

Crowdfunding platforms as a mechanism for financing startups in the Arab countries: A Manafa platform in Saudi Arabia as a model

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abstract:

Startups are the backbone of the economies of developed and developing countries in light of their significant contribution to generating output and creating job opportunities. Our study has highlighted the reality of crowdfunding as an innovative mechanism for financing emerging institutions in the Arab countries. We have found that crowdfunding platforms have witnessed significant growth in a number of Arab countries in recent times, reaching about 32 crowdfunding platforms. These platforms provide their customers with many services, the most important of which are due diligence services, providing advice and promotion. The "Manafa" platform in the Kingdom of Saudi Arabia is one of the successful experiences in the field of crowdfunding, as it provides competitive Murabaha ratios compared to other platforms, in addition to useful returns ratios for investors that help attract a new segment of investors to this sector. The platform's activities also contribute to increasing levels of financial inclusion and achieving sustainable development goals.

Keywords: Startups, Crowdfunding, Crowdfunding Platforms, Manafa Platform, Saudi Arabia.

JEL Classification : G29, G30

الملخص:

تعتبر الشركات الناشئة العمود الفقري لاقتصاديات الدول المتقدمة والنامية في ظل مساهمتها الكبيرة في توليد الناتج وخلق فرص العمل، وقد جاءت دراستنا لتبرز واقع التمويل الجماعي كآلية مستحدثة لتمويل المؤسسات الناشئة بالدول العربية، وقد توصلنا إلى أن منصات التمويل الجماعي عرفت نموا معتبرا في عدد من البلدان العربية خلال الآونة الأخيرة ليصل عددها إلى نحو 32 منصة للتمويل الجماعي، وتقدم هذه المنصات لعملائها العديد من الخدمات أهمها خدمات العناية المالية الواجبة، تقديم الاستشارة والترويج، وتعتبر منصة "منافع" بالملكة العربية السعودية أحد التجارب الناجحة في مجال التمويل الجماعي كونها توفر نسب مريحة تنافسية بالمقارنة مع المنصات الأخرى بالإضافة إلى نسب العوائد المجدية للمستثمرين التي تساعد في جذب شريحة جديدة من المستثمرين لهذا القطاع كما تساهم أنشطة المنصة في زيادة مستويات الشمول المالي وتحقيق أهداف التنمية المستدامة.

كلمات مفتاحية: الشركات الناشئة، التمويل الجماعي، منصات التمويل الجماعي، منصة منافع، المملكة العربية السعودية.

1. Introduction :

Startups are the main engine of economic growth. Their role is not only limited to raising production levels and increasing exports, but also extends to renewing the economic fabric by compensating companies that have failed and rebalancing markets. However, they face many challenges; the difficulty of financing provided by financial institutions is the most important one. In the Arab countries, the startup sector constitutes more than 90% of the total official institutions and contributes to 45% of GDP and about a third of labor opportunities in the official sector. However, it faces challenges in terms of financing from the banking sector and financial institutions in general, due to the high risk of lending to startups due to their lack of adequate guarantees, which highlighted the need for new and appropriate financing mechanisms for these companies.

Over the past few years, the crowdfunding activity has received great attention in the field of entrepreneurship and the establishment of startups in the Arab countries in general and in the Kingdom of Saudi Arabia in particular, as it gives opportunities for startups to obtain the appropriate funding for their life cycle. It represents a fundamental shift in the way of accessing funding so that online crowdfunding platforms enable startups to reach hundreds and thousands of investors who support the idea of this company, unlike traditional financing companies that usually reject startups' requests for a loan. Hence, the problematic features of our intervention that we formulate in the following question: What is the reality of funding startups through crowdfunding platforms in the Arab countries? And how did Manafa platform in the Kingdom of Saudi Arabia achieve leadership?

To answer the problem at hand, the following hypotheses were formulated:

- ✓ The startup represents the second face of SMEs;
- ✓ Crowdfunding is a mechanism to provide financing for various economic projects;
- ✓ Many Arab countries are trying to establish crowdfunding platforms to keep pace with digital transformation on the one hand and provide financing and financial services on the other;

- ✓ Manafaa platform has been able to provide competitive financing alternatives, benefits and financial services, making it a pioneer in this field.

In our study, we relied on a combination of the descriptive and analytical approaches, which depend on accurately describing the concepts contained in the study scientifically, in order to determine their features and qualities accurately, and we collected the largest amount of information and data about the phenomenon studied, analyzed and interpreted based on the descriptive statistical approach. To answer the problem posed, we decided to divide this research paper into the following axes:

- ✓ Basic concepts and premises about startups;
- ✓ What are crowdfunding platforms;
- ✓ Crowdfunding platforms in Arab countries;
- ✓ Mafa 'a Crowdfunding Platform in the Kingdom of Saudi Arabia.

Basic concepts and premises about startups ;

Start-up is a term used to identify newly established enterprises that were created from a creative entrepreneurial idea and have great prospects for rapid growth and prosperity. The following highlights their concept and life cycle and shows the most important startups that have achieved remarkable successes.

1.2 Startup Concept

By searching for the concept of the term startups, it became clear to us that there is no unified global definition of them. The general definitions are agreed upon by most academics, actors and policymakers. The following are the most prominent of these definitions:

According to the English dictionary " combridge dictionary ", the term " Start-up " consists of two parts, the word " Start " refers to the idea of starting and the word " up" refers to the idea of strong growth and is defined as "a small project in the beginning of its cradle". (combridge dictionary, 2022)

According to the French dictionary "Larousse ", start-ups are defined as "innovative young institutions in the sector of modern technologies". (Dictionnaire larousse, 2022)

According to " Paul Graham", the startup is "a company designed to grow quickly". According to him, the good growth rate is between 5% and 7% per week. If the company can reach 10% per week, its performance is exceptionally good, and the best thing to measure growth is revenues. (Paul graham, 2012)

According to Eric Ries , a startup is a human entity designed to create a new product or service under extreme uncertainty. (صفحة 2017بروال و خلوط ,)

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According to Patrick Fridenson, in order to say that a company is a startup, it must meet the following conditions: strong potential growth, the use of modern technology, huge financing and a new market with difficulty in assessing risk. (Noémie & Camille, 2017, p. 02)

According to the definitions of the term "Start-ups", we note that they share basic features that we can summarize in one definition as follows: Start-ups are innovative creative new projects characterized by the speed and strength of their growth, keeping pace with modern technology, and breaking into new markets in an environment characterized by risk and uncertainty.

2.2 Characteristics of Startups

From the above definitions, we can draw a set of advantages that are specific to startups, which we summarize in the following: (صفحة 70، 2022 جوان 04/ 05 نبو و جرادة)،

- ✓ A young and temporary institution: It lives in the experimental market;
- ✓ It is characterized by innovation and permanent development so that it may be in creating a new product, or modifying an old product with a new innovation, with a new service, a new method of supply and so on;
- ✓ High ability to grow and develop: The most common trait shared by startups is the ability to grow, sweep the markets, and achieve fast and very large revenues with establishment and business costs, which encourages the owners of funds to finance them, as they are institutions that develop quickly and have the ability to generate very large profits;
- ✓ Risk under conditions of extreme uncertainty: startups rely on innovation that is characterized by the absence of its market yet, if it exists, it is unknown and therefore difficult to conduct market research due to the lack of information if the startups find themselves operating in the unknown;
- ✓ Searching for an innovative business model: with the aim of penetrating an existing idea or creating a new market that meets a need that did not exist, and its business model is characterized by being non-existent and repeatable to achieve profitable flows and can be developed as it ensures its expansion and growth
- ✓ Type of market: Returning to the history of emerging institutions, they have manifested themselves and for the sake of the Internet and shone in the field of technology and technology, they have moved towards digital markets, but currently they penetrate even traditional ones such as agriculture, industry, education, health and others;

- ✓ The team The contractor is usually a team with the aim of allocating capabilities, each according to his skill in his field, especially since most of the owners of start-ups are young university students or university graduates who usually have little experience as they work to achieve integration between team members to achieve the idea and launch their institutions;
- ✓ Focus on one product or service: The contractor and his team usually focus on one basic innovative idea and develop it so as not to get distracted until it reaches the required because dealing with innovation is sensitive and requires a lot of effort;
- ✓ Funding and investors: Usually, the contractor begins to rely on self-financing or by friends and family, but every emerging institution in the knowledge economy is heading towards two types of investors, especially: venture capitalists and business angels, who provide capital that allows them to grow and develop.

From the above, we can say that "Start-up " companies are new companies based on pioneering ideas " Innovation", they have an opportunity for gradual and increasing growth, their main field is technology and depends mainly on it, they are active in risky markets in light of uncertainty and risk.

3.2 Startup Lifecycle

Perhaps knowing the stages that startups go through, and understanding the appropriate way to manage each stage, is what ultimately helps to launch a successful company, the most important stages of the life cycle of a startup are: (، 13 ، 14 ، صفحة 2021قادي و مولاي ،)

- ✓ Pre-launch stage: a person or a group of individuals presents a prototype of a creative, new or even crazy idea.
- ✓ Enthusiasm stage: The product reaches its peak and there is high enthusiasm, then the offer spreads and the product reaches its peak. At this stage, the activity can expand outside its early innovators, so negative pressure begins as the number of exhibitors for the product increases and failure begins, or other obstacles appear that can push the curve towards decline .
- ✓ The stage of gradual sliding and climbing: Although venture capital financiers continue to finance the project, it continues to decline until it reaches a stage that can be called the phase of transformation.

From the above, it is clear to us that startups go through five basic stages in their life cycle, and at each stage there are a set of challenges and obstacles, which

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must be faced and reach the appropriate perception to cross them, as it is not enough to succeed in one stage to succeed in the rest, but it is necessary to continue working on the same activity all the time to reach the top.

What crowdfunding platforms are;

Funding according to the traditional concept is to determine the best source of funds from among a group of available sources. Many studies and researches indicate an increase in the tendencies of investors and businessmen to invest their money through the crowdfunding method. The following is a description of the concept of this method, its types and characteristics.

1.3 The concept of crowdfunding

The term crowdfunding or what is called in French "Le Financement participatif" is a literal translation of the term "Crowdfunding" in English, which is a compound term of two words "Growd" and means the public, "Funding", which means funding by the public, and a set of definitions related to it:

Crowdfunding is defined as an innovative mechanism for financing projects by raising funds from a large number of individuals or the public through funding platforms and specialized websites. (Fronçois & Autres, 2013, p. 05)

It is also known as a collaborative process based on trust and a network of relationships between individuals who raise funds and other resources, often through the Internet, with the aim of supporting project ideas that need funding. (05، صفحة 2013 الأمم المتحدة،)

We note that the aforementioned definitions are one-way, namely that crowdfunding is a mechanism for raising small amounts of money from a large number of financiers (individuals) and directing them to a large number of borrowers (often startups and SMEs) using digital technologies (digital platforms).

It is also clear to us that the activity of crowdfunding platforms involves the use of existing platforms and the Internet to connect a number of actors, including: (05، صفحة 2021 صندوق النقد الدولي،)

- ✓ Funders or donors: These are parties involved in donating or funding and may be individuals or institutions .
- ✓ Investors or Beneficiaries: Any person or organization seeking funds for a company, product, project, initiative, or philanthropy involving a wide range of actors from small businesses, NGOs, individuals, startups, ... etc.
- ✓ Crowdfunding platforms: Web-based platforms that connect funders, donors, beneficiaries, or investors in exchange for commissions on participation, interest, or profits.

- ✓ Auditors and other service providers: they can rely on a number of consulting service providers to evaluate projects, and other services for financing parties.
- ✓ Sponsors: Beneficiaries may receive support regarding the design and management of crowdfunding campaigns, and these services may be provided free of charge or on a commercial basis.

Crowdfunding via digital platforms has five main actors: funders, investors, auditors, sponsors and digital crowdfunding platforms.

3.2 Types of Crowdfunding Platforms

crowdfunding platforms can be classified into four main types, which are as follows: (17، 15، صفحة 2020 البركات و ترجمة الجابري،)

- ✓ Fundraising-based crowdfunding platforms: These platforms rely on collecting donations and donations from donors without signing any contracts, with the aim of participating in charitable and humanitarian donations to support disaster relief and famine efforts, funding education programs, etc.
- ✓ Reward-based crowdfunding platforms : Also known as grant platforms, these platforms collect rewards-based crowdfunding, where some individuals fund new ideas and projects in exchange for a reward that may be: in the form of a token gift, or an early/ special version of a product or service provided by projects at startup.
- ✓ Crowdfunding platforms based on lending: These platforms are the fastest growing, and their work is based on lending money to individuals in companies in exchange for interest. Most of these platforms are based on usury, have strict conditions for approving projects, and usually offer productive family projects, and serve as an alternative to traditional financing channels: banks and other financial institutions.
- ✓ Crowdfunding platforms based on participation in capital: They are platforms that are based on the presentation of commercial projects; to obtain different contributions from the public, to have ownership in the project, and a return on profits.

Platforms can also be divided according to the duration of the campaign. Some of them work according to a specific time for the crowdfunding campaign, and others work according to an open time frame. Usually, platforms with a specific time limit require that the goal be achieved in order for the amount to be disbursed to the owner of the campaign " Aon ". In the event that the required amount is not fully collected, contributions are returned to contributors or donors, and the owner of the campaign gets nothing. This type of platform often achieves more than twice the success of open-time campaigns.

From the above, it is clear that crowdfunding platforms can be classified into multiple forms, depending on the fundraising system or financial allocations, or depending on the project presentation period.

3.3 Characteristics of crowdfunding platforms

Crowdfunding platforms are websites that contain hundreds or even thousands of projects and initiatives that need funding, and they request funding to the public via the Internet. This makes it imperative for these platforms to build their way of working differently from traditional funding, which means that crowdfunding platforms have many features that differ from what is prevalent in traditional funding cases, including the following : (2020البركات و ترجمة الجابري ،) : 20، 23صفحة

- ✓ Transparency: The success of the platforms depends largely on the amount of transparency in them, and this aspect relates to the management of financial matters in general, starting with determining the total amount required for the campaign or project, what was collected, a list of donors, details of their donations, and the time of donation, in addition to determining the goal of the campaign and what will be achieved, dividing the goal into branches of achievement, and what is required of each contributor.
- ✓ Speed of preparation: In the traditional method of fundraising, campaign owners target only merchants and major supporters, while in crowdfunding campaigns, a campaign can be created on the crowdfunding platform within an hour, then the campaign can be made visible to the public, and the

campaign link can be easily disseminated to all segments of society. Some campaigns even generate visits by ten million people and more.

- ✓ Marketing potential: Once the campaign is created, the number of people who can be reached can be significantly increased by a large number of marketing strategies, or creating videos that show how the products to be marketed work, and search engine optimization can be mastered to increase your page's ranking for relevant online searches, or even rely on paid ads to introduce the project, which means that there are many alternatives to marketing, and promoting the project.
- ✓ Attracting people interested in the idea: The services of crowdfunding platforms are not limited to campaign owners only, but give them the ability to share the message, and usually participate in spreading the campaign for free, and then these people start to pay attention to the message of the project, and they are likely to be loyal long-term blinders for this project.
- ✓ Direct feedback from contributors or funders: When launching a crowdfunding platform, this means sharing your product idea and business with your target group of contributors or funders. This gives you an important opportunity to get their opinions and comments, and those comments may indicate weaknesses in the project idea, which shows their desire to fix or modify that idea, or they may submit some ideas or features that contribute to improving the project better.
- ✓ Low financial cost: Crowdfunding is characterized by low financial cost, as it is distinguished from other traditional funding by the absence of publications or the need for a field team. The most important thing is that the campaign is published among people electronically, and often it is published by friends and close associates to introduce the campaign.
- ✓ Ease of contribution: With the wide spread of campaign propaganda, and its transcendence of all borders, it has become easier to contribute to campaigns, or projects available on those platforms, through many electronic means, without being limited by borders or geographical scope.
- ✓ Comparison between projects: Successful crowdfunding platforms are keen to present similar projects to the visitor in order to compare them and direct their support or contribution to the most appropriate or most needed project. This is one of the services provided by the platforms to donors. Comparison

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between projects is not easily achieved in other than crowdfunding platforms.

- ✓ Multiple options for entrepreneurs: There are dozens of crowdfunding platforms available to entrepreneurs, which means there are a variety of options on how to organize your campaign, such as bonuses to be offered at any levels of contribution.
- ✓ Community solidarity: it leads to the spread of the phenomenon of community solidarity. Crowdfunding in donations targets a new audience of donors, who are between the ages of 24-35 years, and campaigns are widely disseminated, usually in person, and the messages are directed personally as well, which makes the community accustomed to donating and joining hands.

It is clear to us that crowdfunding platforms are characterized by many advantages as they represent a direct means of communication between the investor or entrepreneur of the project and the audience of donors or lenders through the Internet, the most prominent of which are transparency, ease of preparation, multiple options, ease of contribution, feedback or feedback, low financial cost and community solidarity.

Crowdfunding platforms in Arab countries;

Crowdfunding platforms have grown significantly in a number of Arab countries recently, bringing the number of major platforms in the Arab countries to about 32 crowdfunding platforms, as follows:

- ✓ Jordan: MENA Ideas and Liwa are two platforms where crowdfunding is used in Jordan to finance social projects to help people who do not have access to the traditional banking system.
- ✓ UAE: There are a number of platforms that practice crowdfunding in the UAE, the most prominent of which are Dubai Next, Beehive and Eureeca. Dubai Next is the first government crowdfunding platform aimed at providing community support to innovative and creative young people. Beehive is the first electronic platform that allows investors to provide loans to SME owners in the UAE. Eureeca also provides crowdfunding to SMEs and the public by investing in stocks.
- ✓ Tunisia: Crowdfunding is expected to help support investment further along with increasing exports and providing youth employment opportunities, and

there are currently two platforms in Tunisia that practice crowdfunding activity, Gofandi and Afrikwete.

- ✓ Algeria: Crowdfunding activity is still in the process of being established and developing proposals and laws regulating this activity, but some platforms such as "My Partner" and "Twiza" provide simple lending services to some social projects and entrepreneurs in order to develop their innovations and small and medium enterprises.
- ✓ Saudi Arabia: Saudi Arabia's Vision 2030 attaches great importance to the development and encouragement of the SME sector by facilitating its access to financing opportunities. The Vision targets the percentage of bank credit granted to this sector from 5% currently to about 20% in 2030. There are eight crowdfunding platforms operating in the Saudi market, namely "Scopper", "Manafa", "Tharwa Capital", "Digital Platform", "Osool and Bakheet Investment", "Financial Sukuk", "Emkan Arabia Limited" and "Financial Documents". Among the most prominent of these platforms is the Manafa platform.
- ✓ Lebanon: Crowdfunding activity is mainly focused on lending with some simple activities related to investing in equity companies. One of the most important crowdfunding platforms in Lebanon is the "Help Lebanon" platform.
- ✓ Egypt: There are three prominent crowdfunding platforms: "Chikra", "Can" and "Madad". These platforms serve as contact points to collect donations from donors to people in need, especially to help people suffering from financial insolvency and some social situations by contributing to the provision of medical and educational expenses and emergencies, as well as funding startups and small and medium enterprises.

Manafa 'a Crowdfunding Platform in the Kingdom of Saudi Arabia.

With regard to the prominent Arab experiences in the field of crowdfunding activity, the Central Bank of Saudi Arabia referred to the "Manafa" platform as one of the successful experiences in this context, as this platform carries out lending-based crowdfunding activities by providing a range of diverse financial services, and we will try to address them in some detail below.

1.5 The emergence and definition of the Manafa platform for crowdfunding

It is the electronic platform of Manafa Financial Company, which provides, through the website "www.manafa.co", crowdfunding services, Manafa Financial Company registered with the Ministry of Commerce with Commercial

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Registration No. (1010948849) and the unified number of the facility (7002753718) dated 02/06/1439 AH and issued by the City of Riyadh, licensed by the Capital Market Authority in the arrangement activity under license No. (10-22241) dated 18/04/2022 AD, and authorized by the Capital Market Authority within the Financial Technology Laboratory on 16/07/2018 AD. (www.manafa.co ,2022)

The company's business model is based on what is known as collective ownership financing, which allows companies to obtain investment by individuals registered on a benefit platform to support growth and the company's operational business in exchange for a share in it. It does not manage the benefits of shareholders' money in companies, but rather allows investors to invest directly in companies, which means that the benefits of predicting the expected future profits for investors cannot be obtained because this depends on the performance of each company in which it was invested separately. Granting this investment asset to the general public to invest in it is new in Saudi Arabia, which is usually limited to a selection of high net worth investors due to the high risk of investing in this type of companies. (www.manafa.co ,2022)

The benefits platform does not provide any of the investment advisory products or services other than those for which a license has been obtained from the competent authority, and the benefits of any of its affiliates, employees, or managers do not provide any express or implied guarantees related to the adequacy, accuracy, or completeness of the information on the website. The role of benefits is limited to ensuring the integrity of the registration of the entity offering or wishing to finance, reviewing the financial statements and other essential information, and that the data contained on the website and its presentation comply with the requirements of the Capital Market Authority and the Central Bank of Saudi Arabia and are sufficient for the investor to take the appropriate decision, and the full responsibility lies with the securities issuer or the entity requesting financing.

2.5 Determinants of funding through the Manaqa Crowdfunding Platform

The Manafa crowdfunding platform has developed a set of determinants for debt financing or equity financing, which are summarized in the following table:

Table 01: Determinants of funding through the Mafa 'a Crowdfunding Platform

Funding Determinants	Debt financing	Co-ownership Financing
Financing Ceiling	5 million riyals	10 million riyals

Maximum Funding Percentage	80 %	Unspecified
Funding Principle	Murabaha	Participation
Duration of contracting	12 months	Al-Bidaya wa'l-Nihaya
Minimum Investment	1000 SAR	1000 SAR
Expenses	N/A	- Benefits receive the equivalent of 12.5% of the investment amount as a management commission, which is the collection of the investment amount. - Examination and audit expenses ranging from 20,000riyals to 100000riyals depending on the readiness of the company and the size of the financing
Period of Receipt of Funding	Within 48 hours	Within two weeks from the end date of the funding campaign
Contracting	In accordance with local law (in accordance with the provisions of Sharia)	In accordance with local law (in accordance with the provisions of Sharia)
Permits	Authorized by the Central Bank of Saudi Arabia	Authorized by the Capital Market Authority

Source: (www.manafa.co, 2022)

3.5 Success Factors of MUFAA Crowdfunding Platform

The Central Bank of Saudi Arabia pointed out that among the factors of success of the benefit platform is its excellence in providing various financial services in a digital form, aimed at empowering investors and supporting small and medium enterprises by facilitating the process of investing funds for the first party and facilitating and facilitating the process of obtaining the necessary financing for the second party, in addition to the quality of services provided and the speed of response to customers on an ongoing basis. The platform also provides small and medium enterprises with competitive Murabaha ratios compared to other platforms, in addition to feasible returns ratios for investors that help attract a new segment of investors to this sector. (، 2021 صندوق النقد الدولي ، صفحة 09)

6. Conclusion:

Crowdfunding is one of the contemporary forms of financing, which emerged as a result of multiple factors, including the stormy financial crisis that the world witnessed during the first decade of the current century, which called for rethinking existing financing methods, in addition to the contemporary digital revolution that led to many developments in the world of finance, business and economy. Through the presentation of this study, we reached the following results:

- ✓ Start-ups are new companies based on pioneering ideas "Innovation". They have an opportunity for gradual and increasing growth. Their main field is technology and depends mainly on it. They are active in risky markets in light of uncertainty and risk. This proves the incorrectness of the first hypothesis, as the start-up company differs from the small and medium enterprise in terms of its creativity, innovation and pioneering ideas, and in terms of the characteristics of the market in which it is active.
- ✓ Crowdfunding is a mechanism for raising small amounts of money from a large number of financiers (individuals) and directing them to a large number of borrowers (often startups and SMEs) using digital technologies (digital platforms). This proves that the second hypothesis is incorrect , as crowdfunding provides funding to startups and SMEs that face difficulty in obtaining funding from financial institutions. There are large investment projects that do not receive this type of funding.
- ✓ The activity of crowdfunding platforms involves the use of existing online platforms to connect a number of actors including funders, investors, sponsors, auditors and the digital platform;
- ✓ From the above, it is clear that crowdfunding platforms can be classified into multiple forms, depending on the fundraising system or financial allocations, or depending on the project presentation period.
- ✓ It is clear to us that crowdfunding platforms are characterized by many advantages as they represent a direct means of communication between the investor or entrepreneur of the project and the audience of donors or lenders through the Internet, the most prominent of which are transparency, ease of

preparation, multiple options, ease of contribution, feedback or feedback, low financial cost and community solidarity.

- ✓ Crowdfunding platforms have grown significantly in a number of Arab countries in recent times, bringing the number of major platforms in Arab countries to about 32 crowdfunding platforms, which proves the validity of the third hypothesis.
- ✓ Crowdfunding platforms in the Arab countries provide their clients with many services, the most important of which are financial due diligence services, legal and advisory services, services for designing and managing crowdfunding campaigns, providing advice to project holders, promoting projects presented on the platform, and providing advice and managing returns for the benefit of shareholders;
- ✓ "Manafa" platform is one of the successful experiences in the field of crowdfunding, as this platform carries out lending and ownership-based crowdfunding activities by providing a variety of financial services;
- ✓ The company's business model is based on what is known as collective ownership financing, which allows companies to obtain investment by individuals registered on a benefit platform to support growth and the company's operational business in exchange for a share in it.
- ✓ The benefit platform provides startups with competitive Murabaha ratios compared to other platforms, in addition to profitable return ratios for investors that help attract a new segment of investors to this sector, which proves the validity of the fourth hypothesis.
- ✓ The platform's activities contribute to increasing levels of financial inclusion and achieving the SDGs in the Kingdom of Saudi Arabia;
- ✓ The Manaqa platform contributes to the provision of modern financing products and services, which is one of the alternatives available to emerging, small and medium enterprises that may face some challenges in accessing banks and banks, in a way that enhances the level of financial inclusion.

Finally, we would like to say that the activity of crowdfunding platforms remains very limited compared to developed countries, so it is necessary to stimulate crowdfunding platforms and enhance their role in encouraging startups, entrepreneurs and young people and consider them one of the mechanisms

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followed within the framework of future strategic visions to facilitate the access of this category and achieve the sustainable development goals in the Arab countries.

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