

25th NOVEMBER 2020

AMENDMENTS TO REPORTING RULES - CMVM

On November the 11th, the Portuguese Securities Markets Commission (“CMVM”) published Regulations 6/2020; 7/2020; 8/2020; and 9/2020, which establish substantial amendments to the form, type and moments of the mandatory reports to CMVM

Given the extent of the amendments, we will only highlight the main ones, and focusing more on the practical impact they may have on the management of collective investment undertakings (“CIU”).

CMVM REGULATION 6/2020

Regulation 6/2020 restructures, compiles, standardizes and simplifies the reports that several entities subject to CMVM supervision are subject to. To this end, the regulation amends several other CMVM Regulations, concentrating the disperse reporting rules, and revoking several CMVM Instructions regarding the mentioned reports. We will highlight the following amendments which will all enter into force on July the 1st 2021.

a) Amendments to CMVM Regulation 2/2015

This Amendment changes the content, structure and moment in which management companies of collective investment undertakings must report the following information:

- i) Breakdown of assets under management;
- ii) Information on the global net value;
- iii) Off-balance sheet liabilities;
- iv) Number of Units of Participation in circulation;
- v) Portfolio Information;
- vi) Information regarding the activity of the fund;
- vii) Value of the Unit of Participation;
- viii) Balance sheet, income statement, report and accounts and auditor's report;
- ix) Fund rules or Articles of Incorporation and their successive changes;
- x) Explanatory notes on the evolution of the liquidation process;
- xi) On forbidden operations;
- xii) The opinions of expert asset appraisers;
- xiii) Order reception and transmission activities, portfolio management and registration and deposit activities.

b) Amendments to CMVM Regulation 3/2015

This Amendment changes the content, structure and moment in which Venture Capital Investment Companies, Venture Capital Fund Management Companies, or Venture Capital Companies must report the following information:

- i) Portfolio information;
- ii) CIU Capital and Participants;
- iii) Balance Sheet and income statement;
- iv) Annual Report and Audit Report;
- v) Fund Rules or the articles of incorporation and their successive changes.

c) Amendments to CMVM Regulation 2/2002

This Amendment changes the content, structure and moment in which Credit Securitization Fund Management Companies must report the following information:

- i) Portfolio;
- ii) Balance Sheet and income statement;
- iii) Changes to the Fund Rules;
- vi) Balance Sheet and income statement, Annual Report and Audit Report;

d) Amendments to CMVM Regulation 1/2020

The scope of CMVM Regulation no. 1/2020 is extended to also be applicable to: (i) Self-managed collective investment companies; (ii) Securitization Companies; (iii) Venture Capital Fund Management Companies; (iv) Venture Capital Companies; (v) Self-managed venture capital investment companies; (vi) Self-managed specialized alternative investment companies; and (vii) Social entrepreneurship companies.

As a result of the extension of the scope, new rules are also established for the reporting of prudential information by these Companies.

e) Amendments to CMVM Regulation 3/2016.

Introduces changes to the submission format of the reporting data files.

CMVM REGULATION 7/2020

Regulation 7/2020 defines the contents and structure of the report that Financial intermediaries, Collective Investment Undertakings Management Companies and Collaborative financing electronic platform management companies must present to CMVM regarding complaints of nonprofessional investors.

This report will now be semi-annual and should inform CMVM of the content and object of complaints - both in progress and already concluded - made by non-professional investors and received / handled by the Company.

The regulation comes into force on January the 1st, 2021 and the first reporting of information should be done by July 31, 2021 with reference to the first half of the year.

CMVM REGULATION 8/2020

Regulation 8/2020 establishes how financial intermediaries and Collective Investment Undertakings Management Companies should report to CMVM the following information:

- a) The pricing for non-professional investors, in relation to the activities of receiving transmission, executing orders as well as registering and depositing financial instruments;
- b) The charges associated with the commercialization of CIUs; and
- c) Any other charges of the CIUs such as commissions;

The reporting obligations in relation to this topic, which were dispersed throughout legislation pieces are now concentrated in this Regulation, with the entities being obliged to report said information in accordance with the rules established in the annex to said regulation and with the moments established therein.

This Regulation will come into force on July 1, 2021, and the first mandatory report must be made by July 15, 2021⁽¹⁾.

¹ 10th working day after the 1st of July 2021

CMVM REGULATION 9/2020

This Regulation creates an obligation for Companies subject exclusively to the supervision of CMVM - Collective Investment Undertakings Management Companies and Risk Capital Fund Management Companies - to submit a self-assessment report of their governance and internal control systems of according to new rules established in that regulation.

This self-assessment report replaces the Internal Control Report, which the mentioned entities are no longer obligated to present.

Finally, it should be noted that there are special rules for the submission of this report to company's subject to both CMVM and Banco de Portugal supervision. These entities must already submit this report until April 1, 2021.

PARES | Advogados is available to provide information on this and other topics in a more specific and appropriate way to the reality of each client, being able, in particular, to assist its clients in any issues regarding Collective Investment Undertakings Management Companies and Risk Capital Fund Management Companies and respective funds, and adaptation to Compliance and Internal control rules, of each of the types of companies mentioned, such as, for example, preparing and submitting reports, preparing and changing internal policies and procedures, structuring control areas or responding to customer complaints.

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