

Consumers

26.09.2023 | Topic [Securities Supervision](#)

Violation of prospectus requirement: Seidel Finance not allowed to publicly offer shares of Ecological Technologies Ltd.

On 13 September 2023, the Financial Supervisory Authority (BaFin) prohibited Seidel Finance from publicly offering shares of Ecological Technologies Ltd. in Germany.

BaFin imposed the prohibition because the company had infringed Article 3(1) of the [EU Prospectus Regulation](#). For this reason, Seidel Finance may not offer the shares in Ecological Technologies Ltd. to the public in Germany.

On 10 July 2023, [BaFin](#) had already announced that there were sufficient grounds to suspect that the securities in question were being offered to the public in Germany without the required prospectus.

According to its website, Seidel Finance is domiciled in the United Kingdom (110 Bishopsgate Level 24, EC2N 4AY London).

Background information:

As a rule, securities 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 securities to the public without an approved prospectus constitutes a violation of the prospectus requirement under Article 3(1) of the [EU Prospectus Regulation](#) – 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 14 of the German Securities Prospectus Act (Wertpapierprospektgesetz – [WpPG](#))). The parties responsible for the prospectus are liable for the accuracy and completeness of the information contained in the securities prospectus (sections 9 and 10 of the [WpPG](#)).

Violations of the prospectus requirement are punishable by a fine of up to [EUR 5 million](#) or 3% of total revenues for the previous financial year. Fines of up to twice the economic advantage gained from committing the offence may also be imposed.

[BaFin](#) advises consumers to base all investments in securities 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.

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

Seidel Finance: [BaFin](#) prohibits Seidel Finance from publicly offering shares of Ecological Technologies [Ltd.](#) in Germany without the required prospectus.

On 13 September 2023, the Financial Supervisory Authority ([BaFin](#)) prohibited Seidel Finance from publicly offering shares of Ecological Technologies [Ltd.](#) in Germany. According to its website, Seidel Finance is domiciled in the United Kingdom ((110 Bishopsgate Level 24, EC2N 4AY London).

As a result of this prohibition, Seidel Finance is not allowed to publicly offer the aforementioned shares in Germany.

The prohibition on account of sufficient grounds to suspect that shares are being publicly offered without an approved prospectus is based on section 18 (4) sentence 3 [no. 1](#) of the German Securities Prospectus Act (Wertpapierprospektgesetz – [WpPG](#)) in conjunction with Article 3 of the [EU Prospectus](#) regulation. There is no evidence to suggest that the company is exempt from the prospectus requirement. This action by [BaFin](#) has not yet become final but is immediately enforceable.

On 10 July 2023, [BaFin](#) had already announced that there were sufficient grounds to suspect that the securities in question were being offered to the public in Germany without the required prospectus.

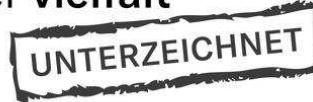
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