

LEGAL ALERT

NEW ASSET MANAGEMENT FRAMEWORK

CONSULTATION PAPER

The Portuguese Securities Market Commission (CMVM) has placed under [public scrutiny](#) the draft diploma of the New Asset Management Framework (AMF). The new AMF is based on the full revision of the General Framework of Collective Investment Undertakings (GFCIUs) and the Legal Framework for Venture Capital, Social Entrepreneurship and Specialised Investment (LFVCSESI). The draft diploma will remain under public consultation until 28 February 2022.

General remarks on the AMF project

The new AMF aims to simplify the regulation of the asset management sector with the objective to foster competitiveness and market. The draft AMF will therefore reduce the complexity of the types of entities and collective investment undertakings (CIUs) currently in existence, create a proportionate and appropriate regulatory regime for small management companies, including a simplified authorisation process, and reduce CMVM decision-making deadlines.

Among other developments, the draft RGA proposes to make the following changes to the legal regimes provided for in GFCIUs and LFVCSESI:

- Exclusion from CMVM's scope of supervision of the (i) CIUs constituted exclusively with family assets; (ii) Regional Development Companies (RDCs), which will no longer be able to manage venture capital funds; and (iii) elimination of the figure of Venture Capital Investors;

- The existing categories of management companies under the GFCIUs and LFVCSESI will be reorganised, so that now there will be small and large-scale Collective Investment Undertaking Management Companies (CIUMCs) (eliminating the goldplating existing in Portuguese law in relation to [Directive 2011/61/EU](#)) and small and large-scale Venture Capital Companies (VCCs);
- The small management companies will have to have a minimum initial capital of EUR 75,000.00 and will become subject to a simplified prior authorisation by CMVM;
- CIUMCs will be able to manage all types of CIU, although they may not exclusively manage venture capital Alternative Investment Undertakings (AIU). Furthermore, small CIUMCs may hold portfolios of their own and, as regards real estate AIU, may develop real estate investment consultancy activities and the management of real estate or real estate portfolios, these activities not being subject to authorisation by CMVM;
- VCCs will be able to manage all types of AIUs, with the exception of real estate AIUs, provided that at least one of the bodies managed qualifies as a venture capital AIU;
- Procedures are simplified for the incorporation of CIUs by (i) shortening decision deadlines; (ii) reducing the number of procedural elements; and (iii) replacing and eliminating procedures establishing for example the need for CMVM's authorisation only for open-end CIUs and Undertakings for Collective Investment in Transferable Securities (UCITS);
- The exercise of the supervisory functions by CMVM on the specific activities carried out by the supervised entities (*ex post*) is preferred to the control of information and documentation provided in the authorisation and registration procedures (*ex ante*).

We remain available for any further queries or clarifications.

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