States.[3] Only a few scientific authors have addressed the issue of the regulation of peer-to-peer lending itself.[4]

---

1 SHORT, J. C., KETCHEN, JR., D. J., MCKENNY, A. F. Research on crowdfunding: reviewing the (very recent) past and celebrating the present. *Entrepreneurship Theory and Practice*. 2017, Volume 41, Issue 2, p. 149.

2 ZHAO, Y., HARRIS, P., LAM, W. Crowdfunding industry – History, development, policies, and potential issues. *Journal of Public Affairs.* 2019, Volume 19, Issue 1, p. 3.; MILNE, A., PARBOTEEAH, P. The Business Models and Economics of Peer-to-Peer Lending. *ECRI Papers 11594*. 2016, Centre for European Policy Studies, p. 3.

3 ZIEGLER, T., SHNEOR, R. Lending Crowdfunding: Principles and Market Development. In: SHNEOR, R., LIANG, Z., BJØRN-TORE, F. (eds.). *Advances in Crowdfunding*. Palgrave Macmillan, Cham, 2020, p. 87.; BASHA, S. A., ELGAMMAL, M. M., ABUZAYED, B. M. Online peer-to-peer lending: A review of the literature. *Electronic Commerce Research and Applications.* 2021, Volume 48, Issue 2, p. 1; HUGHES, J. P., JAGTIANI, J. A., MOON, C. Consumer Lending Efficiency:Commercial Banks Versus a Fintech Lender. *Financial Innovation*. 2019, Volume 8, Issue 1, p. 1 et seq.

4 BASHA, S. A., ELGAMMAL, M. M., ABUZAYED, B. M. Online peer-to-peer lending: A review of the literature. *Electronic Commerce Research and Applications,* 2021, Volume 48, Issue 2, p. 1 et seqq.; TRITTO, A., HE, Y., JUNAEDI, V. A. Governing the gold rush into emerging markets:

Similarly, the possible future alternatives to this activity must be taken into account when developing peer-to-peer lending legislation,[5] which may be largely influenced by the already existing trends and developments of peer-to-peer lending at national levels. The identification of the peer-to-peer lending issues at national levels can be helpful in the development of legislation at the level of the European Union.

Currently, peer to peer lending, in which a natural person – a non-entrepreneur (consumer) – acts on the side of both the investor and the borrower, remains an unregulated activity within the European Union. The original proposal for a Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers released in June 2021 (hereinafter referred to as the ‚original Draft Consumer Credit Directive‘) was intended to respond to recent changes in the field of lending, including the regulation of this type of peer-to-peer lending.

Adopted version of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC and the original draft Consumer Credit Directive 2021/017 (hereinafter referred to as the ‚new Consumer Credit Directive‘) excluded peer-to-peer lending activities in which a non-entrepreneur natural person (customer) acts both as an investor and as a borrower from regulation.

It follows from the facts given here as well from the previous research,[6] this paper presents the results of the analysis of the peer-to-peer lending situation in the Slovak Republic. The paper focuses on (i) the nature of peer-to-peer lending in the Slovak Republic from the perspective of the entities involved in it, (ii) the degree of regulation of peer-to-peer lending in the financial market in the Slovak Republic, (iii) the analysis of the corporate character of companies providing peer-to-peer lending services, and (iv) problematic aspects of peer-to-peer lending in the context of the decision-making practice of the courts. An integral part of the analysis is to examine the areas defined with regard to the recent legislative regulatory developments of peer-to-peer lending at the level of the European Union, which comes from the original Draft Consumer Credit Directive aimed at stipulating peer-to-peer lending regulatory frameworks at the level of the European Union while taking into account the application difficulties of the functioning of peer-to-peer lending in the conditions of the Slovak Republic

a case study of Indonesia’s regulatory responses to the expansion of Chinese-backed online P2P lending. *Financial Innovation*. 2020, Article 56, p. 1 et seqq.

5 FEDERATION OF GERMAN CONSUMER ADVICE CENTRES / CONSUMER ASSOCIATIONS FEDERATION OF GERMAN CONSUMER ORGANISATIONS. *Position paper of the Federation of German Consumer Organisations (vzbv) on the proposal for a directive of the European Parliament and of the Council on consumer credits* [online]. Available at: https://www.vzbv.de/sites/default/files/2021-09/Position%20paper%20on%20the%20proposal%20for%20a%20CCD.pdf

6 HESEKOVÁ, S. Crowdfunding credit services (peer to peer lending) in the light of the Proposal for a Directive of the European Parliament and of the Council on consumer credits. In: SKRABKA, J., GRMELOVÁ, N. (eds.). *Challenges of Law in Business and Finance.* ADJURIS, 2021, p. 36 et seqq.

since the authors of this paper also believe that the studies aimed at assessing the current situation can support the identification of issues and improve the functioning of the platforms, as well as protect the investor.[7]

1.1. Methodology

Based on an analysis of the academic studies available in the field of the regulation of peer-to-peer lending financial innovation, this paper aims to fill the 'gap in knowledge' in terms of the lack of analysis of peer-to-peer lending at national levels. This paper deals with the issue of peer-to-peer lending with special emphasis placed on the legislative and regulatory conditions in the Slovak Republic from the perspective of:

i) Various business models of peer-to-peer lending based on a compilation of available scientific and professional resources
i) Current legislation and legislative trends and developments at the level of the European Union.

The authors of this paper apply the results of this analysis to the peer-to-peer lending situation in the Slovak Republic. The article (i) identifies the dominant form of the peer-to-peer lending business model in the Slovak Republic, (ii) identifies the current problems and risks of peer-to-peer lending in the regulatory environment of the financial market in the Slovak Republic, (iii) identifies the problems arising in the legal relations between the individual entities involved in peer-to-peer lending, and (iv) identifies the dominant legal forms of business from the perspective of the corporate character that are used by peer-to-peer lending platforms in the Slovak Republic. Due to the absence of legal regulation of peer-to-peer lending in the legislative conditions of the Slovak Republic, and thus the absence of official state registries overseeing these activities, information on the forms of peer-to-peer lending in the Slovak Republic was obtained by empirical statistical method from public sources (mainly official websites of entities operating peer-to-peer lending, the Commercial Register, the Statistical Office of the Slovak Republic, and financial statements of peer-to-peer lenders). An analysis of the decision-making practice of courts in the Slovak Republic was used to identify current issues arising in legal relations between the peer-to-peer lending stakeholders.

Through the above analysis of national conditions and specifics of peer-to-peer lending in the Slovak Republic – in the context of current legislative trends of regulation/non-regulation and possible ways of regulation of peer-to-peer lending at the level of the European Union also – the authors of this paper also deal with the following scientific hypothesis:

[7] NIGMONOV, A., SHAMS, S. COVID-19 pandemic risk and probability of loan default: evidence from marketplace lending market. *Financial Innovation*. 2021, Article 83, p. 1 et seqq.

'Peer-to-peer lending should be regulated at the European Union level in the form of a specific and directly applicable and directly binding regulation adopted under Article 288 of the Treaty on the Functioning of the European Union.'

Thus, despite the national legislative regulations of peer-to-peer lending in individual Member States of the European Union, and following the national analysis of peer-to-peer lending in the Slovak Republic, the authors of this paper believe that peer-to-peer lending – given its importance and widespread nature (including the common cross-border reach thereof) – is a financial innovation that should be regulated and controlled by the financial market regulators, as it constitutes a statistically unknown part of household indebtedness, and given the already established approach of the European Union in the form of legislative regulation of defined types and forms of crowdfunding in the form of a directly applicable and binding regulation, as well as the potential controversial aspects of incorporating peer-to-peer lending into the original Draft Consumer Credit Directive, the authors consider it most appropriate to regulate peer-to-peer lending specifically at the international level of the European Union, in the form of a regulation adopted pursuant to Article 288 of the Treaty on the Functioning of the European Union.

2. Peer-to-peer Lending Business Models

With the emergence of the popularity of peer-to-peer lending, several peer-to-peer lending business models have developed quite quickly, which can be divided according to different attributes.[8] In scientific studies, for instance, we can see three basic business models, namely:

i) P2P loans to customers
ii) P2P loans to companies
iii) P2P loans against the assets of the borrower (individual/company).[9]

Within the peer-to-peer lending context, we may also encounter the term 'crowdlending', which is a broader term than 'peer-to-peer lending' but narrower in content than 'crowdfunding'. Crowdlending encompasses various forms of lending and has evolved in response to the changing needs of financial market actors. It includes

[8] HE, W. Risk Mechanism and Supervision of P2P Lending Asset Securitization Under the Background of Big Data. In: ATIQUZZAMAN, M., YEN, N., XU, Z. (eds.). *International Conference on Big Data Analytics for Cyber-Physical System in Smart City.* Lecture Notes on Data Engineering and Communications Technologies, 2021, Volume 2, pp. 53–63.

[9] ZIEGLER, T., SHNEOR, R. et al. *The 2nd Global Alternative Finance Market Benchmarking Report* [online], p. 31. Available at: https://www.jbs.cam.ac.uk/wp-content/uploads/2020/08/2020-04-22-ccaf-global-alternative-finance-market-benchmarking-report.pdf.; OMARINI, E. Peer-to-Peer Lending: Business Model Analysis and the Platform Dilemma. *International Journal of Finance, Economics and Trade*. 2018, pp. 31–33.

i) Peer-to-peer lending
ii) Balance Sheet Lending: here the digital platform provider keeps the loans granted to consumers or entrepreneurs on its balance sheet[10]
iii) Invoice Trading: this is a dynamically growing type of crowdfunding whereby companies can sell partial or full receivables (invoices) at a discount
iv) Debt-Based Securities: here the main tradeable is securities, most often bonds at an agreed fixed interest rate.[11]
v) From the perspective of the peer-to-peer lending stakeholders, we recognize
vi) Standard peer-to-peer lending, where investors (irrespective of their nature, i. e. individuals or companies), borrowers (irrespective of their nature, i. e. individuals or companies), and platform providers bringing together the interests of borrowers and investors, act on the same side;
vii) Peer-to-peer lending, where loans to investors are provided from a professional lender, i. e. a non-banking company is added to the original scheme to arrange loans for investors on a peer-to-peer lending platform, the so-called 'peer-to-peer lending with loan originators.'[12] The peer-to-peer lending platform provider focuses mainly on investors. The borrower's side is provided by the lender.

Peer-to-peer lending models, where the bank plays a significant role therein, are also becoming more prevalent.

We also find differences in investor collateral. More and more platforms are taking the approach of creating collateral funds that secure a payout to investors in a certain amount if the borrower stops making payments.

2.1. Peer-to-peer Lending Legislation for Various Business Models

When dividing peer-to-peer lending, it is also important to consider the nature of the stakeholders. In general, the nature of peer-to-peer lending stakeholders determines the degree and form of their regulation, both at the European Union and national level. We are of the opinion that the basic division of peer-to-peer lending from the point of view of the current setting of the European Union legislation is as follows:

[10] BANK FOR INTERNATIONAL SETTLEMENTS AND FINANCIAL STABILITY BOARD. *Market Structure, Business Models and Financial Stability Implications Bank for International Settlements* [online], p. 14–16. Available at: https://www.bis.org/publ/cgfs_fsb1.pdf

[11] ZIEGLER, T., SHNEOR, R. Lending Crowdfunding: Principles and Market Development. In: SHNEOR, R., LIANG, Z., BJØRN-TORE, F. (eds.). *Advances in Crowdfunding*. Palgrave Macmillan, Cham, 2020, p. 71.

[12] PETERSONE, I., KREITUSS, I. Peer-to-Peer Lending Development in Latvia, Risks and Opportunities. *Eurasian Economic Perspectives*. 2021, p. 129 et seqq; NIGMONOV, A., SHAMS, S. COVID-19 pandemic risk and probability of loan default: evidence from marketplace lending market. *Financial Innovation*. 2021, Article 83, p. 1 et seqq.

i) Peer-to-peer lending wherein companies and/or entrepreneur natural persons act as debtors/investors
ii) Peer-to-peer lending wherein non-entrepreneur natural persons (consumers) act as debtors.

This breakdown follows the legislation applicable. Peer-to-peer lending where non-business natural persons act as borrowers, is mandated by Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 ('the Regulation'). The Regulation is a first step in the regulation of crowdfunding at the European level and responds to the growing need to regulate these activities on a cross-border basis. The Regulation regulates the provision of crowdfunding services, which generally involves three types of stakeholders: the project owner who proposes the project to be financed; the investors who finance the proposed project (companies or entrepreneur natural persons or non-entrepreneur natural persons); and a third-party crowdfunding provider connecting project owners and investors through an online platform. This Regulation shall include:

i) Crowdfunding *based on borrowing*
ii) Crowdfunding *based on investing*

Lending-based crowdfunding is the pairing of the interests of investors and project owners in financing a business through the use of a crowdfunding platform that facilitates lending. The Regulation does not cover crowdfunding services provided to project owners who are consumers. Thus, peer-to-peer lending, where consumers act as borrowers (project owners in the Regulation's terms), is excluded from the Regulation. According to the Explanatory Memorandum to the draft Regulation, the provision of consumer credit for consumption purposes is not regulated by the Regulation as it is not business lending and is regulated partly by the existing European Union legislation, namely the Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (‚the Consumer Credit Directive') and Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property ('the Mortgage Credit Directive', and jointly with the Consumer Credit Directive, the 'Directives').

This reasoning could not be accepted when addressing peer-to-peer lending with non-entrepreneurial natural person investors on the one hand and non-entrepreneurial natural person borrowers on the other; this peer-to-peer lending scheme is one of the most widespread crowdfunding lending schemes.[13] The impossibility of subsuming

13 The question of whether a peer-to-peer lending platform, i. e. a subject facilitating providing loans among consumers without lending any funds, could be considered a creditor under the Consumer Credit Directive since the platform sets the conditions of contracts of this legal construction, was connected to the case TrustBuddy AB v Lauri Pihjalaniemi, C-311/15, 23 June 2015. The final

these relationships under the Consumer Credit Directive, as well as the new Consumer Credit Directive, or the Mortgage Credit Directive is based on the creation of the creditor-borrower relationship and the definitions of both Directives.[14] The scope of both Directives is structurally linked to the definition of a credit agreement, which requires a creditor (a natural or legal person who grants or promises to grant credit in the course of their trade, business, or profession) and a consumer (a natural person who, in transactions covered by this Directive, acts outside their trade, business, or profession purposes). It follows from the limited application defined above that the Directives cannot be applied to relationships arising in the context of peer-to-peer lending. Despite the adoption of the Regulation, there is no uniform legislation at the level of the European Union to regulate peer-to-peer lending relationships where a non-entrepreneurial natural person acts as a borrower, and it is up to the individual states to regulate the relationship if necessary. National legislations have approached the regulation thereof in different ways. The growing popularity of peer-to-peer lending and the different approaches to the regulation thereof in national legislations have contributed to the creation of barriers limiting the level of cross-border activity in the supply of and demand for credit and have worsened the competition. This process has been accelerated by the COVID 19 pandemic, which has contributed to the accelerated lending environment digitalization, and, together with the need to ensure a high level of consumer protection and to support the development of the internal credit market, it has triggered the need to revise the European Union's established legislation, inter alia, to incorporate the need to regulate peer-to-peer lending, where the consumer acts as the borrower.

The original Draft Consumer Credit Directive, released in June 2021, was intended to respond to recent changes in the field of lending, including the regulation of peer-to-peer lending. The original Draft Consumer Credit Directive left the statutory definition of a credit agreement intact, i. e. as an agreement whereby the creditor grants or promises to grant credit to the consumer. Similarly, the Draft Consumer Credit Directive had unchanged definitions of a creditor (a person granting credit as part of their trade, business, or profession), a consumer (a natural person acting in the course outside their trade, business, or profession), and credit intermediary (an entity which arranges credit in the course of their trade, business, or profession).

From the perspective of peer-to-peer lending, the Draft Consumer Credit Directive brought the peer-to-peer lending platform provider under regulation, which it referred to as a crowdfunding credit service provider. The Draft Consumer Credit Directive divided these providers of crowdfunding services into three categories which were

answer on the question was not rendered from the Court of Justice since the preliminary question was eventually withdrawn.

[14] Also: MACCHIAVELLO, E. The European Crowdfunding Service Providers Regulation and the Future of Marketplace Lending and Investing in Europe: the 'Crowdfunding Nature' Dilemma. *European Business Law Review*. 2021, Volume 32, Issue 3, pp. 557–608.

subject to a different set of duties. These sets followed different scenarios for the possible schemes of peer-to-peer lending:

i) The peer-to-peer lending platform provider also provides credit directly to consumers. In this case, all the provisions that apply to creditors (providers of consumer credit) are directly applicable to providers of crowdfunding credit services. It should be noted here that even under current legislation, a credit service provider should have a license in such cases to provide credit to customers under the new Consumer Credit Directive.

ii) The peer-to-peer lending platform provider does not provide crowdfunding services and merely facilitates the provision of credit between creditors performing these services in the course of their trade, business, or profession (for a fee) and consumers. The duties of creditors under the Draft Consumer Credit Directive apply to crowdfunding creditors. The duties of credit intermediaries shall apply to crowdfunding credit service providers. In this case, it is essentially peer-to-peer lending which also includes a professional lender (peer-to-peer lending with loan originators).

iii) The crowdfunding service provider facilitates the provision of credit between persons who not provide these services in the course of their trade, business, or profession on one hand, and consumers on the other. In this case, these are peer-to-peer lending platforms whose terms and conditions set forth strictly that the investor must be a natural person (non-entrepreneur) and the debtor a natural person (non-entrepreneur) just as well.[15] Since such investors cannot be construed as creditors under the Draft Consumer Credit Directive, they are not bound by the duties that the Draft Consumer Credit Directive imposes on creditors. The selected rules and duties set out in the Draft Consumer Credit Directive apply to crowdfunding service providers. Thus, the authors consider that this type of peer-to-peer lending is the most vulnerable that requires to be regulated to set sound protection of the consumer who is a party to this peer-to-peer lending business model.[16]

However, recent developments in the legislative process at the level of the European Union show that the Council of the European Union proposed a peer-to-peer lending activity in which a natural person – a non-entrepreneur (consumer) - acts on the side of both the investor and the borrower, i. e. the most regulatory relevant category of peer-to-peer lending under the Draft Consumer Credit Directive, to be excluded from the scope of the Draft Consumer Credit Directive. Thus this area is not regulated in the new Consumer Credit Directive, despite the legislative tendencies mentioned above;

---

15 In the conditions of the Slovak Republic e. g. Žltý melon.

16 HESEKOVÁ, S. Crowdfunding credit services (peer to peer lending) in the light of the Proposal for a Directive of the European Parliament and of the Council on consumer credits. In: SKRABKA, J., GRMELOVÁ, N. (eds.). *Challenges of Law in Business and Finance.* ADJURIS, 2021, p. 23 et seqq.

therefore, it is again appropriate to have a discussion on the form of legal regulation of peer-to-peer lending, in which a natural person – a non-entrepreneur acts on the side of both the investor and the borrower, to which the authors would like to contribute with this paper and with a look at the current peer-to-peer lending situation in the Slovak Republic. According to the new Consumer Credit Directive by 20 November 2025, the Commission shall assess the necessity of protecting consumers borrowing and investing via crowdfunding platforms, as defined in Article 2(1), point (d) of the Regulation, where those platforms do not act as creditors or credit intermediaries, but facilitate the granting of credit between consumers.

3. Peer-to-peer Lending in the Slovak Republic

Due to the need to formulate comprehensive conclusions of the analysis of peer-to-peer lending in the Slovak Republic, it is necessary to briefly present the structure and functioning of the financial market in the Slovak Republic. In the Slovak Republic, the National Bank of Slovakia (hereinafter referred to as 'NBS') is the regulator as well as the overseeing authority of the financial market based on an integrated framework and grants permits to financial market entities to carry out their activities. The National Bank of Slovakia also acts as the country‘s central bank. Since 2015, it has also acted as a consumer protection authority in the Slovak financial market, i. e. it oversees the protection of the rights of financial consumers and other clients to contribute to the safe and sound functioning of the financial market. Also, since 2015, non-banking companies need to obtain authorization from the National Bank of Slovakia to provide loans to consumers. The provision of credit to consumers is regulated by Act 129/2010 Coll., Consumer Credit and Other Credit and Loans to Consumers, as amended (the 'Consumer Credit Act') and Act No 90/2016 Coll., Housing Loans, amended (the 'Act on Housing Loans'), which transposed the Directive on Consumer Credit and the Directive on Mortgage Loans into the Slovak legal order.

Slovak legislation contains relatively precise regulations of the conditions for granting loans to consumers, as well as a strict assessment of the consumer‘s ability to repay the loans due to the high indebtedness of Slovak households. Household indebtedness, which is associated with strong growth in household loans, contributes to the build-up of financial market imbalances. For this reason, the National Bank of Slovakia, which oversees the implementation of macroprudential policy, has been actively reacting and responding to developments in the household credit market. On the one hand, the aim is to ensure sound lending that will be repaid even in crisis, and on the other hand, the National Bank of Slovakia seeks to create sufficient capital resilience in the banking sector for possible losses in the future.[17] As a legislative

[17] NARODNÁ BANKA SLOVENSKA. *Správa o finančnej stabilite k novembru 2016*, p. 13. Available at: https://nbs.sk/_img/documents/zaklnbs/publik/sfs/protected/sfs_112016.pdf

instrument to achieve this objective, the National Bank of Slovakia produces legislative regulations (decrees), namely the NBS Decree 10/2016, which establishes details on the assessment of the consumer‘s ability to repay a housing loan (the ‘Decree 10/2016’)[18] and NBS Decree 10/2017, which establishes details on the assessment of the consumer‘s ability to repay a consumer loan (the ‘Decree 10/2017’, and jointly with the Decree 10/2016 the ‘Decrees’). The stated aim of the measures is to mitigate the risks for both consumers and lenders and to limit the creation of imbalances in the financial market. In addition to the definition for assessing the consumer‘s ability to repay the loan, the applicable legislative regulations also imply a duty for the creditor to assess the consumer‘s ability to repay the loan, in particular with regard to data obtained from credit databases. The loan to value (LTV) limit plays an important role in home loans, under which a creditor cannot grant a loan worth 100% of the value of the property.

3.1. Peer-to-peer Lending Business Models in the Slovak Republic

Peer-to-peer lending is relatively new in the financial market of the Slovak Republic, and even due to relatively conservative nature of the Slovak financial market, this business model can be described as a financial innovation. The oldest and most famous platform Žltý melón started its activity in 2012. The Slovak legislation copies the European Union‘s setup in regulating peer-to-peer lending; therefore, the peer-to-peer lending type wherein non-entrepreneurial natural persons are the investors and non-entrepreneurial natural persons are the borrowers, is not regulated on the financial market.

The authors sum up the current overview of the most widespread trading platforms providing peer-to-peer lending services in the Slovak Republic with the essential characteristics of their operations in the following table:

[18] Several principles were based on NBS Recommendation No. 1/2014, which for the first time introduced limits on the share of the loan to be secured, the size of the installment to the income, the maturity of the loans and others.

Business name of the entity operating the peer-to-peer lending platform	State of residence of the entity	Legal form of the entity	Year of commencement of the entity‘s activity in the Slovak Republic	The status of the borrower and possible limitation of the loan	The status of the investor and possible limitation of the investment	Guarantee fund or other type of guarantee for the investor	Anonymity of the borrower and investors when signing the loan agreement
Wishmaker, j. s. a.	the Slovak Republic	simple joint stock company (j. s. a.)	2018	non-entrepreneur natural person, minimum loan of EUR 500 up to EUR 5.000	non-entrepreneur natural person, minimum investment of EUR 500	yes	bilateral anonymity
Peer2Peer, s. r. o., Maják	the Slovak Republic	private limited liability company (s. r. o.)	2017	non-entrepreneur natural person, minimum loan of EUR 300 up to EUR 1.000	non-entrepreneur natural person	no, but a guarantee of repurchase of the claim is established	bilateral anonymity
Zinc Euro, a. s.	the Slovak Republic	joint stock company (a. s.), also acts as a financial agent in the field of financial intermediation	2014	non-entrepreneur natural person or natural person - enterpreneur, minimum loan of EUR 500 up to EUR 15.000	non-entrepreneur natural person, minimum investment of EUR 5.000	yes, maximum of EUR 1.000 for an individual investor	bilateral anonymity

Business name of the entity operating the peer-to-peer lending platform	State of residence of the entity	Legal form of the entity	Year of commencement of the entity's activity in the Slovak Republic	The status of the borrower and possible limitation of the loan	The status of the investor and possible limitation of the investment	Guarantee fund or other type of guarantee for the investor	Anonymity of the borrower and investors when signing the loan agreement
Žltý melon – iService, a. s.	the Slovak Republic	joint stock company (a. s.)	2012	non-entrepreneur natural person, minimum loan of EUR 500 up to EUR 10.000	non-entrepreneur natural person, minimum investment of EUR 25	no	one side anonymity (investor knows the identity of the borrower, the borrower does not know the identity of investors)
PORT System s. r. o., PORT INVEST-for investors PORT SYSTEM-for borrowers	the Slovak Republic	private limited liability company (s. r. o.)	2017	non-entrepreneur natural person, maximum loan of EUR 500, orientation on short term micro loans	non-entrepreneur natural person, in a single auction an investor is allowed to invest minimum of EUR 12,50 up to EUR 1.125 without any limitation auctions	guarantee of redemption of liabilities after maturity.	the information could not be obtained from publicly available sources

Business name of the entity operating the peer-to-peer lending platform	State of residence of the entity	Legal form of the entity	Year of commencement of the entity's activity in the Slovak Republic	The status of the borrower and possible limitation of the loan	The status of the investor and possible limitation of the investment	Guarantee fund or other type of guarantee for the investor	Anonymity of the borrower and investors when signing the loan agreement
REDLEE j. s. a. (cooperates only with verified professional loan providers – AKULAKU)	the Slovak Republic	simple joint stock company (j. s. a.)	2019	professional lenders ensure the provision of loans to borrowers	non-entrepreneur natural person or any entrepreneur regardless of the state of the entity (i. e. natural and also legal persons) with seat in SEPA countries, minimum investment of EUR 1	guarantee of redemption of liabilities after maturity.	one side anonymity (investor knows the identity of the borrower, the borrower does not know the identity of investors)
PeerCredit Ltd	the United Kingdom	private limited liability company (company similar to s. r. o. in the Slovak Republic)	2018	non-entrepreneur natural person or any entrepreneur regardless of the state of the entity (i. e. natural and also legal persons), minimum loan of EUR 100 up to EUR 5.000	non-entrepreneur natural person or any entrepreneur regardless of the state of the entity (i. e. natural and also legal persons)	protection fund with compensation of all installments in arrears of more than 2 months in full	the information could not be obtained from publicly available sources

Business name of the entity operating the peer-to-peer lending platform	State of residence of the entity	Legal form of the entity	Year of commencement of the entity‘s activity in the Slovak Republic	The status of the borrower and possible limitation of the loan	The status of the investor and possible limitation of the investment	Guarantee fund or other type of guarantee for the investor	Anonymity of the borrower and investors when signing the loan agreement
FINZO OÜ	Estonia	private limited liability company (company similar to s. r. o. in the Slovak Republic)	2015	non-entrepreneur natural person or any entrepreneur regardless of the state of the entity (i. e. natural and also legal persons) with seat in the European Union or the Switzerland	non-entrepreneur natural person or any entrepreneur regardless of the state of the entity (i. e. natural and also legal persons) with seat in the European Union or the Switzerland	yes, maximum of EUR 1.000 for an individual investor	the information could not be obtained from publicly available sources

In the Slovak Republic, with reference to the analysis of how the most widespread trading platforms providing peer-to-peer lending services are set up, we most often encounter a type of peer-to-peer lending with three parties, namely the investor, the borrower, and the peer-to-peer lending platform provider, i. e. the standard model of peer-to-peer lending. Crowdfunding service providers in the Slovak Republic (regardless of whether they are headquartered in the Slovak Republic or abroad) are established in the form of commercial companies, which are the commercial companies with the lowest capital (mainly limited liability companies or simple companies limited by shares),[19] which can be attributed to the start-up nature of the peer-to-peer lending business. According to available information, only one platform is based on a business model where it uses a professional loan provider (REDLEE j.s.a., where the professional loan provider is AKULAKU, an online lending institution in Southeast Asia). At the same time, this entity and the cross-border trading platforms PeerCredit Ltd and FINZO OÜ are the only entities that operate a peer-to-peer lending platform where business entities (natural persons or legal entities) can act as investors as well as borrowers, in addition to natural persons. In other cases, only non-entrepreneurial natural persons may act as both borrowers and investors. This puts the current setup of peer-to-peer lending business models outside the regulatory framework of the National Bank of Slovakia (as if the investor were to provide loans to natural persons (consumers) as part of their business or entrepreneurial activity, they would need a permit from the National Bank of Slovakia to provide loans to consumers within the intent of the Consumer Credit Act).

3.2. Consequences of Peer-to-peer Lending Legislative Loophole in the Slovak Republic

The following problems are identified due to the lack of regulation of peer-to-peer lending in the Slovak Republic:

– An entity operating a peer-to-peer lending platform does not need a license from the National Bank of Slovakia to operate, and therefore, the entity is outside the NBS oversight powers. It follows from the above that the borrower is not in the position of a financial consumer and does not enjoy the protection of the National Bank of Slovakia (a financial consumer under the legislation of the Slovak Republic is a consumer on the financial market who receives financial offers or enters into financial service consumer agreements with an entity under oversight or a person acting in the name or on behalf thereof). From the corporate point of view, all these entities based in the Slovak Republic use trade licenses (free/

[19] A complex analysis of a simple joint stock company concept in the legal order of the Slovak Republic is included in: PATAKYOVÁ, M., KAČALJAK, M., GRAMBLIČKOVÁ, B., MAZÚR, J., DUTKOVÁ, P. Slovak Simple Joint Stock Company – Critical Review and Preliminary Assessment. *European Company and Financial Law Review*. 2020, Volume 17, Issue 2, pp. 205–230.

notified trades) to carry out their activities, it is the opinion of the authors that the trade license from the List of Official Free Trades published by the Ministry of the Interior of the Slovak Republic under the title *Arranging the provision of credit or loans from monetary* sources most closely resembles the nature of the activities of the trading platforms operating in the Slovak Republic *obtained exclusively without a public call and without a public offer of assets* and possibly *Provision of credits or loans from monetary sources obtained exclusively without a public call and a public offer of assets* if the trading platform would partially participate in the provision of loans as a *de facto* investor with other investors. The analysis shows that of the entities operating trading platforms based in the Slovak Republic, only entities that have parent companies abroad and operate peer-to-peer lending activities there (i. e. Wishmaker, j. s. a., REDLEE j. s. a., and Zinc Euro, a. s.) have the free trades above in the scope of their activities, the other trading platforms based in the Slovak Republic carry out peer-to-peer lending activities on the basis of the general trade license *Brokerage activity in the field of trade* and *Brokerage activity in the field of services*, which, in the authors' opinion, can potentially be administratively and possibly also criminally sanctioned on the grounds of unauthorized entrepreneurship (i. e. failure to hold a business license, which is intended, according to the nature of the activity, to operate such an activity, or as close to it as possible).

– The currently set legislative framework, which is based on reducing the indebtedness of Slovak households through strictly set rules for assessing the consumer's ability to repay the loan, is not effective because these rules do not need to be applied to peer-to-peer lending, as the entity operating the peer-to-peer lending platform does not enter peer-to-peer loan data into the credit database. Vice versa, peer-to-peer lending platform providers are at a disadvantage in accessing these databases to assess the creditworthiness of the consumer.
– The strict set of the creditor's duties and the rights of the (consumer as the vulnerable party[20]) in credit agreements does not need be applied to peer-to-peer lending (e. g. the right to withdraw from the contract without a cause, notification duty on the part of the creditor, the APR, the loan early payment fee, or the possibility of postponing payments even due to the COVID-19 pandemic); on the contrary, partial (but only general not specific protection within the financial market, i. e. financial consumer protection) consumer protection (both investor and borrower) is applied to the relationship between the peer-to-peer lending platform provider (entrepreneur) and the non-entrepreneurial or the peer-to-peer lending platform provider (entrepreneur) and the non-entrepreneurial borrower (in other words, this relationship, although it clearly relates to the financial market

[20] *ČUNDERLÍK ČERBOVÁ, V. Ochrana slabšej strany a rímske parvo. In*: VIČAROVÁ HEFNEROVÁ, H., MADLEŇÁKOVÁ, L. (eds.). *Kontroverzní názory v právu. Sborník odborných příspěvků z mezinárodní conference 2015*. Prague: Leges, 2015, pp. 152–158.

and significant financial flows, is legally subject to consumer protection, which is also applicable in the shoemaker-customer relationship in the case of shoe heel repairs or the supplier-consumer relationship in the case of the sale of any goods in the retail sector).

These problems have also been identified in previous studies, particularly in relation to the lack of legislatively set duties to investigate the creditworthiness of the borrower, which has contributed greatly to the very rise in popularity of peer-to-peer lending.[21] It can be concluded that the original Draft Consumer Credit Directive would fully address the issues identified above by extending the duties of creditors to entities operating a peer-to-peer lending platform. In the Slovak Republic, given the already quite strict legislative framework for the provision of credit to consumers, it can be assumed that the already existing duties of creditors providing consumer credit would also fully cover peer-to-peer lending platform providers if aligned with the original Draft Consumer Credit Directive. The original Draft Consumer Credit Directive would fully cover existing peer-to-peer lending models in the Slovak Republic. At the same time, given the nature of the vast majority of these business models (non-entrepreneurial natural persons acting as borrowers and investors), the adoption of the original Draft Consumer Credit Directive would have a significant impact on peer-to-peer lending and would start to regulate these entities in the Slovak Republic if the original Draft Consumer Credit Directive were to be implemented into the Slovak legislation, in particular into the Consumer Credit Act and the Act on Housing Loans.

As the peer-to-peer lending type, in which non-entrepreneurial natural persons act on the side of investors and non-entrepreneurial natural persons on the side of borrowers, was excluded from the new Consumer Credit Directive, the above conclusions and the main problems identified above are not solved at all; and therefore, without any other legislative initiative, whether at the national level or at the level of the European Union (as recommended by the authors), peer to peer lending remains unregulated.

Other peer-to-peer lending business models issues in the Slovak Republic include:

- Confidentiality of the investor and the borrower identities.
- Absence of legislative regulation of peer-to-peer lending for housing loans.
- Absence of investor protection vis-a-vis the peer-to-peer lending platform provider.

Confidentiality of the investor and the borrower identities has proved problematic in the Slovak Republic in a situation where both the borrower and the investor are represented by the peer-to-peer lending platform provider (i. e. the same entity in legal terms). This form of agency ensures that neither the borrower nor the investor knows their identity and the peer-to-peer lending platform provider who acts on their

[21] FOO, J., LEK-HENG, L., SZE-WAI WONG, K. *Macroeconomics and FinTech: Uncovering Latent Macroeconomic Effects on Peer-to-Peer Lending* [online]. Available at: https://arxiv.org/pdf/1710.11283.pdf

behalf based on a power of attorney included in the service-level agreement (or master agreement) executed by that provider with the borrower and the investor separately. This agency in the loan recovery process if the borrower defaults appear problematic. According to the decision-making practice of the Slovak general courts, the interests of the agent (the peer-to-peer lending platform provider) and the other party (the borrower) conflict, and thus such agency is contrary to the law as to its purpose.[22] In the present case, the court considered that the position of the peer-to-peer lending platform provider as an agent of the borrower was not independent as it was acting either in the interest of the investor or in its own interest, because:

i) Part of the platform provider fee consists of the fees it collects from the debtor. These fees include late payment charges and early loan payment charges. These charges cannot be translated into service for the benefit of the debtor.
ii) The peer-to-peer platform provider shall be entitled to impose–on behalf of the investor who is the debtor‘s counterparty with divergent interests–fees and penalties, such as the right to seek payment of the entire loan if the borrower defaults.
iii) Assignment of the investor‘s claim to the peer-to-peer platform provider if the loan is to be paid early, when the platform provider becomes a direct creditor of the borrower, in relation to which it still has the full power of communication and action in relation, paradoxically, „*to itself*“.

This model of borrower and investor agency is quite common in peer-to-peer lending schemes in the Slovak Republic. We believe that if this reasoning is followed by other courts in their case law, the above may have a significant impact on changing the set-up of the internal workings of the peer-to-peer lending platform mechanisms. The unenforceability of a loan on the basis of a court finding that a power of attorney granted to a peer-to-peer lending platform provider is ineffective will force these entities to change the setup of the borrower/investor anonymity system.

In terms of the absence of legal regulation of peer-to-peer lending in the provision of housing loans, it should be noted that the Mortgage Credit Directive was being revised, which – among other things – specified the issue of including peer-to-peer lending under the regulatory scheme. The European Union Commission’s report[23] on the need to revise the Mortgage Credit Directive states that peer-to-peer lending may pose a challenge in the future due to digitalization and should be considered for inclusion under the Mortgage Credit Directive, but for the time being, based on the

[22] Decision of Okresný súd Dunajská Streda (District Court), File No. 19Csp/203/2018, of 03. 10. 2019 confirmed by decision of Krajský súd Trnava (Regional Court), File No. 25CoCsp/4/2020, of 20. 10. 2020.

[23] EUROPEAN COMMISSION. *REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the review of the Directive 2014/17/EU of the European Parliament and of the Council on credit agreements for consumers relating to residential immovable property* [online]. Available at: https://eur-lex.europa.eu/resource.html?uri=cellar:ba9380c3-b23d-11eb-8aca-01aa75ed71a1.0015.02/DOC_1&format=PDF

analyses carried out, peer-to-peer lending does not appear to be a common way for consumers to finance the purchase of a residential property.[24]

Consumer lending through peer-to-peer lending may not represent a more significant share of the lending market, but the issue of refinancing the purchase of a property through peer-to-peer lending also needs to be taken into account. In the Slovak Republic, such a product is part of the peer-to-peer lending loan portfolio (specifically Žltý melón). In this case, the flexible and quick response of the peer-to-peer lending platform providers to the requirements of the financial market and the legislation is apparent. After the introduction of the loan-to-value limit for the purchase of real estate (under which the lender cannot grant a loan worth 100% of the price of the real estate, but only up to 70%, for instance), the issue of the borrower's refinancing of the remaining amount has come to the forefront. This is the situation that peer-to-peer lending platforms have responded to by offering this type of product. The security instrument is a pledge agreement on real estate, which is signed by the borrower and remains in the domain of the peer-to-peer lending platform provider. The peer-to-peer lending platform provider shall only assert the pledge (including its registration) if the loan defaults.

We also find problematic the lack of protection for consumers who act as investors in peer-to-peer lending. The original Draft Consumer Credit Directive did not address their protection as it did not fit the logic of the draft. The protection of consumers investing through these platforms and the responsibility of the platforms towards these consumers will be considered in a different context, possibly followed by another regulation.[25] In the *de lege lata* situation in the Slovak Republic, only general consumer protection is applied to the relationship between the entity operating the peer-to-peer lending platform (the entrepreneur) and the investor, which is insufficient as it does not reflect the specifics of this relationship, which is of an investment nature and thus takes place on the financial market.

4. Concluding Remarks

Considering (i) the current legislative tendencies at the European Union level (in particular the original Draft Consumer Credit Directive and the new Consumer Credit Directive), ii) the identified current state and application problems of the functioning

[24] EUROPEAN COMMISSION. *Evaluation of Directive 2008/48/EC on credit agreements for consumers Final Report* [online]. Available at: https://ec.europa.eu/info/sites/default/files/ccd_evaluation_final_report_2020.pdf

[25] EUROPEAN COMMISSION. *Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on consumer credits {SEC(2021) 281 final} – {SWD(2021) 170 final} – {SWD(2021) 171 final}* [online], p. 8. Available at: https://eur-lex.europa.eu/resource.html?uri=cellar:2df39e27-da3e-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

of peer-to-peer lending, in which both borrowers and lenders are non-entrepreneurial natural persons (consumers), within the legislation of the Slovak Republic, in the absence of a specific legal regulation of this business, we believe that the regulation of this peer-to-peer lending business model lending is necessary.

At the same time, given the frequent cross-border reach of peer-to-peer lending platform providers throughout several Member States, as well as the already established trend of regulation (legislation) of other types of crowdfunding by the Regulation, peer-to-peer lending should be legally regulated at the European Union level (i. e. implemented as a common regulation on the international level instead of individually by each Member State of the European Union) in the form of a specific directly applicable and binding regulation adopted pursuant to Article 288 of the Treaty on the Functioning of the European Union, as this will create a comprehensive legal regulation at the level of the European Union, which will cover the entire area of crowdfunding virtually, thus minimizing the risk of arbitrages with the regulator by the peer-to-peer lending platform providers.

If the legislation trends for the regulation of peer-to-peer lending move towards the adoption of a regulation overseeing this industry, we consider that the regulation should (i) replicate the consumer protection enshrined in the original Draft Consumer Credit Directive and the list of duties imposed on the peer-to-peer lending platform providers (with slight alterations), (ii) include peer-to-peer lending with regard to housing loans under such a scheme in order to achieve a full-scale regulation, and (iii) include provisions specifically aimed at investor protection, in particular in terms of notification duties imposed on the crowdfunding service providers. From our perspective, the issue of anonymity of the parties remains a question, which raises two important issues. The first issue is the question of the actual administration of the agreement if the peer-to-peer lending provider ceases its operation. In this regard, inspiration can be drawn from the Regulation, which requires the submission of a description of a business continuity plan in the event of failure of a potential crowdfunding service provider, which ensures the continuity of the provision of critical functions related to the proper administration of the agreements between the potential crowdfunding service provider and its clients.[26] The second problem lies in the issue of representation of both parties by the peer-to-peer lending platform provider. In this respect, however, we feel that this issue should not have to be dealt with at the European Union level, but could remain at the disposal of national legislation.

In conclusion, we would like to express our expectation that the Member States will longer be able to wait for another draft directive from the European Union (ideally in the form of a regulation), but the economic reality and controversial aspects of the peer-to-peer lending industry will force them to adopt crowdfunding national

[26] Article 12 of Regulation (EU) 2020/1503 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.

legislative regulations, which will make it more difficult for the European Union to unify the regulation of this industry across the EU.

List of references

BANK FOR INTERNATIONAL SETTLEMENTS AND FINANCIAL STABILITY BOARD. *Market Structure, Business Models and Financial Stability Implications Bank for International Settlements* [online]. Available at: https://www.bis.org/publ/cgfs_fsb1.pdf

BASHA, S. A., ELGAMMAL, M. M., ABUZAYED, B. M. Online peer-to-peer lending: A review of the literature. *Electronic Commerce Research and Applications*. 2021, Volume 48, Issue 2. 54 p.

ČUNDERLÍK ČERBOVÁ, V. Ochrana slabšej strany a rímske parvo. In: VIČAROVÁ HEFNEROVÁ, H., MADLEŇÁKOVÁ, L. (eds.). *Kontroverzní názory v právu. Sborník odborných příspěvků z mezinárodní conference 2015*. Praha: Leges, 2015, pp. 152–158.

European Commission. *REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the review of the Directive 2014/17/EU of the European Parliament and of the Council on credit agreements for consumers relating to residential immovable property* [online]. Available at: https://eur-lex.europa.eu/resource.html?uri=cellar:ba9380c3-b23d-11eb-8aca-01aa75ed71a1.0015.02/DOC_1&format=PDF

European Commission. *Evaluation of Directive 2008/48/EC on credit agreements for consumers Final Report* [online]. Available at: https://ec.europa.eu/info/sites/default/files/ccd_evaluation_final_report_2020.pdf

European Commission. *Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on consumer credits {SEC(2021) 281 final} – {SWD(2021) 170 final} – {SWD(2021) 171 final}*. [online], p. 8. Available at: https://eur-lex.europa.eu/resource.html?uri=cellar:2df39e27-da3e-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

Federation of German Consumer Advice Centres / Consumer Associations Federation of German Consumer Organisations. *Position paper of the Federation of German Consumer Organisations (vzbv) on the proposal for a directive of the European Parliament and of the Council on consumer credits* [online]. Available at: https://www.vzbv.de/sites/default/files/2021-09/Position%20paper%20on%20the%20proposal%20for%20a%20CCD.pdf

FOO, J., LEK-HENG, L., SZE-WAI WONG, K. *Macroeconomics and FinTech: Uncovering Latent Macroeconomic Effects on Peer-to-Peer Lending* [online]. Available at: https://arxiv.org/pdf/1710.11283.pdf

HE, W. Risk Mechanism and Supervision of P2P Lending Asset Securitization Under the Background of Big Data. In: ATIQUZZAMAN, M., YEN, N., XU, Z. (eds.). *International Conference on Big Data Analytics for Cyber-Physical System in Smart City*. Lecture Notes on Data Engineering and Communications Technologies, 2021, Volume 2, pp. 53–63.

HESEKOVÁ, S. Crowdfunding credit services (peer to peer lending) in the light of the Proposal for a Directive of the European Parliament and of the Council on consumer credits. In: SKRABKA, J., GRMELOVÁ, N. (eds.). *Challenges of Law in Business and Finance*. ADJURIS, 2021, pp. 36–46.

HUGHES, J. P., JAGTIANI, J. A., MOON, C. Consumer Lending Efficiency: Commercial Banks Versus a Fintech Lender. *Financial Innovation*, 2019, Volume 8, Issue 1, pp. 1–39.

MACCHIAVELLO, E. The European Crowdfunding Service Providers Regulation and the Future of Marketplace Lending and Investing in Europe: the 'Crowdfunding Nature' Dilemma. *European Business Law Review*. 2021, Volume 32, Issue 3, pp. 557–608.

MILNE, A., PARBOTEEAH, P. The Business Models and Economics of Peer-to-Peer Lending. *ECRI Papers 11594*. 2016, Centre for European Policy Studies, 36 p.

Narodná banka Slovenska. *Správa o finančnej stabilite k novembru 2016* [online]. Available at: https://nbs.sk/_img/documents/zaklnbs/publik/sfs/protected/sfs_112016.pdf

NIGMONOV, A., SHAMS, S. COVID-19 pandemic risk and probability of loan default: evidence from marketplace lending market. *Financial Innovation*. 2021, Article 83, pp. 1–28.

OMARINI, E. Peer-to-Peer Lending: Business Model Analysis and the Platform Dilemma. *International Journal of Finance, Economics and Trade*. 2018, pp. 31–33.

PATAKYOVÁ, M., KAČALJAK, M., GRAMBLIČKOVÁ, B., MAZÚR, J., DUTKOVÁ, P. Slovak Simple Joint Stock Company – Critical Review and Preliminary Assessment. *European Company and Financial Law Review*, 2020, Volume 17, Issue 2, pp. 205–230.

PETERSONE, I., KREITUSS, I. Peer-to-Peer Lending Development in Latvia, Risks and Opportunities. *Eurasian Economic Perspectives*. 2021, pp. 129–148.

SHORT, J. C., KETCHEN, JR., D. J., MCKENNY, A. F. Research on crowdfunding: reviewing the (very recent) past and celebrating the present. *Entrepreneurship Theory and Practice*. 2017, Volume 41, Issue 2, pp. 149–160.

TRITTO, A., HE, Y., JUNAEDI, V. Amanda. Governing the gold rush into emerging markets: a case study of Indonesia's regulatory responses to the expansion of Chinese-backed online P2P lending. *Financial Innovation*. 2020, Article 51, pp. 1–24.

ZHAO, Y., HARRIS, P., LAM, W. Crowdfunding industry – History, development, policies, and potential issues. *Journal of Public Affairs*. 2019, Volume 19, Issue 1, pp. 1–9.

ZIEGLER, T., SHNEOR, R. et al. *The 2nd Global Alternative Finance Market Benchmarking Report* [online]. Available at: https://www.jbs.cam.ac.uk/wp-content/uploads/2020/08/2020-04-22-ccaf-global-alternative-finance-market-benchmarking-report.pdf

ZIEGLER, T., SHNEOR, R. Lending Crowdfunding: Principles and Market Development. In: SHNEOR, R., LIANG, Z., BJØRN-TORE, F. (eds.). *Advances in Crowdfunding*. Palgrave Macmillan, Cham, 2020, pp. 63–92.