

## Mintos takes investing in loans to a regulated environment

Riga/Berlin, 25 May 2022

**Mintos, Europe's largest platform for investing in loans, is launching a new flagship product - loan-backed securities called Notes.**

**Notes will allow retail investors to invest in loans in a fully regulated environment with increased investor protection and transparency. As an authorized investment firm under MiFID II, Mintos plans to passport its activity across the EU later this year along with passporting of Notes.**

On 25 May 2022, Mintos launched Notes on its investment platform after months of work that, for the most part, was completed for the first time in Europe. Having secured the investment firm license last year, Mintos has transitioned its loan investment product into loan-backed securities called Notes that allow retail investors to invest in loans in a regulated environment, providing increased investor protection and a whole new level of transparency.

Investing in Notes comes with multiple benefits for investors. Based on the [MiFID II](#) requirements aimed at increasing protection for investors, investors' assets are safeguarded as Mintos is required to hold investors' financial instruments and uninvested funds separately from its own assets. Investors are also protected by the [investor compensation scheme](#), established under Directive 97/9/EC, which provides compensation if Mintos fails to return financial instruments or investor funds to investors, up to a maximum of €20 000. When it comes to increased transparency, investors will have access to in-depth base prospectuses that offer detailed information about Notes offered, with an aim to help investors in making well-informed investment decisions. Each base prospectus is prepared under the Prospectus Regulation and approved by the competent regulator.

*"We're excited that our hard work on the setup for investing in loans in a regulated environment has come to its fruition, and we can say with confidence that Mintos has raised the bar as we bring loans as an alternative asset class up to the standard of mainstream financial markets. A clear and well-established regulatory framework such as MiFID II brings additional layers of protection and transparency for investors - something that's crucial when it comes to an alternative and relatively new asset class. While the benefits bring more confidence to investors who are already investing in loans, they will also increase the attractiveness of loans as an investment for those on the fence regarding this asset class,"* says **Martins Sulte**, CEO and Co-Founder of Mintos.

Mintos' business model is unique in that the company works with dozens of lending companies worldwide that offer their loans for investment to retail investors on its platform. Based on the new requirements, for each of the 60 lending companies or groups of mutually affiliated lending companies that are offering loans on the platform, Mintos established a separate special purpose vehicle that acts as an issuer of the Notes, and then for each lending company, a dedicated base prospectus is created. Another requirement of working in a regulated environment is for Notes to have International Securities Identification Numbers (ISINs). Mintos successfully collaborated with [Nasdaq CSD SE](#)'s regional central securities depository on a new technology for the automated issuance of ISIN codes, enabling digitalized and immediate ISIN attribution, assignment, and allocation.

Step by step, Mintos will phase out the current investment offering and switch exclusively to Notes from 1 July 2022. It expects to passport its services across the EU in the second part of the year. Passporting will allow the company to offer investors across the entire EU to invest in loans in a regulated environment.

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## About Mintos

Mintos is an award-winning global platform for investing in loans. Launched in 2015, the company offers retail investors an accessible way to build wealth through passive investments in loans. Investors can achieve unparalleled diversification with thousands of loans offered on Mintos by more than 60 alternative lending companies from around the world. With over 480 000 registered users and €8 billion in total loans funded, Mintos is the leading platform for investing in loans in Europe. Mintos is an authorized investment firm under [MiFID II](#). Mintos is based in Latvia and Notes are offered only in Latvia under the respective base prospectuses.

To learn more, visit [mintos.com](https://mintos.com).

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Here you can find the [Mintos media kit](#).

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