

Consumers

14.08.2023 | Topic [Prospectuses](#)

Violation of the prospectus requirement: BaFin prohibits Green Wood International AG from offering the capital investment “contractual claims to revenue sharing from Paulownia plantations” to the public

On 22 February 2023, the Financial Supervisory Authority (BaFin) prohibited Green Wood International AG from offering the capital investment “contractual claims to revenue sharing (schuldrechtliche Erlösbeteiligungsansprüche) from Paulownia plantations” to the public in Germany.

BaFin imposed the prohibition because the company had infringed section 18 (1) no. 2 of the German Capital Investment Act (Vermögensanlagengesetz – VermAnlG). For this reason, Green Wood International AG may not offer the capital investment “contractual claims to revenue sharing from Paulownia plantations” to the public in Germany.

BaFin’s measure is not yet final but is immediately enforceable.

On 20 November 2019, BaFin had already announced that there were sufficient grounds to suspect that the capital investment in question was being offered to the public in Germany without the required prospectus.

Green Wood International AG has its registered office in Rorschach, Switzerland and additionally sells the capital investment under the name “treeme”.

Background information

As a rule, capital investments may be offered to the public in Germany only if a prospectus has been published. This prospectus must be approved by BaFin prior to publication. Offering capital investments to the public without an approved prospectus constitutes a violation of the prospectus requirement under section 6 of the VermAnlG – unless an exemption applies.

During the prospectus approval process, BaFin checks whether the minimum information required by law is included in the prospectus and whether its content is understandable, coherent and consistent. However, BaFin is not responsible for checking whether the information contained in the prospectus is correct, for assessing the integrity of the issuer, or for monitoring the product in question.

Offerors and issuers can be held liable for failing to publish a prospectus as required (section 21 of the VermAnlG). The parties responsible for the prospectus are liable for the accuracy and completeness of the information contained in the capital investment prospectus (section 20 of the VermAnlG).

BaFin advises consumers to base all capital investments solely on the information offerors are required to provide by law.

You can check whether an approved prospectus for an offer of securities to the public has been filed with BaFin by consulting the Prospectuses filed database on the BaFin website.

Please note: in accordance with section 4 (4) of the German Act Establishing the Federal Financial Supervisory Authority (Finanzdienstleistungsaufsichtsgesetz – FinDAG), BaFin performs its functions and exercises its powers exclusively in the public interest. Due to their statutory obligation of confidentiality, BaFin's staff are not in a position to provide third parties with information regarding the progress and results of administrative proceedings.

However, there are ways in which you can support BaFin's work: if you have any specific information about the offerors mentioned above – such as contract templates, e-mail addresses, telephone or fax numbers of contact persons or the offeror's account details – please do not hesitate to get in touch with our contact point for whistleblowers.

Announcement

Green Wood International AG: BaFin prohibits Green Wood International AG from offering the capital investment “contractual claims to revenue sharing from Paulownia plantations” to the public in Germany without the required prospectus.

On 22 February 2023, the Financial Supervisory Authority (BaFin) prohibited Green Wood International AG from offering the capital investment “contractual claims to revenue sharing (schuldrechtliche Erlösbeteiligungsansprüche) from Paulownia plantations” to the public in Germany. Green Wood International AG has its registered office in Rorschach, Switzerland.

As a result of this prohibition, Green Wood International AG is not permitted to offer the aforementioned capital investment to the public in Germany.

The prohibition on account of sufficient grounds to suspect that capital investments are being offered to the public without an approved prospectus is based on section 18 (1) no. 2 of the German Capital Investment Act (Vermögensanlagengesetz – VermAnlG). There is no evidence to suggest that the company is exempt from the prospectus requirement. BaFin's measure is not yet final but is immediately enforceable.

On 20 November 2023, BaFin had already announced that there were sufficient grounds to suspect that the capital investment in question was being offered to the public in Germany without the required prospectus.

Update: The company filed an appeal against the prohibition on 24 March 2023.

Update: Green Wood International AG filed for urgent legal protection with the Administrative Court of Frankfurt am Main in a letter dated 8 April 2023.

Update: By decision of the Administrative Court of Frankfurt am Main dated 22 June 2023, the requests filed by Green Wood International AG were rejected as unfounded.

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