

LEGAL ALERT

REGULATION OF THE ASSET MANAGEMENT SYSTEM

CMVM REGULATION NO. 7/2023, OF DECEMBER 29

I. Background

On 29 December 2023, [CMVM Regulation no. 7/2023](#) (Regulamentação do Regime de Gestão de Ativos, RRGa) was published in the Portuguese Official Gazette (*Diário da República*) aiming at regulating the Asset Management Regime (*Regime de Gestão de Ativos*, RGA), approved by [Decree-Law no. 27/2023, of April 28](#). The RRGa came into effect on 1 January 2024 and replaces [CMVM Regulations no. 2/2015, of July 17](#), and [no. 3/2015, of November 3](#).

The publication of RRGa resulted from the [CMVM Public Consultation no. 6/2023](#).

According to the CMVM, the publication of RRGa not only elaborates on the provisions of RGA but also aims at maintaining the purposes of simplification and proportionality that guide the new regulation of this sector, ensuring the competitiveness of the Portuguese market while simultaneously safeguarding investors protection.

With the publication of RRGa, the core legal and regulatory framework governing asset management in the national jurisdiction is complete.

II. Main topics addressed by the RRGa

The main purposes of the RRGa consists of developing the provisions set forth in the RGA concerning, in particular: (i) the conditions to carry out the activity by management companies and

collective investment undertakings (OIC); (ii) the requirements applicable to OIC activity; (iii) the organizational and operational requirements for management companies; (iv) marketing; and (v) the disclosure and reporting of information to the CMVM. It is noteworthy, among others, the following topics:

Regarding the **conditions for carrying out the activity by the management company and OIC**:

- Establishment of additional elements to be included in the constitutional documents when applying for authorization to commence activities;
- Differentiation between subsequent amendments to the authorization conditions for the commencement of activities for both the management company and OIC, distinguishing between substantial and non-substantial amendments;
- Enumeration of the elements that must be included in the authorization request for merger operations involving the management company.

Regarding the **activity of the OIC**:

- Definition of the participation units' categories;
- Elaboration of the formula for calculating the overall net asset value of the OIC;
- Requirements applicable to special OIC regimes;
- Provisions applicable to the spin-off, transformation, and liquidation of the OIC.

In relation to the **organizational and operational requirements of the management company**:

- Adoption of international financial reporting standards (IFRS) in the preparation of the financial statements of the management company;
- Non-exhaustive listing of errors attributable to the management company for which it must compensate the losses suffered by unitholders (subject to the verification of certain cumulative conditions).

Regarding **marketing**:

- Elements to be included in the authorization request of marketing entities;
- Content of the marketing contract as well as the general conditions;
- Elements to be included in the declaration concerning clients' financial instruments or funds.

Concerning **disclosure and reporting of information**:

- Deadlines for the disclosure of information concerning the detailed composition of assets of the OIC under management, overall net asset of the fund, off-balance sheet liabilities, and the number of participation units in circulation;
- Elements to be included in the reporting duties to the CMVM regarding OIC established in Portugal;
- Information to be included in the public register of management companies organized by the CMVM.

III. Transition Period

The RRGGA came into force on 1 January 2024.

Despite this, management companies and OIC covered by the RRGGA have a 180 days period to adapt to RRGGA in matters where adaptations are required. This means that management companies will have until **28 June 2024** to implement the necessary adjustments to those matters.

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