Financial Action Task Force on Money Laundering

Groupe d'action financière sur le blanchiment de capitaux

ANNEXES OF THE
THIRD MUTUAL EVALUATION/DETAILED ASSESSMENT REPORT
ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

PORTUGAL

OCTOBER 2006

ANNEXES

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Annex 1

LIST OF ABBREVIATIONS

AG	Attorney Genera
ASAE	l
BdP	Bank of Portugal
BIB	Money Laundering Investigation Squad
CMVM	Portuguese Securities Market Commission
CdVM	Securities Code
CNSF	National Council of Supervisors
DCCB	*Direcção Central de Combate ao Banditismo* -
DCIAP	Central Department for Criminal Investigation and Prosecution
DCICCEF	Central Department for the Investigation of Corruption and Economic and Financial Crime
DCITE	Central Department for Drugs Trafficking Investigation
DGAIEC	General Directorate of Customs and Special Tax on Consumption
DGRN	General Directorate for Registries and Notaries
EOROC	Notaries Statutes of Statutory Auditors
ESCB	European System of Central Banks
FATF	Financial Action Task Force
IGAE	General Inspectorate for Economic Activities
IMOPPI	Institute of the Market of Public and Private Works and Real Estate
IGJ	General Inspectorate for Gambling
ISP	Portuguese Insurance Institute
LADA	Law to Access Administrative Documents
NATO	North Atlantic Treaty Organisation
OECD	Organisation for Economic Co-Operation and Development
RGICSF	Legal Framework of Credit Institutions and Financial Companies
RNPC	Nacional Register of Legal Persons
RGICSF	*Regime Geral das Instituições de Crédito e Sociedades Financieras* - Legal Framework of Credit Institutions and Financial Companies
ROC	Statutory auditors **(***Revisores Oficiais de Contas)*
PJ	Criminal Police
SIIC	The Integrated System for Criminal Information
TOC	Chartered accountants (*Técnicos Oficiais de Contas***)**
UIF	Financial Intelligence Unit, *Unidade de Informação Financeira* `

Annex 2

DETAILS OF ALL BODIES MET DURING THE ON-SITE MISSION

I. MINISTRIES/DEPARTMENTS OF GOVERNMENT

Ministry of Finance and Public Administration

Ministry of Justice

Ministry of Economy and Innovation

General Directorate for Customs and Special Taxes on Consumption (Ministry of Finance and Public Administration)

General Directorate for European Affairs and International Relations (Ministry of Finance and Public Administration)

Bank of Portugal (BdP)

Portuguese Insurance Institute (ISP)

Securities and Market Commission (CMVM)

II. OPERATIONAL AND LAW ENFORCEMENT AGENCIES

Criminal Police – National Director and Central Departments

Central Department of Criminal Investigation (DCIAP)

Financial Intelligence Unit (UIF)

Institute of Criminal Police and Criminal Sciences

Central Department for Criminal Investigation and Prosecution

General Directorate of Customs and Excise

III. PROSECUTORIAL AUTHORITIES

Attorney-General

General Directorate for Registries and Notaries (Ministry of Justice)

IV. FINANCIAL INSTITUTIONS

Banco Santander Totta

Millenium BCP Bank

Postal Service (CTT)

Occidental Vida – Millennium Fortis Insurance

V. REPRESENTATIVES FROM THE FINANCIAL INSTITUTIONS SECTOR

Portuguese Banking Association

Banking Training Institute

Portuguese Brokers and Dealers Association

Portuguese Association of Exchange Offices

VI. DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS

General Inspectorate for Economic Activities (Now renamed as ASAE)

General Inspectorate for Gambling

VII. REPRESENTATIVES FROM THE DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS SECTOR

Professional Order of Statutory Auditors

Chamber of Chartered Accountants

Bar Association

Chamber of Solicitadores

Registrar of Notaries

Annex 3

List of Basic Laws and Regulations:

Law no. 11/2004 - Establishing the regime for prevention and repression of the laundering of unlawful proceeds.

Law no 11/2002, - Regulating the punishments to the violation of the sanctions laid down by European Regulations and establishes caution procedures to extend their scope

Law No. 52/2003 - On combating terrorism (in compliance with council Framework Decision no. 2002/475/JHA, of 13 June) - 12th amendment to the Code of Criminal Procedure and 14th amendment to the Penal Code

Law N°5/2002 on measures for the combat against organised crime and economic and financial crime

Instructions

BdP Instruction N°26/2005 on Money Laundering

ISP Regulatory Standard Nº10-2005-R

CMVM Regulation N°12/2000 on Financial Intermediation

Law no. 11/2004 of 27 March

(amended by Law 27/2004, of 16 July)

Establishing the regime for prevention and repression of the laundering of unlawful proceeds and adding the 16th amendment to the Penal Code and the 11th amendment to Decree-Law no.15/93 of 22 January

The Assembly of the Republic decrees, pursuant to Article 161(c) of the Constitution, to be in force as general Law of the Republic, the following:

CHAPTER I
Purpose

Article 1
Purpose

This law establishes preventive and repressive measures against the laundering of unlawful proceeds by transposing the Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering.

CHAPTER II
Duties

SECTION I
General Provisions

Article 2
Duties

The entities provided for in this law are subject to the following duties:

a) Duty to require the identification;
b) Duty to refuse to carry out transactions;
c) Duty to keep documents;
d) Duty to examine;
e) Duty to report;
f) Duty to abstain;
g) Duty to co-operate;
h) Duty of confidentiality;
i) Duty to create control and training mechanisms.

Article 3

Duty to require the identification

1 – The duty to require the identification consists in requiring identification from the clients and their representatives by presenting a valid document proving the identity, bearing a photograph where the

name, the place and the date of birth are mentioned; in the case of legal persons, their identity shall be established by the presentation of a copy of the identification card of legal person.
2 - Where there is knowledge or reasonable grounds to suspect that the client does not act on his own behalf, the client shall provide information about the identity of the person on whose behalf he is actually acting.
3 – Where the duty to require the identification depends on the transaction or series of transactions, that are or may be related to each other, reaching a certain threshold, and where the total amount of the transaction or series of transactions is not known at the outset, the identity control shall be performed as soon as it or he / she is apprised of that amount and establishes that the threshold has been reached.
4 – In non-face-to-face transactions involving the payment of €12,500 or more and not deriving from a contract for the provision of services, no transaction may be conducted or any business relationship initiated without the entity involved having ascertained the true identity of the client through the most appropriate means and defined as such by the supervisory authority of the relevant sector.
5 – Where the transactions, irrespective of their amount, might be related to the commission of a laundering offence having regard, amongst other matters, to their nature, complexity, unusual character in the light of the client's activity, the amounts involved, their frequency as well as the economic and financial situation of the parties or the means of payment used, the entities that are subject to the duty to verify the identity have a special obligation to take the appropriate measures so as to identify the clients and, where applicable, the representatives or other persons acting on their behalf.

Article 4

Duty to refuse to carry out transactions

The entities that are subject to the duty to require the identification shall refuse to carry out the transaction where the client does not provide his identity or the identity of the person on whose behalf he is actually acting.

Article 5
Duty to keep documents

1 – The copies of the documents establishing the identity or references to them shall be retained for a period of ten years from the date of identification and of five years starting on the date on which the relationship has ended.
2 – The original documents or supporting evidence by way of copies, references or microforms with equivalent evidential value, of the records of the transactions shall be kept for a period of ten years starting on the date of the execution of the transactions.

Article 6
Duty to examine

1 – The duty to examine consists in the obligation to examine with special attention the transactions that by their nature, complexity, unusual character in the light of the client's activity, the amounts involved, the economic and financial situation of the involved persons or the means of payment used amongst others might fall into the legal types of the laundering offence as defined by the law.
2 – In complying with the duty to examine, whenever the transactions amount to €12,500 or more, the entities subject to it shall obtain information on the source and destination of the funds, the justification for the transactions in question, as well as on the identity of the beneficiaries, if not the same person..

Article 7
Duty to report

1 – If the examination of the transaction, under the preceding Article or by any other means, gives rise to the suspicion or knowledge of certain facts indicating the commission of a laundering offence, the entity that has detected the situation shall immediately inform the Attorney General of the Republic.
2 – The information provided under the preceding paragraph shall only be used in criminal proceedings and the identity of the person who provided it shall not be disclosed.

Article 8
Duty to abstain and power to stay the execution

1 – The duty to abstain consists in the prohibition of carrying out transactions suspected of being related to the commission of a laundering offence.
2 – The entity that suspects that a certain transaction might be related to the commission of a laundering offence shall inform the Attorney General of the Republic immediately, who may determine the stay of its execution.
3 – The transaction may nevertheless be carried out if the order to its execution is not confirmed by the criminal investigation Judge within two working days from the moment of the report made in accordance with the preceding paragraph.
4 – If it is not possible to abstain pursuant to paragraph 1 or if the Attorney General of the Republic deems that it might frustrate or hinder the activity carried out by the authority for preventive or evidential purposes, the entities that are subject to the duty to abstain may carry out the transactions and shall promptly provide that authority with all the information related to them.

Article 9
Duty to co-operate

The duty to co-operate consists in the obligation to provide all the assistance requested by the judicial authority responsible for conducting the proceedings or by the authority competent to monitor compliance with the duties provided for by this law, namely by providing all information and submitting all documents requested by those entities.

Article 10
Duty of confidentiality

The entities that are subject to the duties laid down in Articles 7 to 9, as well as the members of their bodies, those holding office as director, manager or head of department or similar, their employees, representatitives and other persons providing services of a permanent, temporary or occasional nature shall not disclose to the client nor to third persons that they have transmitted information in accordance with the preceding articles or that a criminal investigation is being carried out.

Article 11
Duty to create control and training mechanisms

1 - The duty to create control mechanisms consists in the obligation to have, including in subsidiaries and branch offices abroad, internal control and reporting procedures enabling the fulfilment of the obligations laid down in this law and forestalling the execution of transactions related to the laundering of unlawful proceeds.
2 – The entities that are subject to this duty shall provide their directors and employees with the appropriate training to recognize the transactions that may be related to the commission of a laundering offence in order to enable them to act pursuant to the provisions of this law.

Article 12
Exclusion of liability

1 - The information supplied in good faith in complying with the duties laid down in Articles 7, 8 and 9 shall not constitute a breach of any duty of confidentiality, nor involve the persons who disclosed the information in liability of any kind.
2 – A person who at least by reason of negligence discloses or enables the disclosure of the identity in accordance with Article 7 shall be punished with a maximum penalty of three years' imprisonment or shall be liable to a fine.

SECTION II

Special provisions

SUBSECTION I
Duties of the financial entities

Article 13

Scope

1 – The provisions of this subsection shall apply to credit institutions, investment firms and other financial companies, insurance companies in so far as they carry on activities within the area of life assurance, as well as to pension fund managing companies, credit securitisation companies, venture capital companies, exchange offices, entities managing or marketing venture capital funds and collective investment undertakings marketing their units, whose head office is in Portuguese territory.
2 – The branches established in the Portuguese territory of the entities referred to in the preceding paragraph having their head offices abroad, as well as the off-shore branches, are also covered.
3 – The present law also applies to the entities entrusted with the universal postal service providers in so far as they provide financial services.
4 – For the purposes of this law, the institutions referred to in the preceding paragraphs are hereinafter referred to as "financial entities".

Article 14

Duties

The financial entities are subject to the duties laid down in Article 2 with the specifications provided for in the following Articles.

Article 15

The financial entity's duty to require the identification

1 – The financial entities are subject to the duty to require the identification in accordance with article 3, whenever they establish a business relationship, in particular when opening a deposit account or savings account, when providing safe custody service or investment services in the securities field, or when issuing insurance policies or managing pension schemes.
2 – The identification requirement shall also apply whenever the financial entities carry out occasional transactions in respect of which identification did not take place under the terms of the preceding paragraph, and where the amount involved equals or exceeds €12,500, whether the transaction is carried out in a single operation or in several operations.

Article 16

Exceptions

1 – The provisions of the preceding paragraph do not apply to:

a) Insurance policies or pension funds in respect of which an annual premium or contribution to be paid does not exceed €1000 or where a single premium or contribution is paid not exceeding €2500;
b) Insurance policies in respect of pension schemes taken out by virtue of the insured person's contract of employment or occupation, provided that they contain no surrender clause and may not be used as collateral for a loan;
c) Insurance policies, transactions within the area of "life insurance" and pension schemes, provided that the payment for the premium or the contribution is to debited or drawn by cheque from an account opened in the customer's name in a credit institution subject to the duties laid down in Article 2.
2 - Where the annual premiums or contributions to be paid exceed the thresholds set out by subparagraph a) of the preceding Article, the financial entity shall require the identification as specified in the preceding Article.
3 – The financial entities are not subject to the duty to require the identification where the client is a financial entity with head office in a country within the European Union or in a non-European Union Member State whose money laundering prevention system is considered by the supervisory authority of the respective sector to be equivalent to the one established in this law.

Article 17
Special duty to require the identification

Without prejudice to the special duty to require the identification as laid down in Article 3(5), the financial entities are subject to the duty to require the identification of the involved parties whenever the transaction, irrespective of its nature and amount, is connected with a country or territory that the supervisory authority of the respective sector, in a decision made public, considers non-cooperative in virtue of non-compliance with the international standards to prevent and fight money laundering.

Article 18
Duty to report

1 – In complying with the duty to report as laid down in article 7, the financial entities shall immediately report to the Attorney General of the Republic as soon as they have knowledge or suspect that amounts entered in their books are derived from an unlawful act, as defined under the law, or as soon as they become aware of any facts that may indicate the commission of a money laundering offence.

2 – In case of transactions which represent a higher risk of money laundering, namely when connected with a given country or jurisdiction that are subject to additional countermeasures decided by the Council of the European Union, the supervisory authorities of the respective sector may impose a duty to report those transactions to the Attorney General of the Republic whenever their amounts equal or exceed €5000.

Article 19

Powers of the supervisory authorities and duty to report

1 – Monitoring compliance with the duties provided for in this subsection is up to the supervisory authorities within the respective sector that, for this purpose, exercise the competences and powers provided for in the respective legislation.
2 – The authorities empowered to supervise the financial entities shall inform the Attorney General of the Republic, whenever in the course of inspections to those entities, or by any other means, they have

knowledge or grounds for suspicion that there are facts indicating the commission of a laundering offence.
3 - The authorities empowered to supervise the companies managing securities markets, companies managing settlement systems as well as centralized systems of securities and companies managing foreign exchange markets shall inform the Attorney General of the Republic, whenever in the course of inspections to those entities, or by any other means, they have knowledge or grounds for suspicion that there are facts indicating the commission of a laundering offence.
4 – All pieces of information provided under the preceding paragraphs 2 and 3, are ruled by the provisions described in Article 7 (2) and in Article 12.

SUBSECTION II
Duties of the non-financial entities

Article 20

Scope

This subsection applies to the following entities:

a) Casino operators;
b) Persons engaged in estate agencies as well as buying and reselling real estate;
c) Operators awarding betting or lottery prizes;
d) High value dealers;
e) Statutory auditors (*Revisores oficiais de contas)*, Chartered accountants *(Técnicos oficiais de contas)* and external auditors, as well as companies providing money transport services and tax advisors;
f) Firms, notaries, registrars, lawyers, *solicitadores* and other independent professionals who participate or assist on behalf of a client or otherwise, in the following transactions:

i) Purchase and sale of real estate or businesses, as well as of shares;
ii) Management of funds, securities or other assets belonging to the clients;
iii) Opening and management of bank, savings and securities accounts;
iv) Creation, operation or management of a company, a trust fund, or similar structures;
v) Acting on behalf of the client in any financial or real estate transaction;
vi) Acquisition and sale of rights over professional sportspersons.

Article 21
Duties

The entities referred to in the preceding Article are subject to the duties laid down in article 3 in such manner as may be specified in the following articles.

Article 22
Casino operators' duty to require the client's identification and other duties

1 – It is the duty of a casino operator:

a) To identify the players and register the amounts involved in their transactions, whenever in the traditional gaming facilities they exchange cash for chips or other conventional gaming tokens which, individually or collectively, in the same gaming session, exceed €1000;

b) In traditional gaming facilities, to draw their own cheques in exchange for chips, only in favour of the players who, in the same gaming session, have purchased them using a credit card or a valid cheque and up to the maximum amount equal to the cumulative amount of all those purchases;
c) In premises in which gaming machines are installed, to draw their own cheques only in favour of the players who have received winnings paid out according to the payout schedule of the gaming machines;
d) To identify the players to whom cheques crossed account payee are made out.

2 – The board of directors of the casino operator shall make the reports pursuant to this law.

Article 23
Duty to require the client's identification and other duties of the real estate agents and other similar entities

1 – The natural or legal persons engaged in estate agencies shall verify the identity of the contracting parties as well as the purpose of the transactions whenever they involve the payment of €15,000 or more.
2 - The natural or legal persons buying and selling rural or urban real estate, as well as buying it with a view to reselling or exchanging it, whether they are mere property traders or developers promoting allotments or the construction of buildings that are to be sold, shall:

a) Inform the monitoring authority of the date on which their activity was started and, in the course of doing so, send a photocopy of the document stating the start date of the activity as well as a photocopy of the articles of association, duly updated, as well as of all its changes whenever they occur, within a maximum of 60 days starting on the date of occurrence of any of those changes;
b) Send every six months, using the appropriate form, the following particulars of all transactions that have been carried out to the monitoring authority -

i) Clear identification of the parties;
ii) The overall amount of the transaction;
iii) Reference to the title deeds thereof;
iv) The means of payment used;
v) Identification of the estate.

3 – The firms that have started their activity of buying and selling rural or urban real estate, as well as of buying with a view to reselling or exchanging it, shall be under a duty to make the report provided for in subparagraph a) of the preceding paragraph within 90 days starting with the date of entry into force of this law.

Article 24
Duty of the entities paying out bearer tickets or coupons to require the client's identification

The entities awarding betting or lottery prizes of €5000 or more to the winners shall identify the person who receives the prize.

Article 25
Duty of high value dealers to require the client's identification

The auctioneers and other dealers in precious stones and metals, works of art, aircrafts, boats or motor cars shall identify the client's and their transactions, whenever the latter involve accepting a cash payment of €5000 or more.

Article 26

Duty of the statutory auditors, chartered accountants and external auditors, as well as of companies providing money transport services and tax advisors, to require the client's identification

The statutory auditors, chartered accountants and external auditors, as well as tax advisors and companies providing money transport services assisting firms, companies and clients with their accounting and audit, or with the transport and safeguarding of tangible and intangible assets, shall identify the client's, whenever the amounts involved equal or exceed €15,000.

Article 27

Duty of other independent professionals or firms to require the client's identification

Independent professionals or firms acting on behalf of clients in the transactions referred to in Article 20(f) shall identify those clients, as well as the purpose of the contract and the transactions, whenever the amounts involved equal or exceed €15,000.

Article 28

Notaries' and registrars' duty to require the client's identification

Notaries and registrars acting in the transactions referred to in Article 20(f) shall verify the identity of the persons concerned, whenever the amounts involved equal or exceed €15,000.

Article 29

Lawyers' and *solicitadores* duty to verify the client's identification

Lawyers and *solicitadores* acting on behalf of a client or assisting him in the transactions referred to in Article 20(f) shall identify their clients, as well as the purpose of the contract as well as of the transactions, whenever the amounts involved equal or exceed €15,000.

Article 30

Other duties of the non-financial entities

1 – In complying with the duty to report as laid down in article 7, entities referred to in Article 20, except for lawyers and *solicitadores*, shall inform the Attorney General of the Republic of transactions amounting to, indicating or giving rise to the suspicion of the commission of a money laundering offence, as soon as they become aware of them.
2 – As far as lawyers or solicitors are concerned, the report for the purposes of the preceding paragraph is made to the Chairman of the *Ordem dos Advogados* (Portuguese Bar Association) or to the Chairman of the *Câmara dos Solicitadores* (Chamber of Solicitadores).
3 – In the case of lawyers and *solicitadores* and where the transactions referred to in Article 20(f) are at issue, the report pursuant to the preceding paragraphs shall not include the information obtained in the course of ascertaining the legal position of a client, when providing legal advice, or when performing their task of defending or representing that client in or concerning judicial proceedings, including when advising that client in relation to instituting or avoiding judicial proceedings, whether the information is obtained before, during or after the judicial proceedings.
4 – The entities referred to in the final part of paragraph 2 shall in turn report to the Attorney General of the Republic, where they deem it appropriate in accordance with paragraph 1 and if they are satisfied that the circumstances described in the preceding paragraph do not apply.
5 – The provisions of paragraphs 3 and 4 shall apply to lawyers and *solicitadores* acting in the discharge of their duties to abstain and co-operate, as laid down in Articles 8 and 9. As soon as they receive a request for assistance from the judicial authority those professionals shall within the scope of the duty to co-operate promptly inform the *Ordem dos Advogados* or the *Câmara dos Solicitadores* and provide them with the elements requested for the purposes of paragraph 4.

Article 31
Duty of the finance ministry officials to report

The finance ministry officials who in the course of their duties become aware of facts indicating or giving rise to reasonable grounds of suspicion of the commission of a money laundering offence shall report the Attorney General of the Republic.

Article 32
Monitoring authorities

1 – Each of the following is competent to monitor compliance with the duties laid down in the preceding paragraphs -

a) The *Inspecção-Geral de Jogos* (General Inspectorate for Gambling), in relation to the entities referred to in Articles 22 and 24;
b) The *Inspecção-Geral de Actividades Económicas* (General Inspectorate for Economic Activities), in relation to the entities referred to in Articles 23 and 25 to 27;
c) The *Direcção-Geral dos Registos e do Notariado* (Directorate General of the Registries and the Notaries), in relation to the notaries and the registrars;
d) The *Ordem dos Revisores Oficiais de Contas* (Professional Order of Statutory auditors), in relation to the Statutory auditors;
e) The *Câmara de Técnicos Oficiais de Contas* (Chamber of Chartered Accountants), in relation to chartered accountants;
f) The *Ordem dos Advogados*, in relation to the lawyers;
g) The *Câmara dos Solicitadores*, in relation to the s*olicitadores*.

2 – Where in the course of their monitoring work or otherwise the authorities referred to in subparagraphs a) to c) of the preceding paragraph become aware of facts indicating the commission of money laundering offences, they shall promptly report the Attorney General of the Republic

SUBSECTION III

The Attorney General of the Republic's power to delegate

Article 33
Delegation of powers by the Attorney General of the Republic

The Attorney General of the Republic may delegate the exercise of his powers under this law to any other prosecutor.

CHAPTER III
Non-criminal offences

SECTION I
General provisions

Article 34
Subsidiary provisions

The general regime applicable to non-criminal offences and fines shall be subsidiarly applicable to the offences provided for in this chapter.

Article 35
Territorial application

Irrespective of the nationality of the offender, the provisions contained in this chapter are applicable to:

a) Acts committed in the Portuguese territory;
b) Acts committed outside the national territory for which entities referred to in article 13(1) and in Article 20 are responsible, whether acting through a branch office or by providing services, as well as the persons who in respect of such entities find themselves in one of the situations provided for in subparagraph c) of the following Article;
c) Acts committed on board a Portuguese vessel or aircraft, except as otherwise provided in an international treaty or convention.

Article 36
Natural and legal person's liability

The following persons may be held liable for the offences referred to in this chapter:

a) Financial entities;
*b)*Natural and legal persons referred to in Article 20, the lawyers and *solicitadores* excepted;
c) Natural persons who are members of the organs of the legal persons referred to in the preceding subparagraphs or those holding office as director, manager or head of department or similar in such legal entities, as well as those acting, legally or voluntarily, on their behalf and, in the event of the duty laid down in Article 10, their employees and other persons providing services on a permanent or occasional basis.

Article 37

Liability of legal persons

1 – Legal persons are also liable for the offences committed by the members of their organs, the persons holding office as director, manager or head of department or similar, or by any employee, if the acts are committed in the course of their duties, as well as for the offences committed by the representatives of the legal person whilst acting on their behalf and in their interests.
2 – Voidance and nullity of the acts on which the relation between the individual and the legal person is based shall not preclude the application of the provisions of the preceding paragraph.

Article 38
Negligence

As regards the non-criminal offences provided for in the present chapter, negligence is always punishable.

Article 39
Liability of natural persons

Liability of the legal persons shall not exclude the personal liability of the natural persons acting as members of their organs, as well as of those holding office as director, manager or head of department or similar in such legal entities. The latter shall be punished even when the category of non-criminal offence requires certain personal elements and only the legal person who is represented fulfils them or the offender commits the act in his own interests and the representative acts in the interests of the person who is represented.

Article 40

Compliance with the omitted

Where a non-criminal offence arises from the omission of a duty, the enforcement of the penalty and the payment of the fine shall not exempt the offender from complying with it, if it is still possible.

Article 41
Statute of limitations

1 – The procedures relating to the non-criminal offences laid down in this chapter shall expire five years starting on the date when they were committed.
2 – The limitation period for the enforcement of fines and supplementary penalties shall expire five years from the date of termination of the period for lodging an appeal against the decision to impose them or from the date of the final decision.

Article 42
Application of the fines

1 – The money collected from fines shall benefit the State notwithstanding the following paragraphs.
2 – 60% of the money collected from fines imposed on the credit institutions shall benefit the State and 40% shall be paid to the Deposit Guarantee Fund created under Article 154 of the Legal Framework of Credit Institutions and Financial Companies.
3 – 60% of the money collected from fines imposed as a result of proceedings started by the *Comissão do Mercado de Valores Mobiliários* (Portuguese Securities Market Commission) shall benefit the State and 40% shall be paid to the *Sistema de Indemnização aos Investidores* (Investors Compensation Scheme) created by Decree-Law no. 222/99 of 22 June.
4 – 60% of the money collected from fines imposed as a result of proceedings started by the *Inspecção-Geral de Jogos*, the *Inspecção-Geral de Actividades Económicas* and the *Instituto de Seguros de Portugal* (Portuguese Insurance Institute) shall benefit the State and 40% to these entities.

SECTION II
Non-criminal offences in particular

Article 43
Violation of the duties by financial entities or the persons referred to in Article 36(c)

The financial institution or any person referred to in Article 36(c) is guilty of a non-criminal offence and liable to a fine of from 1000€ to 750000€ or from 500€ to 250000€ respectively if it or he / she:

a) Does not comply with the duty to require the identification, laid down in Article 3, as is specified in Articles 15, 16(2) and 17;
b) Violates the duty to examine laid down in Article 6;
c) Does not comply with the duty to keep documents laid down in Article 5.

Article 44
Serious violation of the duties by financial entities or the persons referred to in Article 36(c)

The financial institution or any person referred to in Article 36(c) is guilty of a non-criminal offence and liable to a fine of from 5000€ to 2.500.000€ or from 2500€ to 1.000.000€ respectively if it or he / she:

a) Carries out transactions with a person who does not provide his / her identity or the identity of the person on whose behalf he / she is actually acting;

b) Does not comply with the duty to report laid down in Article 7, taken in conjunction with Article 18;
c) Does not comply with the duty to co-operate laid down in Article 9;
d) Violates the duty to abstain laid down in Article 8;
e) Breaches by any means whatsoever the duty of confidentiality laid down in Article 10, unless it is punished in accordance with Article 12(2);
f) Violates the duties laid down in Article 11.

Article 45
Violation of the duties by non-financial entities, lawyers and *solicitadores* excepted

The person referred to in subparagraph b) or c) of Article 36 is guilty of a non-criminal offence and liable to a fine of from 1000€ to 250.000€ or from 500€ to 100.000€ respectively if it or he / she:

a) Does not comply with the duty to require the identification laid down in Article 3, as is specified in Articles 22 to 28;
b) Violates the duty to examine laid down in Article 6;
c) Does not comply with the duty to keep documents laid down in Article 5.

Article 46
Serious violations of the duties by non-financial entities, lawyers and *solicitadores* excepted

The person referred to in subparagraph b) or c) of Article 36 is guilty of a non-criminal offence and liable to a fine of from 5000€ to 500.000€ or from 2500€ to 200.000€ respectively if it or he / she:

a) Carries out transactions with a person who does not provide his / her identity or the identity of the person on whose behalf he / she is actually acting;
b) Does not comply with the duties to report laid down in Article 7, taken in conjunction with Article 30(1);
c) Violates the duty to abstain laid down in Article 8;
d) Does not comply with the duty to co-operate laid down in Article 9;
e) Breaches by any means whatsoever the duty of confidentiality laid down in Article 10, unless it is punished in accordance with Article 12(2);
f) Violates the duties laid down in Article 11.

Article 47
Additional penalties

In addition to the fines provided for in the preceding Articles, the following supplementary penalties may be imposed on the offender:

a) Disqualification from being member of any of the organs of the legal persons covered by this law or from holding office as director, manager or head of department or similar in such legal entities, where the defendant is a member of any of their organs, or acts, legally or voluntarily, on their behalf;
b) Expenses incurred by the monitoring or supervisory authority for the purpose of the publication of the final decision shall be borne by the offender.

SECTION III
Procedure

Article 48
Powers of the administrative authorities

1 – The authority empowered to supervise the respective sector, in relation to financial entities, and the monitoring authorities referred to in Article 32(1), in relation to non-financial entities, are competent to investigate the non-criminal offences provided for in this law and institute the respective proceedings.
2 – Each of the following is competent to impose fines and additional penalties:

a) The Finance Minister, in relation to financial entities;
b) The Minister of Economy in proceedings started by the *Inspecção-Geral de Jogos* and the *Inspecção-Geral de Actividades Económicas*;
c) The Minister of Justice in proceedings started by the *Direcção-Geral dos Registos e do Notariado.*

Article 49
Liability to pay the fines

1 – The legal persons shall be jointly liable for the payment of fines and costs to which their directors, employees or representatives are sentenced to pay in respect of offences punishable under this law.
2 – The members of the management organs of the legal persons who, having been given the opportunity to prevent the offence from being committed, did not prevent it, shall be jointly and severally liable for the payment of the fine and costs to which the legal persons are sentenced to pay even if at the date of conviction the latter have been dissolved or wound up.

CHAPTER IV

Offences committed by lawyers and *solicitadores*

Article 50
Offences committed by lawyers

1 – An offence committed by any lawyer by failing to comply with the duties laid on them under this law shall entail disciplinary procedure initiated by the *Ordem dos Advogados* in general terms, in accordance with the Ordem dos Advogados Statutes.
2 – The applicable disciplinary penalties, as well as the application criteria are those laid down in *Ordem dos Advogados* Statutes.
3 – The seriousness of the violation of the duties laid on lawyers in accordance with this law shall be taken into account when applying the penalties as well as when establishing their level, and for that purpose, the levels defined in Articles 45 and 46 shall be used as a reference scale.

Article 51
Offences committed by solicitadores

1 – An offence committed by any solicitador by failing to comply with the duties laid on them under this law shall entail disciplinary procedure initiated by the *Câmara dos Solicitadores* in general terms, in accordance with its Statutes.
2 – The applicable disciplinary sanctions are:

a) Fine from 500€ to 2500€;
b) Suspension from duties up to two years;
c) Suspension from duties for more than two years and up to ten years;
d) Expulsion.

3 – In applying the penalties as well as in establishing their level consideration shall be given to:

a) The seriousness of the violation of the duties laid on solicitors and, for that purpose, the levels defined in Articles 45 and 46 shall be used as a reference scale;
b) The criteria referred to in Article 145 of the Statutes of the *Câmara dos Solicitadores*.

CHAPTER V

Final Provisions

Article 52
Protection of the rights of bona fide third parties

1 – If the property which has been seized from defendants against whom criminal proceedings have been instituted for an offence related to the laundering of unlawful proceeds are recorded in a public register in the name of a third party, the persons whose property is entered in such registers are notified and given the opportunity to defend their rights and summarily submit evidence of their good faith. In such circumstances, the property may be immediately restored to them.
2 - If there is no such register, third parties claiming that they purchased the seized property in good faith may defend their rights in the proceedings.
3 - Third parties claiming to have acted in good faith may defend their rights by submitting a request to the judge until a confiscation order is made. The party concerned shall include all pieces of evidence in that request.
4 – The request shall be attached to the proceedings and, after notifying the Public Prosecution Service that might want to oppose it, the court shall take a decision and, for that purpose, take all the steps it considers appropriate.
5 – Where, by virtue of its complexity or the delay it would entail in the criminal proceedings, the case cannot be properly resolved by the judge, he may refer the case to the civil courts.

Article 53

Additional Article to amend the Penal Code

The Penal Code, approved by the Decree-Law no. 400/82 of 23 September and amended by the Law no. 6/84 of 11 May, the Decree-Laws no. 132/93 of 23 April and no. 48/95 of 15 March, by the Laws no. 65/98 of 2 September, no. 7/2000 of 27 May, no. 77/2001 of 13 July, no. 97/2001, no. 98/2001, no. 99/2001 and no. 100/2001 of 25 August, no. 108/2001 of 28 November, by the Decree-Laws no. 323/2001 of 17 December and no. 38/2003 of 8 March, as well as by the Laws no. 52/2003 of 22 August and no. 100/2003 of 15 November, is hereby amended with Article 368-A, as follows:

"Article 368-A
Laundering

1 - For the purposes of the following paragraphs, the property considered to be the proceeds of crime is the property which derives from unlawful acts such as living on earnings of prostitution, child sexual abuse or sexual abuse of dependant minors, extortion, illegal trafficking of drugs and psychotropic substances, arms trafficking, trafficking in human organs or tissues, trafficking in protected species, tax fraud, trafficking of influences, corruption and other offences referred to in Article 1(1) of the Law no. 36/94 of 29 September, as well as the property obtained through the unlawful conduct, defined as such under the law and punishable by a minimum term of imprisonment exceeding six months or by a maximum term of imprisonment exceeding five years.
2 - A person who converts, transfers, assists or facilitates, on behalf of himself or of a third person, whether directly or indirectly, any operation of conversion or transfer of proceeds, for the purpose of disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his actions is punished by imprisonment for a term between two and twelve years.

3 - The same applies when the person conceals or disguises the true nature, source, location, disposition, movement, rights with respect to, or ownership of proceeds.
4 – The offences laid down in paragraphs 2 and 3 are punished even if the acts which constitute the predicate offence have been committed outside the national territory, or if the place where the offence was committed or the identity of the offenders remain unknown.
5 – A person shall not be punished for the act, if the criminal proceedings for the unlawful acts, as such defined under the law and as a result of which proceeds were obtained, depends upon a criminal complaint and this complaint was not filed in due time, except where the proceeds derived from unlawful conduct laid down in Articles 172 and 173.
6 – The penalty provided for in paragraphs 2 and 3 is increased by one third if the offender commits the unlawful acts regularly.
7 – Where the offender fully compensates the victim for the damage caused by the unlawful conduct, as such defined under the law and as a result of which proceeds were obtained, without causing illicit damage to a third person until the beginning of the hearing in the first instance, the penalty is specially reduced.
8 - If the conditions provided for in the preceding paragraph are satisfied, the penalty may be specially reduced where partial compensation is provided.
9 – The penalty may be specially reduced if the offender assists in the gathering of the evidence that is essential for the identification and arrest of those who are responsible for committing the unlawful acts defined as such under the law and as a result of which proceeds were obtained.
10 – The penalty applied in accordance with the preceding paragraphs may not exceed the maximum penalty prescribed for the unlawful acts defined as such under the law and as a result of which proceeds were obtained.

Article 54

Amendment to the Decree-Law no. 15/93 of 22 January

Article 24 of the Decree-Law no. 15/93 of 22 January, with the wording given by the Decree-Law no. 81/95 of 22 April, the Law no. 45/96 of 3 September, Decree-Law no. 214/2000 of 2 September, Law no. 30/2000 of 29 November, Decree-Law no. 69/2001 of 24 February, the Laws no. 101/2001 and no. 104/2001 of 25 August, the Decree-Law no. 323/2001 of 17 December, as well as by the Laws no. 3/2003 of 15 January and no. 47/2003 of 22 August, is amended to the following wording:

"Article 24
[…]

The minimum and maximum penalty limits provided for in Articles 21 and 22 are increased by one fourth if:

a) .....
b) .....
c) .....
d) .....
e) .....
f) .....
g) .....
h) .....
i) .....
j) .....
l) .....”

Article 55
Revocation

1 – The following are hereby revoked:

a) Article 23 of the Decree-Law no. 15/93 of 22 January;
b) The Decree-Law no. 313/93 of 15 September, as amended by the Decree-Law no. 323/2001 of 17 December;
c) The Decree-Law no. 325/95 of 2 December, as amended by the Law no. 65/98 of 2 September, the Law no. 104/2001 of 25 August, the Decree-Law no.323/2001 of 17 December, the Law no. 5/2002 of 11 January and the Law no. 10/2002 of 11 February.

2 – References in other Acts to the rules that have been revoked shall hereinafter considered made to this law.

Approved on 12 February 2004.
The President of the Parliament, *João Bosco Mota Amaral*.
Promulgated on 12 March 2004.
Set it be published.
The President of the Republic, JORGE SAMPAIO.
Approved on 16 March 2004.
The Prime Minister, *José Manuel Durão Barroso*.

Law no 11/2002, of 16th February

Regulates the punishments to the violation of the sanctions laid down by European Regulations and establishes caution procedures to extend their scope.

The Assembly of the Republic provides, under the terms of paragraph c) of Article 161st of the Constitution, for the following general law of the Republic:

Article 1
Scope

The present law defines the penal scope for the violation of financial or commercial sanctions laid down by the United Nations Security Council resolutions or by European regulations, which impose restrictions to the establishment or to the pursue of financial or commercial transactions with States, other entities or individuals expressly identified in their respective scope of subjective application.

Article 2
Violation of the duty to freeze financial assets

1 – He who, in breach of the sanctions referred to in Article 1, places, directly or indirectly, any financial assets at the disposal of the entities identified in the resolutions or regulations mentioned in Article 1, in such a way that these entities may use or benefit from, shall be punished with an imprisonment penalty from three to five years.
2 – In case of negligence, the penalty shall be a fine, up to 600 days.
3 – Attempt is punishable.

Article 3
Violation of other duties

1 – He who establishes or pursues a forbidden juridical relation with any of the entities identified in the resolutions or regulations referred to in Article 1, or acquires or enlarges the participation or control position in real estate, corporation or any other kind of legal person, even if irregularly created, placed, registered or formed in a territory identified in those resolutions and regulations, shall be punished with an imprisonment penalty from three to five years.
2 – Paragraph 1 above is applicable, notwithstanding the fact that the acquisitions or participation enlargements take place in exchange for goods, services or technology, including patents, capital, debts payments or any other financial resources.
3 – Attempt is punishable.

Article 4
Common rules

1 – Legal entities, corporations and associations are liable for any breach of their bodies or representatives, committed in their name and for their sake.
2 – Void or inapplicable acts, upon which the relation between the natural person and the legal person is grounded, do not impeach the application of paragraph 1 above.
3 – The main penalty applicable to the legal person is a fine, of a sum not inferior to the amount of the transaction and not higher than twice the amount of such transaction.
4 – In case where the breach is not a transaction, the fine shall be fixed between € 5000 and € 2 500 000, and between € 2500 and € 1 000 000, respectively, for financial entities or for natural or legal persons of any other nature.
5 – As an accessory penalty, applicable either to natural persons, or to legal persons, the conviction decision may be published.
6 – Acts played in breach of the sanctions referred to in Article 1 are void.

Article 5
Caution procedures to extend the scope of this Law

In criminal processes related to the facts that determine the application of the sanctions, or connected to them, or in which the defendant is connected to such facts, the Public Prosecutor may ask for seizure of the funds and financial assets.

Article 6
Prevention and repression

In preventing and repressing the breaches envisaged in this Law, the special provisions related to money laundering are applicable.

Article 7
Duty to identify

If the transactions take place under the provisions of Decree-Law n. 352-A/88, of 3 October, and if there is a suspicion of violation of the sanctions referred to in Article 1, it is up to the suspect to identify the beneficiary or beneficiaries of such transaction.

Approved on 20th December 2001.
The President of the Assembly of the Republic, *António de Almeida Santos*.

Promulgated on 31st January 2002.
Let it be published.
The President of the Republic, JORGE SAMPAIO.

Referenda on 7th February 2002.
The Prime-Minister, *António Manuel de Oliveira Guterres*.

Law No. 52/2003

of 22 August

On combating terrorism (in compliance with council Framework Decision no. 2002/475/JHA, of 13 June) - 12th amendment to the Code of Criminal Procedure and 14th amendment to the Penal Code

The Assembly of the Republic decrees, pursuant to Article 161 (c) of the Constitution, to be in force as general Law of the Republic, the following:

Article 1

3.2 Purpose

This Act aims at the prediction and the punishment of terrorist acts and terrorist organisations, in compliance with Council Framework Decision No. 2002/475/JHA, of 13 June, on combating terrorism.

Article 2

Terrorist organisations

1 – A terrorist group, organisation or association shall mean any grouping of two people or more who, acting in concert, aim at: attacking the national integrity or independence; preventing, modifying or undermining the operation of the State institutions established in the Constitution; compelling the public authorities to perform, abstain from performing or tolerating the performance of an act; intimidating certain persons, groups of persons or the population in general, by means of:

a) Offences against a person's life, physical integrity or freedom;
b) Offences against the safety of transport and communications, including computer, telegraphic, radio or television communications;
c) Offences producing a common danger, using fire, explosions, radioactive or toxic substances, causing floods or avalanches, crumbling of buildings, contamination of food and water intended for human consumption, or dissemination of a disease or an illness, a harmful plant or animal;
d) Acts that, definitively or temporarily, totally or partially interfere with, disrupt the functioning or deviate from their normal purposes the means or ways of communication, public infrastructure facilities or facilities designed for supplying and meeting the vital needs of the population;
e) Research into and development of biological or chemical weapons;
f) Offences involving the use of nuclear energy, firearms, biological or chemical weapons, explosive substances or devices, incendiary devices of any kind, mail or parcel bombs, whenever these offences, given their nature or the context in which they are committed, are likely to seriously affect the State or population they intend to intimidate.

2 – Whoever promotes or founds a terrorist group, organisation or association, or adheres to or supports them, including by supplying information or material resources, or by financing in any way their activities, shall be punished with a penalty of 8 to 15 years' imprisonment.

3 – Whoever heads or directs a terrorist group, organisation or association shall be punished with a penalty of 15 to 20 years' imprisonment.

4 – Whoever commits any act preparatory to the formation of a terrorist group, organisation or association shall be punished with a penalty of 1 to 8 years' imprisonment.

5 – The penalty may be specially reduced or not take place if the offender voluntarily renounces his activity, prevents or mitigates the danger caused by it, or actually helps to find decisive evidence for the identification and arrest of other offenders.

Article 3

3.2 Other terrorist organisations

1 – It is comparable to the terrorist groups, organisations or associations provided for in the preceding article, paragraph 1, any grouping of two people or more who, acting in concert and through the commission of the acts that are described there, aim at: attacking the integrity or independence of a State; preventing, modifying or undermining the operation of the institutions of that State or of an international public organisation; compelling the respective authorities to perform, abstain from performing or tolerating the performance of an act; intimidating certain groups of persons or populations.

2 – The provisions laid out in the preceding article, paragraphs 2 to 5, are correspondingly applicable.

Article 4

3.2 Terrorism

1 – Whoever commits the acts provided for in article 2, paragraph 1, with the intention mentioned in it, shall be punished with a penalty of 2 to 10 years' imprisonment, or with the penalty that corresponds to the committed offence, with the respective minimum and maximum limits increased in one third if equal or higher than the earlier mentioned penalty. Yet, it cannot exceed the limit referred to in article 41, paragraph 2, of the Penal Code.

2 – Whoever commits aggravated theft, extortion or drawing up of false administrative documents with a view to committing the acts listed in article 2, paragraph 1, shall be punished with the penalty that corresponds to the committed offence, with the respective minimum and maximum limits increased in one third.

3 – The penalty may be specially reduced or not take place if the offender voluntarily renounces his activity, prevents or mitigates the danger caused by it, or actually helps to find decisive evidence for the identification and arrest of other offenders.

Article 5

3.2 International terrorism

1 - Whoever commits the acts provided for in article 2, paragraph 1, with the intention mentioned in article 3, paragraph 1, shall be punished with a penalty of 2 to 10 years' imprisonment, or with the penalty that corresponds to the committed offence, with the respective minimum and maximum limits increased in one third if equal or higher than the earlier mentioned penalty.

2 - The provisions laid out in the preceding article, paragraphs 2 and 3, are correspondingly applicable.

Article 6

3.2 Liability of legal persons or comparable entities and applicable penalties

1 – Legal persons, companies or mere de facto associations shall be liable for the offences provided for in articles 2 to 5, where committed on their own behalf and in the collective interest by their governing bodies or representatives or by a person under their authority, and whenever the commission of the offence has been made possible due to failure to comply with their supervision and control duties.

2 – Liability of the entities referred to in the preceding paragraph shall not exclude the individual liability of the respective offenders.

3 – For the offences provided for in paragraph 1, the following main penalties shall apply to legal persons:

a) Pecuniary penalty;
b) Winding-up.

4 – The pecuniary penalty shall be fixed in days, the minimum being 100 and the maximum 1000 days.

5 – To each day corresponds an amount between € 5 and € 5000.

6 – If a pecuniary penalty is applied to a legal arrangement, the common property or, solidarily, the property of each of the associates shall answer for it, if no common property exists or suffices.

7 – The winding-up penalty shall only be applied if the founders of the legal person have had the intention, exclusively or predominantly, of using it to commit the offences referred to in paragraph 1 or if the repeated commission of such offences shows that the legal person or company is being used, exclusively or predominantly, for that purpose, either by its members or by the executive director.

8 – The following ancillary sanctions may be applied to legal persons for the offences provided for in paragraph 1:

a) Judicial injunction;
b) Temporary disqualification from the practice of an activity;
c) Exclusion from entitlement to public benefits or grants;
d) Publicity about the judgement of conviction.

9 - The provisions laid out in Decree-Law No. 28/84, of 20 January, articles 11, 12, 14 and 19, are correspondingly applicable.

Article 7

3.2 Subsidiary law

1 - The provisions of the Penal Code and the respective complementary legislation shall subsidiarily apply to the matter set forth in this Act.

Article 8

Territorial application

1 – For the purposes of this Act, unless otherwise provided for in any international treaty or convention, the Portuguese penal law shall apply to facts committed outside the national territory:

a) Where the facts incorporate the offences provided for in articles 2 and 4;
b) Where the facts incorporate the offences provided for in articles 3 and 5, as long as the offender has been found in Portugal and he cannot be extradited or handed over while complying with a European arrest warrant.

2 – The provisions laid out in article 6, paragraph 2, of the Penal Code shall not apply to the offences provided for in the preceding paragraph, sub-paragraph a).

Article 9

Amendments to the Code of Criminal Procedure

Article 1 of the Code of Criminal Procedure, approved by Decree-Law No. 78/87, of 17 February, and amended by Decree-Law No. 387-E/87, of 29 December, by the Laws No. 17/91, of 10 January, and No. 578/91, of 13 August, by the Decree-Laws No. 343/93, of 1 October, No. 423/91, of 30 October, and No. 317/95, of 28 November, by the Laws No. 59/98, of 25 August, No. 3/99, of 13 January, and No. 7/2000, of 27 May, by Decree-Law No. 320-C/2000, of 15 December, and by Law No. 30-E/2000, of 20 December, shall read as follows:

« Article 1

[…]

1 - …….

2 - …….

a) They incorporate the offences provided for in article 299 of the Penal Code, and in articles 2 and 3 of Law No. …/2003, of …;
b) ……»

Article 10

Amendments to the Penal Code

Article 5 of the Penal Code, approved by Decree-Law No. 400/82, of 23 September, and amended by Law No. 6/84, of 11 May, by the Decree-Laws No. 132/93, of 23 April, and No. 48/95, of 15 March, by the Laws No. 65/98, of 2 September, No. 7/2000, of 27 May, No. 77/2001, of 13 July, No. 97/2001, No. 98/2001, 99/2001 and 100/2001, of 25 August, and No. 108/2001, of 28 November, and by the Decree-Laws No. 323/2001, of 17 December, and No. 38/2003, of 8 March, shall read as follows:

« Article 5

[…]

1 - …….

a) Where they incorporate the offences provided for in articles 221, 262 to 271, 308 to 321 and 325 to 345;
b) ……..
c) ……..
d) ……..
e) ……..

2 - ……...»

Article 11

3.2 Revocation

Articles 300 and 301 of the Penal Code are hereby revoked.

Passed on 26th June 2003.

The President of the Assembly of the Republic, *João Bosco Mota Amaral.*

Enacted on 4th August 2003.

Let it be published.

The President of the Republic, JORGE SAMPAIO.

Countersigned on 8th August 2003.

The Prime Minister, *José Manuel Durão Barroso*.

Law No. 5/2002
of 11 January

Establishing measures for the combat against organised crime and economic and financial crime and adding 2nd amendment to Law no. 36/94 of 29 September, amended by Law no. 90/99 of 10 July, and 4th amendment to Decree-law no. 325/95 of 2 December, amended by Law no. 65/98 of 2 September, by Decree-law no. 275-a/2000 of 9 November, and by Law no. 104/2001 of 25 August

The Assembly of the Republic decrees, pursuant to Article 161 (c) of the Constitution, to be in force as general Law of the Republic, the following:

CHAPTER I

Article 1

3.2 Scope of application

1 - This law establishes a special regime for the collection of evidence, breach of professional secrecy and confiscation of assets to the State in relation to the following offences:

a) Narcotics trafficking, pursuant to articles 21 to 23 and 28 of Decree-Law No. 15/93, of 22 January;
b) Terrorism and terrorist organisation;
c) Arms trafficking;
d) Passive corruption and embezzlement;
e) Money laundering;
f) Criminal gang;
g) Smuggling;
h) Trafficking and change of identification elements in robbed vehicles;
i) Incitement to prostitution and incitement to prostitution and trafficking in minors;
j) Counterfeiting currency and securities equivalent to currency.

2 – The provisions in this Act shall only apply to the offences provided for in sub-paragraphs g) and j) of the preceding article if these are committed in an organised manner.

3 – The provisions in chapters II and III shall also apply to the other offences referred to in paragraph 1, article 1, of Act No. 36/94 of 29 September.

CHAPTER II

Professional secrecy

Article 2

Breach of secrecy

1 - In the investigation, fact finding and trial phases for the crimes listed in article 1, members of the governing bodies of credit institutions and financial companies, the respective employees and services providers, as well as tax officials, shall no longer be bound by professional secrecy if there is reason to believe that the respective information is important for the discovery of the truth.

2 – For the purposes of this law, the provision laid out in the preceding paragraph shall solely depend on the order from the judiciary authority in charge of directing the proceedings, by means of a reasoned order.

3 - The reasoned order referred to in the preceding paragraph shall identify the persons at issue and shall specify the required pieces of information and the documents to be delivered. The reasoned order may take a generic form in relation to each one of the subjects at issue, where specification is not possible.

4 – Where the holder or holders of the account, or the persons involved in the transactions, are not known, the identification of the accounts and transactions on which information is required, shall suffice.

5 – Where the pieces of information relate to a defendant in the proceedings or to a legal person, the reasoned order referred to in article 2, shall always take a generic form, and shall include:

g) Tax information;
h) Information on bank accounts and the respective activity, held or co-held by the defendant or by the legal person, or which he/it is entitled to operate;
i) Information on bank and financial transactions in which the defendant or the legal person are involved;
j) Identification of other persons involved in the transactions referred to in sub-paragraphs b) and c);
k) Documents supporting the pieces of information referred to in the preceding paragraphs.

6 – In order to comply with the provisions set forth in the preceding paragraphs, the judiciary authorities and the criminal police bodies empowered to investigate, shall have access to the databases of the tax administration.

Article 3

3.2 Procedure relating to credit institutions or financial companies

1 – Following the reasoned order referred to in the preceding article, the judiciary authority or, by delegation, the criminal police body empowered to investigate, shall request from credit institutions or financial companies the relevant pieces of information or support documents, or a copy of them.

2 – Credit institutions and financial companies are required to provide the requested elements within:

a) 5 days, as to the data electronically available;

b) 30 days, as to the respective support documents and data electronically unavailable; in case of defendants who are detained or under arrest, this time shall be reduced by half.

3 – If the request is not met within the scheduled time, or if there are grounds for suspicion that documents or information have been concealed, the judiciary authority charged with the direction of the proceedings shall seize the documents, upon authorisation from the criminal investigation judge, during the enquiry phase.

4 – Those documents considered to be of no interest to the proceedings shall be returned to the entity that supplied them or, provided these are not originals, destroyed, with a respective report being drawn up.

5 – Where the institutions referred to in paragraph 1 are not known, the judiciary authority charged with the direction of the proceedings shall request the dissemination of the information request by the Central Bank.

6 – The credit institutions or financial companies shall indicate to the Attorney-General of the Republic a central entity responsible for meeting the information and documents requests.

Article 4

3.2 Control of bank accounts

1 – The control of a bank account requires the respective credit institution to report to the judiciary authority or to the criminal police body any operations on the account within the twenty-four hours that follow the operation.

2 – The control of a bank account is authorised or ordered, depending on the cases, by a reasoned order from the judge whenever it is thought to be important for the discovery of the truth.

3 – The reasoned order referred to in the preceding paragraph shall identify the account or the accounts included in the measure, its duration period and the judiciary authority or criminal police body responsible for the control.

4 – The reasoned order provided for in paragraph 2 may also include the obligation to stay the execution of the operations specified in it, if necessary for the prevention of a money laundering offence.

5 – The stay of execution shall lapse if not confirmed by the judiciary authority within forty-eight hours.

Article 5

3.2 Confidentiality duty

The persons referred to in article 2, paragraph 1, shall be bound by the duty of confidentiality in relation to the acts mentioned in articles 2 to 4 that may come to their knowledge, and they cannot disclose it to the persons whose accounts are being controlled or on which there have been requests of information or documents.

CHAPTER III

Other means for producing evidence

Article 6

3.2 Voice and picture recording

1 – It is admissible, where necessary for the investigation of the offences referred to in article 1, to record voice and picture files, by any means, without permission of the subject.

2 – These recordings require a prior consent or order from the judge, depending on the case.

3 – The procedures provided for in the Code of Criminal Procedure, article 188, shall apply to the mentioned recordings, with the adaptations thought to be necessary.

CHAPTER IV

Assets confiscation to the State

Article 7

3.2 Assets confiscation

1 - In case of conviction for an offence referred to in article 1, and for the purpose of assets confiscation to the State, it is considered as benefit from a criminal activity the difference between the value of the defendant's actual property and one that is consistent with his lawful income.

2 – For the purpose of the application of this Act, as the defendant's property one should consider all the assets:

a) Owned by the defendant or under his control or to his benefit, as of his being held defendant or subsequently;

b) Transferred to third parties for free or against a derisory instalment within the 5 previous years to his being held defendant;

c) Received by the defendant within the 5 previous years to his being held defendant, though their intended use remains indeterminate.

3 – Interest, profits and other benefits derived from assets under the conditions set out in article 111 of the Penal Code, are always considered as benefits from criminal activity.

Article 8

Procedure for assets confiscation

1 – At the moment of the indictment, the Public Prosecutor shall settle the amount to be confiscated to the State.

2 – If the settlement is not possible at the moment of the indictment, it may take place until the 30th day prior to the date of the first discussion and trial audience, and it shall be included in the proceedings themselves.

3 – Once settled, the amount may be changed within the time period provided for in the preceding paragraph, if it proves to be inaccurate later on.

4 – Once the settlement is received by the court, or the respective amendment, it shall immediately be reported to the defendant and to his defender.

Article 9

Evidence

1 - Without prejudice of consideration by the court, in general terms, of all evidence in the proceedings, the defendant is entitled to prove the lawful origin of the assets referred to in article 7, paragraph 2.

2 – For the purpose of the above-mentioned paragraph, any instrument of evidence valid under the Criminal Procedure is admissible.

3 – The assumption established in article 7, paragraph 1, shall rebut if the assets prove to:

a) Be derived from benefits of illicit origin;
b) Have been in the ownership of the defendant for at least 5 years prior to the moment he was held defendant;
c) Have been purchased by the defendant with income that was obtained in the time period referred to in the above-mentioned sub-paragraph.

4 – If the settlement of the confiscated amount is included in the indictment, the defence shall be presented in the pleadings. If it is subsequent to the indictment, the time limit for the defence is 20 days as of notification of the settlement.

5 – The evidence referred to in paragraphs 1 to 3 shall be presented along with the defence.

Article 10

Distraint

1 – As a guaranty relating to the payment of the amount as described in article 7, paragraph 1, the distraint of the defendant's assets shall be ordered.

2 – At any time, the Public Prosecutor shall require the distraint of the defendant's assets amounting to the value considered as benefit from a criminal activity.

3 – The distraint is ordered by the judge, regardless of the occurrence of the assumptions referred to in article 227 of the Code of Criminal Procedure, if there are strong reasons to believe that an offence has been committed.

4 – The regime of preventive distraint provided for in the Code of Criminal Procedure shall apply to distraint in all situations that do not contradict the provisions of this Act.

Article 11

Amendment and cessation of distraint

1 – The distraint shall cease if economic security for the amount referred to in paragraph 1 of the preceding article, is provided.

2 – If, at any time in the proceedings, it is found that the amount subject to confiscation is lower or higher than the estimate, the Public Prosecutor shall require the reduction or the increase of the distraint, respectively.

3 – The distraint or the economic security shall cease with the final acquittal.

Article 12

Confiscation

1 – In the conviction sentence, the court shall state the amount to be confiscated to the State, pursuant to article 7.

2 – If this amount is lower than the assets under distraint or the provided security, these shall be reduced to the right amount.

3 – If no economic security has been provided, the defendant may voluntarily pay the amount referred to in the preceding paragraph within the 10 days that follow the *res judicata*, thus ceasing the distraint.

4 – If no payment is made, the assets under distraint shall be confiscated to the State.

CHAPTER V

Sanctionary regime

Article 13

Untruthful information

1 – Whoever, if a member of the governing bodies of credit institutions and financial companies, one of their employees or services provider, or a tax official, provides untruthful or misleading information or documents in compliance with an ordered procedure as set forth in chapter II, shall be punished with a penalty from six month's to three year's imprisonment, or a fine not lower than 60 days.

2 – Whoever, without due cause, refuses to provide information or documents or hinders its seizure, shall be subject to the same penalty.

Article 14

Regulatory offences

1 - Non-compliance by credit institutions or financial companies with the duties provided for in chapter II, shall be considered a regulatory offence punishable with a fine from € 750 to € 750 000.

2 – If non-compliance is repeated, the maximum and the minimum limits of the fine shall be doubled.

3 – The competence for the taking of evidence relating to the regulatory offences provided for in the preceding paragraphs, falls on the supervising authority of the respective sector.

4 - The imposition of the sanctions provided for in paragraphs 1 to 3, is up to the Minister of Finance.

CHAPTER IV

3.2 Final provisions

Article 15

3.2 Revocation

1 – The following are hereby revoked:

a) Article 5 of Act No. 36/94, of 29 September, with the wording given by Act No. 90/99, of 10 July;
b) Article 19 of Decree-Law No. 325/95, of 2 December.

Article 16

3.2 Coming into force

This Act shall come into force 30 days after its publication.

Passed on 31st October 2001.

The President of the Assembly of the Republic, *António de Almeida Santos*.

Enacted on 19th December 2001.

Let it be published.

The President of the Republic, JORGE SAMPAIO.

Countersigned on 27th December 2001.

The Prime Minister, *António Manuel de Oliveira Guterres*.

Annex 4

BdP, ISP and CMVM Regulations

Bank of Portugal

Notice No 11/2005

Whereas the opening of a bank deposit account is a crucial bank operation, which frequently starts a long-lasting business relationship between a client and a credit institution, requiring, as far as possible, a complete, sound and permanently updated knowledge of the identification elements of a client, of his/her representatives and of those authorised to operate the account in question;

Whereas it is necessary to ensure transparency and with a view to the establishment of fair and reliable relationships, the client shall be provided with timely and detailed information on the terms and conditions and contents of a bank deposit contract, including those relating to its operation, which shall always be updated;

Whereas it is convenient to clarify that the opening of a bank deposit account can be non-presential, i.e. it can be made through the most modern distance communication tools, namely through electronic means; however, the specific risks involved in these operations shall be taken into account as well as the fact that in the light of the legislation currently in force, the electronic transfer of the documents required for verifying the identification of the client does not suffice by itself, as such documents must be kept by the institutions;

Whereas it is important to regulate the requirements, which from a bank point of view, must be complied with in the opening of a bank deposit account, irrespective of the fulfilment of additional requirements, of civil or other nature, to which the institutions are subject by virtue of other regulatory provisions:

Banco de Portugal has decided to update the requirements relating to the opening of bank deposit accounts. Thus, in use of the powers conferred on it by Article 17 of its Organic Law and by Article 7 of Decree-Law No 454/91 of 28 December 1991, Banco de Portugal provides for the following:

CHAPTER I
General provisions

Article 1
Scope and addressees

This Notice regulates the general conditions relating to the opening of bank deposit accounts in the following credit institutions having their head office or a branch in the national territory:

a) Banks;
b) Savings banks (*caixas económicas*);
c) Central Mutual Agricultural Credit Bank (*Caixa Central de Crédito Agrícola Mútuo*);
d) Mutual Agricultural Credit Banks (*caixas de crédito agrícola mútuo*).

Article 2
Special duty of care

When opening a deposit account, credit institutions must act with particular care, adopting the required procedures:

a) Full identification and respective verification of each holder of the same account, the respective representatives and any other third party authorised to operate the account in question;
b) Confirmation of the truthfulness and adequacy of the instruments conferring the powers to represent and operate the accounts.

Article 3
General terms and conditions of the bank deposit contract

1 – Prior to the opening of a bank deposit account and without prejudice to the fulfilment of any other information duties, provided for by law, credit institutions shall provide the respective clients with a printed version of the general terms and conditions governing the bank deposit contract to be entered into, or, with the client's agreement, with any other long-lasting means, enabling the easy access to the information stored in them and its full and unchanged reproduction.

2 - Credit institutions must prove evidence of having provided the holders of the accounts or their representatives with the general terms and conditions governing the bank deposit contract, even when the account was opened without direct and personal contact between the credit institution and its client.

CHAPTER II

Identification procedures

SECTION I

General principles

Article 4

Requirements related to supporting documents

1 - Without prejudice to the provisions of Article 10 (3) and (4) and of subparagraph (b) of Article 12 of this Notice, the opening of a deposit account requires always the presentation of a valid identification document, with the photo and signature of its holder, issued by the competent official authority.

2 – The confirmation by the client of any particulars required for the opening of an account can only be made by means of original documents or duly certified copies.

3 – Whenever the documents submitted to credit institutions for the opening of a deposit account raise doubts as to their content, truthfulness, authenticity, correctness, accuracy or sufficiency, the said institutions must seek the confirmation of the identification elements mentioned in Article 9.

Article 5

Compilation and keeping of documents

1 – Credit institutions when opening an account and in the subsequent updating of information particulars related thereto, must make legible copies of the documents submitted to them.

2 – Documents compiled by credit institutions for the purpose of opening or updating deposit accounts shall be kept in paper or any other long-lasting support, enabling the full and unchanged reproduction of information within five years as of the close-out of the account in question.

3 – The provisions of (2) above do not prejudice compliance by credit institutions with other legal obligations to which they are subject regarding the compilation and keeping of documents.

Article 6

Employee's identification duty

Employees of credit institutions, when opening and updating information on deposit accounts, as well as when verifying and confirming the documents produced, shall inscribe in the internal registrations their clear identification and the respective date.

Article 7

Identification of financial sector entities

1 - Credit institutions are waived from complying with the identification procedures provided for in this Notice regarding the entity holding the account and any representative, when they open accounts, whose holders are currently and effectively:

Financial entities envisaged in Article 13 of Law No 11/2004 of 27 March;

Credit institutions, financial corporations or insurance companies, in so far as they carry on activities in the life insurance branch, established in another European Union Member State or in a country or territory listed in Annex 1 to Instruction of Banco de Portugal No 26/2005, including the branches established in these geographical areas.

2 – The provisions of (1) above do not exempt credit institutions from accurately verifying and compiling the information particulars that authenticate the granting and exercise of representation powers for the opening of accounts.

Article 8

Opening requirements and limits to the operation of accounts

1 - Credit institutions can only open deposit accounts in the name of entities that provide them with all the identification elements mentioned in Article 9, applicable to the situation in question, as well as the documentary evidence of the information particulars referred to in subparagraphs (a) to (e) of (1) and (a) to (d) of (2) of the same Article, without prejudice to the provisions of the following paragraph.

2 – As long as credit institutions are not in possession of the documentary evidence foreseen in Article 9, credit institutions cannot allow any credit or debit entries in the account after the initial deposit, make available any payment instruments related to the said account or make any changes in their holders.

SECTION II

Opening of bank deposit accounts in personal presence

Article 9

Identification elements

Whenever credit institutions open a bank deposit account in personal presence, the respective files shall contain, at least, the following elements, relating to each of the account holders and to their representatives, as well as any other third parties authorised to operate the account in question:

1) In the case of natural persons:
   a) Full name and signature;
   b) Date of birth;
   c) Birthplace;
   d) Nationality;
   e) Name of parents;
   f) Full address;
   g) Profession and name of employer;
   h) Official posts held;
   i) Type, number, date and entity issuing the identification document;
2) In the case of legal persons:
   a) Business name;
   b) Purpose;
   c) Address of the head office;
   d) Legal person identification number;
   e) Identity of the holders of equities and voting rights of the legal person equal to or higher than 25%;
   f) Identity of the holders of the management bodies of the legal person;
3) In the case of accounts held by individual entrepreneurs, the respective account opening form shall contain the legal person identification number or the taxpayer identification number, the business name, the address of the head office and the purpose, besides the identification elements referred to in (1) above;
4) In the case of accounts held by limited liability individual enterprises or by “collective centres of interest” without legal personality, such as condominiums of buildings submitted to the horizontal property regime and autonomous properties, negotiated under the terms of the general law, the provisions of (2) above shall be applicable, duly adapted;
5) For the purposes of this Notice, holders of official posts are considered to be, namely, the members of sovereignty bodies, executive members of the central, regional and local government and the members of the management bodies of entities under the indirect administration of the State.

Article 10

Supporting evidence

1 – With respect to natural persons:

a) The identification elements mentioned in subparagraphs (a) to (d) of Article 9 (1) must be supported by the following evidence:

With regard to residents, through the presentation of the identity card or any other document replacing it under the terms of Portuguese law, passport or permit of residence in the national territory;

With regard to non-residents, through the presentation of the passport, identity card or any other document that complies with the requirements laid down in Article 4 (1) of this Notice;

b) The identification element referred to in subparagraph (e) of Article 9 (1), if not referred to in any document mentioned in the previous subparagraph, must be confirmed through a civil registration certificate or in the case of non-nationals, through an equivalent official document;

c) The identification element referred to in subparagraph (f) of Article 9 (1) must be confirmed through any supporting evidence deemed suitable and sufficient by the credit institution or through a suitable means intended to confirm the address stated;

d) The identification element referred to in subparagraph (g) of Article 9 (1) must be confirmed through the presentation of a professional card, wage receipt or any other supporting document;

e) The identification element referred to in subparagraph (h) of Article 9 (1) does not require any supporting evidence.

2 – With respect to legal persons:

a) The identification elements referred to in subparagraphs (a) to (c) of Article 9 (2) shall be confirmed through the presentation of a commercial registration certificate or any other official document;

b) The identification element referred to in subparagraph (d) of Article 9 (2) shall be confirmed through the presentation of the identification card issued by *Registo Nacional de Pessoas Colectivas* (National Registration of Legal Persons), or in the case of non-residents, through an equivalent document;

c) The identification elements referred to in subparagraphs (e) and (f) of Article 9 (2) may be confirmed through a written declaration issued by the legal person itself, containing the name or the business name of the holders.

3 - When opening a bank deposit account in the name of a minor (a person under 18 years of age), who due to his/her age does not hold any of the documents referred to in subparagraph (a) of (1), the confirmation of the respective identification elements shall be made through the presentation of the birth bulletin, birth certificate, or in the case of non-nationals of an equivalent official document, to be presented by the person who has proved to have legal powers to negotiate the opening of the account through any documentary evidence deemed suitable and sufficient by the credit institution.

4 – Where the natural or legal person to be identified is not a resident in the national territory and has not unequivocally confirmed any of the identification elements referred to in the foregoing Article, credit institutions may request the confirmation in writing of the truthfulness and correctness of the information provided, issued by a credit institution in which the said person is already the holder of a bank deposit account and which is established in a Member State of the European Union or in a country or territory mentioned in Annex 1 to Instruction of Banco de Portugal No 26/2005, to be directly sent by the issuer to the institution where the account will be open.

5 – For the purposes of this Notice, the concepts of resident and non-resident are those provided for in Decree-Law No 295/2003 of 21 November.

SECTION III

Opening of bank deposit accounts without personal presence

Article 11

Identification elements

Whenever credit institutions open a bank deposit account without direct and personal contact with the respective holder or his/her representative, credit institutions shall fully comply with the identification requirements envisaged in Article 9.

Article 12

Supporting evidence

The confirmation of the identification elements referred to in the foregoing Article shall be made, at least, through one of the following means:

a) Remittance to the credit institution, by registered letter, of a certified copy of the supporting evidence of the identification elements required in accordance with the provisions laid down in Article 10;

b) Written declaration confirming the truthfulness and correctness of the information provided by the interested party, issued by a credit institution in which the said person is already the holder of a bank deposit account and which is established in a Member State of the European Union or in a country or territory mentioned in Annex 1 to Instruction of Banco de Portugal No 26/2005, to be directly sent by the issuer to the institution where the account will be open.

CHAPTER III

Final provisions

Article 13

Information of a tax nature

When opening an account and with respect to each of its holders, credit institutions must make a record of the taxpayer number, as required by Portuguese tax legislation, through the presentation of an original or of a certified copy of the tax payer card.

Article 14

Legal person identification number

Credit institutions are not allowed to enter into a cheque convention nor provide cheque forms to non-resident legal persons having no establishment in the national territory nor to any entity without legal personality, who, pursuant to the terms of the general law, holds a deposit account without the presentation of the respective legal person identification number, assigned by *Registo Nacional de Pessoas Colectivas* (National Registration of Legal Persons).

Article 15

Registration and file updates

1 - Credit institutions shall undertake a thorough examination of the deposit accounts existing on the date of entry into force of this Regulation, on the basis of materiality and risk criteria, which take into account, in particular, the specific characteristics of each account, of its holder and the business relationship, in order to identify the accounts that require the timely update of the corresponding registrations in accordance with the provisions laid down in this Notice.

2 - Credit institutions must establish regular confirmation procedures regarding the correctness of the data included in their registrations, periodically contacting the holders of all accounts and their representatives – at least every five years – for an update of information particulars, in accordance with the provisions laid down in this Notice.

3 - Whenever credit institutions have reasons to doubt the truthfulness or the correctness of the information particulars provided, they shall act in order to update the data included in the registrations mentioned in the foregoing paragraphs.

4 - Without prejudice to the provisions of (2) and (3), credit institutions shall expressly foresee, in the terms and conditions governing deposit contracts, that their clients must communicate any changes in the identification elements foreseen in Article 9 of this Notice.

Article 16

Provision of information

Credit institutions may contact the Payment Systems Department of Banco de Portugal if they have any doubts about the implementation of the provisions of this Notice.

Article 17

Revocation rule

Instruction No 48/96, published in *Boletim de Normas e Informações do Banco de Portugal* No 1 of 17 June 1996 is hereby revoked.

Article 18

Entry into force

This Notice shall enter into force on the 90th day following its publication.

Lisbon, 13 July 2005. - The Governor, *Vítor Constâncio*.

Portuguese Insurance Institute

REGULATORY STANDARD Nº 10-2005-R

Considering the experience acquired since the publication of Regulatory Standard no. 16/2002-R, of 7 June, and developments which have since taken place with regard to specialised fora for the prevention of money laundering, and, more recently, the financing of terrorism;

Considering that, in order to ensure efficient prevention of the aforementioned cirminal activities, financial entities need to ensure a permanent and in-depth level of knowledge with regard to their clients, throughout the business relationships established with them;

Considering that the signing of an insurance contract and subscription to a contract establishing a closed-end pension fund or joining an open-ended pension fund, due to the extent of their scope, constitute the starting point for a long-lasting and paradigmatic relationship in the insurance and pension fund /industries;

Considering the terms of national legislation on the prevention of money laundering, especially Law no. 11/2004, of 27 March;

Considering the need to improve the efficiency of mechanisms to prevent the use of the Portuguese financial system for money laundering, in close cooperation with national institutions and financial groups and with the competent legal authorities;

Instituto de Seguros de Portugal (the Portuguese Insurance Institute), pursuant to the provisions of Article 4 of its Charter, approved by Decree-Law no. 289/2001, of 13 November, issues the following:

REGULATORY STANDARD

CHAPTER I

SCOPE OF APPLICATION

1. This Regulatory Standard is aimed at the following entities (hereinafter referred to as financial companies):

- Insurance companies exercising their activity in the "Life" sector and pension fund management companies with headquarters within the Portuguese territory;

- Branches, situated within the Portuguese territory, of insurance firms which exercise their activity in the “Life” sector and have headquarters abroad, as well as oversees and international financial branches.

CHAPTER II

GENERAL PRINCIPLES OF OPERATION

2. In compliance with the duty to acquire knowledge with regard to their clients and the duty of continuous diligence which applies to business conducted with clients, financial companies must:

2.1. Scrupulously observe all procedures established in this Regulatory Standard and other legislation aimed at preventing money laundering, without prejudice to compliance with other legal duties by which they are bound, as regards procedures for identifying clients and third parties.

2.2. Obtain information from the client on the identity of the person on behalf of whom they are effectively acting, whenever they know or suspect that a client is not acting on their own behalf, as well as the identity of the actual beneficiary, in accordance with the identification procedures established in Chapter III of this Regulatory Standard.

2.3. Refuse to carry out any form of operation with persons who fail to provide and/or provide documentary evidence for the required items of identification, in accordance with the procedures set forth in Law no. 11/2004. The decision made in compliance with said procedures should be the object of a reasoned opinion, which should be kept on file by the financial company for a period of at least five years.

2.4. Obtain information on the aims and nature of the business relationship and define risk profiles for clients and operations alike.

2.5. Make sure that the business relationship is continuously monitored and carefully examine the operations carried out in the course of said relationship, verifying their conformity with the information previously obtained and the knowledge of the client, and paying particular attention, among other factors, to any significant changes to the pattern of the operation and the consistency of operations carried in light of the client's profile.

2.6. Establish procedures for the periodic verification that information pertaining to clients is up-to-date and accurate, based on weighted criteria of materiality and risk and taking into account the characteristics of the client, the business relationship and the product or financial service, notwithstanding, in any case, the duty of financial companies to ensure the constant updating of data in their records whenever they have reason to believe that they are out of date.

2.7. Consider ending the business relationship and informing the competent authority, under the terms of Law no. 11/2004, whenever they fail to obtain the information necessary for updating records from the client. The decision taken in accordance with this should be the object of a reasoned opinion, to be kept on file by the financial company for a period of at least five years.

2.8. Adopt measures of reinforced diligence, alerting clients to the risk of involvement in money laundering operations, whenever business relationships are established which involve institutions or companies from countries which are not members of the European Union or which do not appear on the list in Annex 1 to this Regulatory Standard. In particular, sufficient information should be gathered on these institutions, so as to gain an understanding of the nature of their activity.

CHAPTER III

IDENTIFICATION PROCEDURES

3. GENERAL PROCEDURES

To ensure compliance with the identification duties set forth in Articles 3, 15 and 17 of Law 11/2004, financial companies must adopt the following procedures with regard to their clients, representatives (who are not employees of clients) and, if relevant, other parties intervening in operations:

3.1. Business Relationships

Whenever a business relationship is proposed, in person or at a distance, financial companies must gather, from their clients (policy-holders/underwriters or associates/participants), and, if relevant, from the respective representatives, all identification and supporting documents normally required for the issue of policies or the management of pension plans, making a copy of the respective supporting documents, as follows:

3.1.1. Private individuals

a) Full name and signature;
b) Date of birth;
c) Place of birth;
d) Nationality;
e) Filiation;
f) Full address;
g) Profession and employer;
h) Any public office held, whereby members of sovereign bodies, the members of the executive bodies of the central, regional or local administration and members of the boards of administration of entities coming under the indirect administration of the State are considered to be holders of public office;
i) The type, number, date and issuing entity of the identification document.

3.1.1.1. For the effects of providing documentary evidence for the elements referred to in the previous paragraph, financial companies must observe the following procedures:

a) The elements of identification referred to in items a) to d) must be verified: - with regard to residents, through the presentation of a passport or identity card or a document which substitutes these, under the terms of Portuguese law, or a passport or residence permit valid within the national territory; - with regard to non-residents, through the presentation of a valid passport, identity card or equivalent identification document, which includes a photograph and the signature of the holder and was issued by a competent public authority.

b) With regard to minors who, due to their age, do not hold any of the documents referred to in the previous item, the respective elements of identification should be verified through the presentation of a full birth certificate, birth certificate or, in the case of non-nationals, an equivalent public document, to be presented by whomsoever demonstrates that they are invested with the power to legitimately enter into a contract, through documentary evidence considered by the financial company to be apt and sufficient.

c) The item of identification referred to in item e), whenever it does not include the document referred to in item a) of this paragraph, must be verified through the presentation of a certificate from the civil registry, or, in the case of non-nationals, through an equivalent public document.
d) The item of identification referred to in item f) should be verified by means of any form of documentary evidence considered by the financial institution to be apt and sufficient, or through adequate efforts aimed at verifying the declared address.

e) The items of identification referred to in item g) should be verified through the presentation of a professional card, a pay slip or any other form of documentary evidence.
f) The item of identification referred to in item h) does not require documentary evidence, as information from clients as to the public office which they hold is sufficient.

3.1.1.2. As regards non-resident individuals, in the absence of unequivocal proof of one or more of the items referred to above, financial companies may request written confirmation of the veracity and timeliness of the information provided, issued by an insurance firm or a pension fund management company with which the non-resident individuals in question have a valid contract, and which is established in a European Union member state or a country or territory included in the list in Annex 1 to this Regulatory Standard. Said confirmation should be sent directly to the financial company with which the business relationship is to be established, prior to the signing of any contracts related to the policy-holder/underwriter or the participant to be identified.

3.1.1.3. In long-distance operations, the verification of information given to financial companies may be carried out through one of the following means:

- Sending the financial entity, by registered mail, a certified copy of all the documentary evidence and items of identification requested;
- A written declaration which attests to the veracity and timeliness of the information provided by the interested party, issued by an insurance firm or pension fund management company established in a member state of the European Union or a country or territory included in the list in Annex 1 to this Regulatory Standard, to be sent directly to the financial company with which the business relationship is to be established, prior to the signing of any contracts related to the policy-holder/underwriter or the participant to be identified.

3.1.2. Legal persons

a) Corporate name;
b) Object;
c) Address of headquarters;
d) Corporate ID number;
e) The identity of the owners of holdings in the capital and voting rights in the legal person equal to or above 25%;
f) The identity of the members of the governing bodies of the legal person.

3.1.2.1. In the case of business people acting on their own behalf, the respective identification should include the corporate ID number or the corporate tax ID number, the corporate name and headquarters and the company object, as well as the items of information stipulated in no. 3.1.1.

3.1.2.2. In the case of individual establishments of limited liability or without independent legal status or unincorporated associations for collective interests, namely property in condominium based buildings and independent asset bases, the provisions set forth in no. 3.1.2 shall apply, with the necessary adaptations, and the individual beneficiaries must be identified pursuant to 3.1.1.

3.1.2.3. For the effects of providing documentary evidence for the items referred to in no. 3.1.2., financial companies must observe the following procedures:

a) The items of information provided for in items a) to c) must be demonstrated through the presentation of an extract from the register of companies, firms or associations or another public document providing documentary evidence;

b) The item of information provided for in item d) should be verified through the presentation of an identity card issued by the *Registo Nacional de Pessoas Colectivas* (National Register of Legal Persons), or, in the case of non-residents, by means of an equivalent document;

c) The items of information provided for in items e) and f) may be demonstrated by means of a simple written declaration by the legal person, containing the name or corporate name of the holders.

3.1.2.4. With regard to non-resident legal persons, in the absence of unequivocal proof of one or more of the items referred to above, financial companies must adopt the procedure provided for in no. 3.1.1.2.

3.1.2.5. In long-distance operations, the information provided to financial companies may be verified through one of the means provided for in no. 3.1.1.3.

3.1.3. For the purpose of the provisions set forth in numbers 3.1.1 to 3.1.1.3 and numbers 3.1.2 and 3.1.2.5, the concepts of resident and non-resident are those provided in Article 4 of Decree-Law no. 295/2003, of 21 November, with the necessary adaptations.

3.2. Occasional Transactions

Whenever occasional transactions are proposed, in person or at a distance, the individual or combined value of which is equal to or greater than 12,500 Euro, financial companies are obliged to observe the following, with any necessary adaptations:

- The identification requirements set forth in items a) to e) and i) of no. 3.1.1 and nos. 3.1.2, 3.1.2.1 and 3.1.2.2 of this Regulatory Standard.
- The means of verification established, according to the case, in nos. 3.1.1.1 to 3.1.1.3 or nos. 3.1.2.3 to 3.1.2.5 of this Regulatory Standard.

3.3. Operations subject to special identification duties.

Pursuant to paragraph 5 of Article 3 and Article 17 of Law no. 11/2004, financial entities are obliged to comply with all identification procedures established in nos. 3.1.1 and 3.1.2, 3.1.2.1 and 3.1.2.2, and the verification provided for in nos. 3.1.1.1 to 3.1.1.3 or nos. 3.1.2.3 to 3.1.2.5, according to the case, whenever an operation is proposed, in person or at a distance, and regardless of its value, nature and the entities involved, in relation to which at least one of the circumstances is verified:

- the possibility that – by virtue of the concrete characteristics of the transaction, namely its nature, complexity, inconsistency with the normal sphere of activity of the client, the sums involved, frequency, the economic situation of the parties involved or the methods of payment used – the said transaction could be related to the practice of money laundering, pursuant to Article 368-A of the Penal Code.

- the existence of any type of connection between the operation and a country or territory considered to be non-cooperating and appearing on the list disclosed by *Instituto de Seguros de Portugal* in a Circular published in its Newsletter.

4. IDENTIFICATION WAIVER

4.1. Without prejudice to the provisions pf no. 3.3:

- whenever the client is one of the financial entities referred to in paragraphs 1 to 3 of Article 13 of Law no. 11/2004,
- in the situations provided for in paragraph 1 of Article 16 of Law no. 11/2004,
- whenever the client is a credit institution, financial company, an insurance company in the "life" sector or a pension fund management company established in another Member State of the European Union or in a country or territory appearing on the list in Annex 1, including branches established in these geographical areas, the duty to observe the identification procedures set forth in this Regulatory Standard is waived with regard to financial entities, which are only obliged to gather information needed to verify that the client falls into one of the categories referred to above.

4.2. The waiver of identification provided for in the previous number extends to representatives of the clients mentioned above, notwithstanding the in-depth verification and gathering of information which legitimises the respective powers of representation.

5. OTHER PROCEDURES

5.1. Further to the identification procedures set forth in no. 3 of this Regulatory Standard,

a) Whenever the clients of financial entities are legal persons, these entities must adopt the measures seen to b adequate which allow them - on a continuous basis, throughout the lifespan of the business relationship – to understand the structure of tenure and control of the legal person and knowledge of the identity of the individuals who are the final owners or holders of ultimate control over the collective entity;
b) Whenever a casuistic analysis of risk is carried out by financial entities justifies a higher level of knowledge of the client or its representative, these must complete the items of identification and verification used with any other items which prove to be sufficient and adequate to such ends.

5.2. Whenever, by force of the provisions of Law no. 11/2004 or the present Regulatory Standard, financial entities proceed with the registration of any items of identification or information and/or an analysis of the corresponding supporting documents, the employee of the financial entity responsible for this process should also be duly identified, and a record taken of the date.

5.3. When it is deemed necessary, particularly with regard to distance contracts, financial entities may request from their clients that the first payment be made by means of a bank transfer originating from an account open in the name of the client with a credit institution located in a Member State of the European Union or a country or territory listed in Annex 1.

CHAPTER IV

RETENTION OF DOCUMENTS

6. For the effects of retaining documents, and in application of the provisions of paragraph 1 of Article 5 of Law no. 11/2004, financial entities may consider its relations with clients terminated from the date on which the respective contracts expire or are dissolved.

CHAPTER V

DUTY TO INVESTIGATE

7. Pursuant to Article 6 of Law no. 11/2004, financial entities must:

a) Analyse, with careful attention, any operations which, taking into account/in light of their nature, complexity, inconsistency with the normal sphere of activity of the client, the sums involved, frequency, economic situation of the parties involved or the methods of payment used, could be linked to the crime of money laundering, as defined in Article 368-A of the Penal Code;

b) Other written information on the source and destination of the funds, the justification for the operation and the identity of the respective beneficiaries with regard to the operations provided for in the previous paragraph and the value of which, on an individual or combined basis, is equal to or greater than 12,500 Euro.

8. The assessment of the level of suspicion in evidence for a particular operation does not necessarily presuppose the existence of documentation confirming these suspicions, rather arising from the appraisal of the concrete circumstances of the operation, taking into account the standard criteria used by an intermediary in the analysis of an identical situation.

By way of illustration, Annex 2 to this Regulatory Standard includes a list with some examples of potentially suspicious operations and situations which could involve a greater risk of money laundering.

CHAPTER VI

DUTY TO ABSTAIN

9. The impossibility of abstaining from the execution of operations, provided for in paragraph 4 of Article 8 of Law no. 11/2004, should always be the object of a reasoned opinion and subject to the formal approval of the competent bodies of financial entities, which document should be included in the set of information referred to in the final part of the said law.

CHAPTER VII

REPORTING OF SUSPECT OPERATIONS AND INTERNAL AUDITING MECHANISMS

10. Under the terms and for the effects of paragraph 1 of Article 11 of Law no. 11/2004, financial entities must designate a member of their staff responsible for the coordination of internal audit procedures as regards money laundering, and, in particular, for the centralisation of information relating to the facts provided for in Articles 8, paragraph 2 and 18 of Law no. 11/2004. The said employee shall also have responsibility for any reporting which needs to be done to the competent authorities.

11. The reporting of suspect information or operations to the competent authorities should pertain to the actual facts and should be carried out immediately, so as to permit an effective investigation to be conducted.

12. Communications with the competent authorities should at least include the following information:

- The identity, as complete as possible, of the persons involved in the operation (e.g.

Policy-holders/underwriters or beneficiaries), as well as the activity they exercise.
- The characteristics of the operation (e.g. total and partial amounts, time period involved, justification given, currency used, suspicious aspects, methods and instruments of payment used).

13. Whenever a decision is taken and the competent authorities are not informed thereof, said decision should be the object of a reasoned opinion, to be kept on file by the financial company for a period of at least five years.

14. Financial entitles must have internal audit mechanisms which ensure that the duties to which they are subject with regard to the prevention of money laundering are also observed in their branches and affiliates abroad, including those established in oversees or international financial centres (off-shore). Whenever the legislation of the country in question inhibits the application of the principles and procedures required for compliance with these duties, *Instituto de Seguros de Portugal* must be expressly informed of this fact.

15. Financial entities must establish programmes for the prevention of money laundering which include at least the following aspects:

a) Adequate policies, measures and procedures for internal auditing, including:

- mechanisms which ensure that operations are monitored, such as computerised systems which permit the detection and monitoring of transactions which involve a higher level of risk;
- procedures aimed at issuing warnings with regard to the high risk of money laundering arising from the use of technologies which favour anonymity;

b) Adequate procedures for hiring staff, so as to guarantee that recruitment is conducted in accordance with stringent ethical criteria;

c) Regular training programmes for employees and staff with regard to the prevention of money laundering.

CHAPTER VIII

FINAL PROVISIONS

16. With regard to business relationships already established on the date on which this Regulatory Standard comes into force, financial entities must encourage the updating of items of information pertaining to their clients, based on weighted criteria of materiality and risk and in accordance with the procedures for identification and verification set forth in this document.

17. The mechanism for preventing money laundering established in Law no. 11/2004, of 27 March, is only binding with regard to the financial entities referred to therein (insurance firms exercising their activity in the "life" sector and pension fund management companies in terms of what is highlighted with regard to the scope of application of this Regulatory Standard), and is only responsible for them with regard to the business in which they intervene.

Under these terms, the said insurance firms and pension fund management companies must duly instruct intermediaries and all distribution networks which they use, namely branch offices of banks, of their need to supply the items of information necessary to comply with the duties set forth in the applicable legislation.

18. The provisions of this Regulatory Standard are without prejudice to and not prejudiced by the applicability of other rules on the same matters issued by other authorities supervising the financial system within the scope of its jurisdiction.

19. Any doubts related to the application of this Regulatory Standard should be addressed to the Supervision Directorate of *Instituto de Seguros de Portugal*.

20. Regulatory Standard no. 16/2002-R, of 7 June, is hereby revoked.

THE BOARD OF MANAGEMENT

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Annex 1

LIST OF COUNTRIES TO WHICH ITEMS 2.8, 4.1 AND 5.3 REFER

South Africa

Argentina

Australia

Brazil

Canada

United States of America

Hong Kong, China

Iceland

Japan

Mexico

Norway

New Zealand

Russia

Singapore

Switzerland

Turkey

Annex 2

LIST OF POTENTIALLY SUSPECT OPERATIONS

A. In the insurance sector, single premium life assurance is frequently used for the practice of money laundering, since, in the case of maturity or dissolution of the contract, a sum is paid to the "launderer", which is often considerable, and duly named as being a payment coming from an insurance firm. Furthermore, this type of insurance has another advantage as a tool for money laundering, since it may serve as a guarantee for a loan with banking institutions, whereby non-compliance and subsequent execution of the guarantee constitute a means through which economic gain is derived from the laundering operation.

B. Recourse to interest capitalisation operations and insurance linked to investment funds also merit special attention, as these areas include certain products which could be used to launder money.

C. Without taking the trouble to be exhaustive, some typical situations are mentioned which could deserve special attention, since they could constitute signs of the practice of money laundering by means of the insurance activity. Thus:

1. Policy-holder/underwriter residing in countries normally associated with drug production and/or trafficking;

2. Business relationships involving entities located in “Off-Shore Centres”, the standards of supervision of which are reputedly inferior to international standards, including those appearing on the list of Non-cooperating Countries and Territories drawn up by the FATF and published by *Instituto de Seguros de Portugal* in a Circular;

3. Business relationships involving large sums or of an unusual or complex nature, in which persons having held high public office, or which are family members of such persons, intervene;

4. If the policy-holder/underwriter is a non-resident, the fact that carrying out the operation in Portugal is not particularly in their interest;

5. A lack of any connection with the sphere of influence of the branch office of the financial entity with which it intends to establish a business relationship;

6. A policy-holder/underwriter who avoids contact with the financial institution;

7. Failure to provide sufficient information or non-compliance with the pre-requisites for execution of an operation;

8. A policy-holder/underwriter who wishes correspondence to be sent to an address different to their own;

9. The alteration of the address and/or place of residence of the policy-holder, in particular a change of residence for tax purposes;

10. Particular preoccupation, on the part of the policy-holder, at the time of subscription, with the right to dissolve the contract and the amount they would receive in such cases;

11. Payment or reinforcement of premiums for a large value in existing life assurance contracts, particularly in cash, especially when carried out in a foreign currency, or through non-transferable cheques or bearer cheques, or, also through banking methods which allow transactions to be anonymous;

12. Requests for payment or redemption by means of electronic transfer to or from a third party;

13. Small deposits carried out frequently;

14. An increase in the sum insured and/or premium paid (e.g. in situations in which this does not seem normal due to the income of the policy-holder or in which various excessive payments of premiums are made relative to the premiums established in the contract, followed by a request on the part of the policy-holder to pay these excesses to a third party);

15. A policy-holder/underwriter with policies for small sums but dispersed across various insurance firms;

16. The endorsement or cessation of the contractual position during the period of validity of the contract, without plausible justification;

17. The unusual use of the policy as collateral or guarantee, unless such a situation is duly justified, namely as financing for a loan for housing granted by a reputable institution;

18. Insufficient identification of the beneficiary.

19. The amendment of the beneficiary clause during the term of validity of the contract, substituting the beneficiary for another one who does not have a clear relationship with the policy-holder (for example, the inclusion of non-family members) or a request for payment to be made to persons who are not beneficiaries);

20. The alteration of the type of benefit payment (for example, alteration of payments in installation to a single payment);

21. A request for early payment of benefits;

22. High contributions for individual pension plans;

23. Preoccupation on the part of the policy-holder with requesting certification of the investment carried out in a product from the insurance sector;

24. Early dissolution of contracts with heavy penalties for the policy-holder or a change in the duration of the contract in cases where this situation entails penalties or a loss of tax benefits;

25. Any situation which sees a change in the normal pattern of action by the policy-holder, in which cases particular attention must be paid to information pertaining to the transactions themselves, in particular the objective thereof, the source and destination of funds and the method of payment used.

CMVM Regulation no. 12/2000
Financial Intermediation

(with the amendments introduced by CMVM Regulations nos. 32/2000, 17/2002, 2/2003, 10/2003 and 7/2005[1])

Title I
Exercise requirements

Chapter I
Prior registration

Section I
General provisions

Article 1
Scope

The registration of intermediation activities with CMVM, as referred to in item b) of Article 295.1 of the Portuguese Securities Code, shall be governed by the provisions of the present chapter.

Section II
Application for registration

Article 2
Application

1. Registration shall be requested by the interested financial intermediary prior to the taking up of its activity.

2. The application must state the following:
a) the intermediation activities the applicant intends to carry out, with a description of the procedures to be used in operations involved in each activity and the interconnections between them;

b) the resources allocated to each activity;

c) the organisational structure of the financial intermediary;

d) the internal control systems referred to in Article 36;

e) The programme of activities stipulated in Article 5[2];

3. With regard to technical and material resources, the financial intermediary must state:

a) the specifications of the computer systems to be used for each activity, which must provide at least the facilities listed in Article 7;

b) the location where each activity will be carried out, attaching a plan of the premises;

[1] The preambles to which are published in the Annex.

[2] Wording provided by CMVM Regulation no. 7/2005

c) the procedures to be adopted in processing the reception, transmission and implementation of orders as agent.

Article 3
Documents to be submitted with the application

1. Applications for registration must be accompanied by the following information:
a) company name or business name of the financial intermediary;

b) company object;

c) date of incorporation or constitution;

d) registered office;

e) equity capital, with a statement of the paid-up amount;

f) details of members of the management and supervisory bodies, and of the board at the general meeting;

g) details of partners who directly or indirectly own qualifying holdings, as defined under the terms of the Legal Framework for Credit Institutions and Financial Companies, approved by Decree-Law no. 398/93 of 31 December;

h) details of the authorised agents of the financial intermediary;

i) place and date of creation of subsidiaries and branches;

j) details of persons subject to registration under the terms of Articles 11 to 18;

l) duly completed questionnaire and declaration in the form provided by CMVM, for each of the persons referred to in the preceding item;

m) proof of due accreditation for the relevant activities, where required;

n) a draft of internal regulations of the financial intermediary;

o) copy of any sub-contract to be entered into with third parties.

2. The elements referred to in items a) to i) of the above must correspond to those submitted in connection with any registration completed or applied for at the Bank of Portugal.

Article 4
(Branches of Credit Institutions or Investment Companies with Registered Office in a State that is not a Member of the European Union)

1. Applications for registration of branches of credit institutions or investment companies whose registered offices are in a state that is not a member of the European Union must be accompanied by the following documents/information:
a) company name or business name;

b) earliest date on which it can be established in Portugal;

c) address of registered office;

d) addresses of branches, agencies and representative offices in Portugal;

e) capital allocated to transactions to be carried out in Portugal, if required;

f) details of managers of branches or representative offices;

g) details of persons subject to registration pursuant to Articles 11 to 18, in accordance with the financial intermediation activity in question;

h) questionnaire and declaration in the form approved by CMVM for each of the persons covered by the preceding item;

i) proof of accreditation for activities subject to registration, if required;

j) draft internal regulations of the financial intermediary, where the activities to be carried out include [those referred to in] items b) and c) of Article 290.1 and item c) of Article 291, both of the Portuguese Securities Code, in conjunction with any other financial intermediation activities;

l) copy of the contract to be entered into with third parties, pursuant to Article 47, when subcontracting specialised services.

2. The elements referred to in items a) to f) of the above paragraph must correspond to those submitted in connection with any registration completed or applied for at *Banco de Portugal*.

Article 5[3]
(Schedule of activities)

1. Applications must be accompanied by the following information relating to the first two years during which the service is provided:

a) For services involving the reception, transmission and execution of orders, the type of investors to which the service is intended to be provided, the type of securities and financial instruments, the markets and the channels which the entity applying for the license intends to make available for the reception of orders;

b) For the service of registration and deposit of securities, central securities depositaries, clearance and settlement systems in which the entity applying for the license intends to participate, or other financial intermediaries with which the applicant intends to open accounts for the safekeeping of assets;

c) Details of securities traded for the applicant's clients on international markets;

d) For the service of managing collective investment undertakings, the number, type of undertaking – namely whether it involves open-ended or closed-ended funds - and the type of investment fund to be established, according to the investment policy in question.

2. For entities managing collective investment undertakings, in addition to the details referred to in the preceding paragraph, information shall be provided for the first two years of business regarding the number, category (particularly whether open-ended or closed-end investment funds) and type of investment funds to be set up, according to the body's investment policy.

[3] Wording provided by CMVM Regulation no. 7/2005

Article 6
Registration and deposit of securities

Applications to carry out the business of registering and depositing securities must also be accompanied by:

a) a flowchart of the administrative and supervision procedures for transactions related to the provision of the service.

b) structural and operational rules of the computer routine;

c) screen-shot (layout) of files relating to the license and deposit of securities accounts.

Section III
Pre-requisites for granting of licenses

Subsection I
Computer resources

Article 7
Requirements

1. The intermediary must have computer resources compatible with the activities to be exercised, particularly as regards:

a) network structure;

b) non-interruptible power supply unit;

c) servers;

d) operating system;

e) back-ups;

f) accessibility to information resources, in particular access levels and passwords.

2. When carrying on the activities listed in the paragraphs set out below, computer systems must provide the facilities described therein.

3. When receiving and transmitting orders for third parties:

a) registration of the order and, where appropriate transmission thereof to the central office of the receiving body;

b) any license required for dealings in the markets in which they were effected carried out;

c) registration of transactions;

d) the issue of statements of completed transactions, notes of purchases and sales and, for transactions on the futures market, continuous monitoring of these transactions.

4. When assisting in public offers of securities and placement in public distribution offers, a report, at each stage, on the placing or completion of the offer and levels of take-up by investors, as recorded by the financial intermediaries involved.

5. On registering and depositing securities, in addition to the requirements resulting from participation in the central securities depositary or equivalent and in settlement systems:

a) entries on the register and other annotations to be effected, making it possible to reconstitute the entries in chronological order, according to the security in question and the client;

b) the issue of statements regarding any entry or entries made regarding transactions occuring on specific dates;

c) the issue of statements of account to holders of securities and to their beneficiaries, if any; the computer system should allow the issue, at any time, of statements of accounts restricted to transactions occuring between certain dates, as well as the position at the beginning and end of this date range;

d) A search of all accounts in which the intermediary is involved, as the holder, co-holder or has power of attorney to act on behalf of a particular person[4].

6. When acting as a portfolio management agent:

a) monitoring the composition of portfolios, including a breakdown by client of all bank accounts opened by the management company on behalf of clients;

b) the registration of binding orders issued pursuant to Article 334 of the Portuguese Securities Code.

7. When managing collective investment undertakings:

a) automatic co-ordination of the registration of transactions in the fund portfolio with their accounting entries, to ensure that information from the portfolio and the fund accounts coincide at all times;

b) automatic valuation of the assets comprised in the fund portfolio, including financial derivatives admitted to official listing on a regulated market, operating legally, recognised and open to the public, particularly through the use of external sources of information, and the resulting calculation of the value of the fund investment unit;

c) the provision of information to the market and supervisory authorities in compliance with current regulations;

d) co-ordination with the systems used by the depository and placing bodies, regarding subscription and redemption transactions;

e) co-ordination with the depository's systems for obtaining access to information on each investment fund's securities and cash funds;

f) monitoring of compliance with the applicable laws and bylaws and likewise with management regulations for the investment funds it manages;

g) determining the maximum potential loss of the fund, where the use thereof is required under the terms of CMVM Regulation No. 15/2003[5].

[4] Wording provided by CMVM Regulation no. 7/2005

[5] Wording provided by CMVM Regulation no. 7/2005

Subsection II
Human Resources

Division I
General Provisions

Article 8
Suitability

Measures to ensure the suitability of personnel assigned to each intermediation activity must include in particular:

a) checking the suitability and professional competence of persons subject to licensing pursuant to this Regulation;

b) the appointment of the persons provided for in Articles 11 to 18 of this Regulation;

c) accreditation of personnel members where required.

Artigo 9[6]
Fitness and professional competence

1. The registration with CMVM of the persons described in paragraphs 1 and 2 of Article 11 and in Article 19 depends on the prior verification of their fitness and professional competence. Personnel must be evaluated solely with regard to their fitness and professional competence to carry out operations requiring a license, which should be attested to by the financial intermediary prior to their registration with CMVM.

2. Personnel must be evaluated solely with regard to their fitness and professional competence to carry out operations requiring registration, which should be attested to by the financial intermediary prior to registration with CMVM

3. Fitness and competence are assessed on the basis of replies to a questionnaire designed by CMVM and completed by the person to be licensed, signed by the financial intermediary and containing the following minimum information:

a) name, address, nationality and tax number;

b) full description of the post occupied and professional experience, particularly the type of contractual relationship with the financial intermediary, previous posts held and professional and academic qualifications;

c) information about any criminal, administrative or disciplinary proceedings in which the person has been convicted or accused of an offence.

4. Among other significant circumstances, it is considered to be a sign of lack of fitness if the person has been:

[6] Wording provided by CMVM Regulation no. 7/2005

a) convicted in criminal proceedings for fraud, breach of trust, corruption, disloyalty, money-laundering, security market manipulation, insider trading or any criminal offences defined in the Commercial Company Code;

b) Declared insolvent;

c) Identified as a person held responsible for bringing about the insolvency of an entity, under the terms set forth in Articles 185 to 191 of the Code of Insolvency and Recovery of Companies;

d) convicted in administrative proceedings brought by CMVM, *Banco de Portugal* or the Portuguese Institute of Insurance (*Instituto de Seguros de Portugal*).

5. Any person who fraudulently provides false or inaccurate information shall not be considered fit.

Article 10[7]

Exercise of functions related to intermediation activities

1. Financial intermediaries are required to keep a permanently updated list of persons exercising functions involving financial intermediation activities, regardless of the nature of their link to the intermediary and the function exercised.

2. The list referred to in the previous paragraph shall include an indication of whether or not the persons in question are acting in representation of or accredited to third entities as a result of their representation of the financial intermediary or the exercise of any function which requires specific qualifications.

3. For credit institutions, the list provided for in paragraph 1 shall not include persons exercising functions in agencies, except in those agencies which specialise in investment services involving investment in securities, nor shall the list include persons employed in call centres.

Article 11[8]

Licensing of persons with specific responsibilities

1. Persons responsible for the following activities are subject to licensing by CMVM:

a) Reception and transmission of orders for third parties;

b) Execution of orders on behalf of third parties;

c) Own account trading;

d) Consultancy for investment in securities;

e) Placement in public distribution offers;

f) Assistance in public offers involving securities;

g) Registration and deposit of securities;

[7] Wording provided by CMVM Regulation no. 7/2005

[8] Wording provided by CMVM Regulation no. 7/2005

h) The exercise of the function of depositary for securities comprising the equity of collective investment undertakings;

i) Granting credit for operations involving securities.

2. Persons responsible for exercising the following functions are subject to registration with CMVM:

a) Making investment decisions relative to the following activities:

i. Management of collective investment undertakings;
ii. Management of portfolios on behalf of third parties;
iii. Operation of securitisation funds;
iv. Operation of risk capital (venture capital) funds.

b) Verifying, registering and keeping accounts for operations carried out in relation to each of the activities stipulated in paragraph 1 and item a) of paragraph 2;

c) The valuation of portfolios and calculation of the value of investment units in collective investment undertakings;

d) The supervision and inspection of the activity exercised by lead generators (prospectors).

Article 12[9]
Definition of functions

The rules of procedure of financial intermediaries shall include a definition, for each of the financial intermediation activities and functions stipulated in paragraphs 1 and 2 of Article 11, the principal tasks to be carried out by each of the persons in question, as follows:

a) Ensuring compliance with all rules applicable to the exercise of the activities in question;

b) Informing the entities responsible for the supervision and monitoring provided for in Article 19 of any breaches of the applicable rules.

Article 13[10]
Management of portfolios on behalf of a third party
[Revoked]

Article 14[11]
Trading in securities on one's own behalf
[Revoked]

Article 15[12]
Assistance and placement in public offerings
[Revoked]

[9] Wording provided by CMVM Regulation no. 7/2005

[10] Revoked by CMVM Regulation no. 7/2005

[11] Revoked by CMVM Regulation no. 7/2005

[12] Revoked by CMVM Regulation no. 7/2005

Article 16[13]
Registration and deposit of securities
[Revoked]

Article 17[14]
Management of undertakings for collective investment in securities
[Revoked]

Article 18[15]
Management of collective property investment undertakings
[Revoked]

Article 19[16]
Licensing of persons with supervisory and monitoring duties)

1. The person responsible for supervising and monitoring the financial intermediation activities which the financial intermediary is licensed to exercise is subject to registration with CMVM.

2. The person responsible for supervision and monitoring has the following duties:

a) Ensuring compliance with the rules applying to the exercise of each of the activities in question;

b) In the event of non-compliance, adopting or proposing the adoption of appropriate measures to ensure the rectification of the non-compliance and to prevent similar situations from arising;

c) Informing the board of directors of the non-compliance.

3. The functions of supervision and monitoring include the following duties:

a) Drawing up an annual internal control report;

c) Informing the board of directors immediately of any evidence of violations of duties enshrined in the aforementioned rule set forth in Article 388.2 of the Portuguese Securities Code, which could implicate the financial intermediary or its employees in a serious or very serious infraction of an administrative nature;

c) Monitoring the implementation of procedures aimed at identifying operations on securities which could involve money laundering, and immediately informing the board of directors of the suspect operations identified;

d) Keeping a record of breaches and the measures proposed and adopted, as stated in paragraph 2.

4. Financial intermediaries shall confer upon the person responsible for supervision and monitoring the powers necessary for the said person to exercise their functions in an independent fashion, in particular as regards the gathering of material information.

[13] Revoked by CMVM Regulation no. 7/2005

[14] Revoked by CMVM Regulation no. 7/2005

[15] Revoked by CMVM Regulation no. 7/2005

[16] Wording provided by CMVM Regulation no. 7/2005

5. The person responsible for supervision and monitoring is not permitted to practice any acts involving the execution of any financial intermediation activity, except for the following:

a) In the case of financial intermediaries in which fewer than twenty persons exercise activities, excluding those occupying managerial positions.

b) When the person in question is a member of the board of directors.

Article 19-A[17]
Licensing of persons with supervisory and monitoring functions related to the activity of lead generation (prospecting)

1. Persons exercising supervisory and monitoring functions related to the activity of lead generation (prospecting) shall be subject to individual registration with CMVM.

2. [Revoked[18]

3. The prospector shall have adequate professional training and experience and proven competence, which shall be previously recognised by the financial intermediary, by means of a form to be drawn up by CMVM.

4. Financial intermediaries shall inform CMVM, by means of the form referred to in the previous paragraph, of persons exercising the activity of lead generation (prospecting), for the effects of public disclosure, namely said persons' names and identity card number.

Article 20[19]
Simultaneous functions

1. The same person may simultaneously be responsible for all activities or functions referred to in the following groups of activities or functions:

a) The activities provided for in items a), b), d), e) and i) of Article 11.1

b) The activities provided for in points i to iv of item a) of Article 11.2

c) The activities provided for in items e) and f) of Article 11.1;

d) The activities provided for in items g) and h) of Article 11.1.

2. The person registered as being responsible for the duties described in item b) of Article 11.2:

a) Is permitted to exercise the same functions in relation to any of the activities provided for in Article 11.1;

b) Must not be the person responsible for the activities provided for in Article 11.1, with the exception of items g) and h).

[17] Addendum introduced by CMVM Regulation no. 32/2000

[18] Revoked by CMVM Regulation no. 7/2005 (cf. Erratum no. 1718/2005)

[19] Wording provided by CMVM Regulation no. 7/2005

3. The person registered as being responsible under the terms of item d) of Article 11.2 may also be responsible for all or some of the activities or functions comprising one of the groups of activities or functions provided for in items a), b) and c) of paragraph 1.

4. The person registered as being responsible under the terms of item c) of Article 11. 2 is not permitted to exercise the functions provided for in item a) of Article 11. 2.

5. Persons registered with CMVM under the terms of Article 11, paragraphs 1 and 2, and Article 19, are permitted to exercise the functions for which they are registered in various financial intermediaries, provided that these intermediaries are in a group or controlling relationship.

6. In relation to financial intermediaries in which the number of employees, excluding the directors, is lower than six, and the operating profits of which are less than € 1,000,000., CMVM may waive, in part or in full, the rules relating to incompatibility set forth in paragraph 1, provided that adequate measures are in place to prevent the risk of conflicts of interests arising.

Section IV
Amendments to the register

Article 21
Amendments to the register

1. CMVM must be informed of any amendments to the information on the basis of which the license was granted within 30 days of their occurrence, to be noted in the register.

2. The period for providing the information referred to in the preceding paragraph shall be 15 days in the case of any amendment to the information referred to in items k) and m) of Article 3.1 and items i0 and k) of article 4.1.

3. Amendments to the register relating to the information/documents referred to in articles 3.1 and 4.1 shall be entered under the same terms and conditions governing the initial registration of the element to be altered.

4. Amendments to individual registrations must satisfy the criteria defined in article 9, failing which the amendment may be refused and this may, pursuant to item a) of Article 303.1 of the Portuguese Securities Code, determine the cancellation of the license.

Article 22
Cancellation of individual licenses

The individual license of any person, registered pursuant to Articles 11 to 18 and subsequently found to be unfit to practise, shall be cancelled.

Chapter II
Credit institutions and investment firms with registered office in European Union Member States

Article 23
Information subject to registration

1. CMVM shall organise a register of credit institutions and investment companies with registered offices in Member States of the European Union, containing the information referred to in the following paragraphs.

2. Where a branch office is established:

a) programme of activities, with details of the types of transaction proposed and the organisational structure of the branch;

b) the address of the branch in Portugal;

c) details of the persons responsible for the branch;

d) details of the persons who perform the functions referred to in articles 11 to 18, according to the activities to be carried on.

3. For the purpose of item d) of the preceding paragraph, the branch shall send a completed questionnaire as referred to in Article 9.2 for each of the persons covered.

4. In the case of financial intermediation activities by way of free provision of services, the programme of activities, and in particular the investment service or services notified by the supervisory body of the Member State.

Chapter III
Licensing and registration of independent investment advisors

Article 24
Scope

This chapter sets out the conditions for operating as an independent investment advisor, as provided for in item b) of Article 294.1 of the Portuguese Securities Code.

Article 25[20]
Professional qualifications

A professional license is granted:

a) Through certification, which requires the applicant to pass an exam following a training course recognised by CMVM, under the terms of Article 26;

b) Through direct recognition by a certifying body, under the terms of Article 26-A;

[20] Wording provided by CMVM Regulation no. 7/2005

Article 26[21]
Recognition by CMVM of a training course

1. For the purpose of recognition of training courses by means of which a professional license may be granted to practice as an investment adviser, CMVM assesses the adequacy of the following pre-requisites:

a) The subject-matter covered, in particular the financial, legal and regulatory framework applicable to the activity, taxation of financial instruments, ethics and professional good conduct;

b) The academic or professional qualifications of the trainers and head of science;

c) The means and methods of assessment.

2. Applications for recognition of a course are assessed by CMVM within 30 days of the date on which the application is made by the legal person responsible for organising the course.

3. The legal person referred to in the previous paragraph is answerable to CMVM for the observance of the pre-requisites on the basis of which the course was recognised.

4. Failure to continue to comply with the pre-requisites set forth in paragraph 1 shall constitute grounds for the revocation of recognition of a course, without prejudice to the validity of certifications already granted.

5. At the end of each course, the legal person which organised it shall submit to CMVM a list of certified persons.

6. CMVM shall publish a list with the training courses which have been recognised by it and the legal persons responsible for organising these courses.

Article 26-A[22]
Direct recognition of professional qualifications

1. Professional qualifications may be recognised directly by the certifying entity, by holding the examination provided for in Article 25, and the duty to attend classes may be waived in cases where the applicant has been exercising functions requiring technical know-how which is manifestly compatible with that required for the exercise of the activity of investment adviser, namely academic posts or positions within financial institutions, for more than one year.

2. If it wishes to proceed with the direct recognitions of professional qualifications, under the terms of item b) of Article 25, the certifying body must first inform CMVM of the general and objective criteria employed for the purpose of granting said recognition.

Article 27
Incompatibilities

1. An independent investment advisor may not hold positions or perform functions which may lead to the risk of conflicts of interests with his/her clients and their activities.

2. A conflict of interests may be generated where an independent investment advisor is a member of

[21] Wording provided by CMVM Regulation no. 7/2005

[22] Addendum introduced by CMVM Regulation no. 7/2005

the board of directors, of other executive committees or supervisory boards, or of the board of the general meeting of shareholders assembly of open or offeror companies, or is a secretary or advisor to any such companies.

Article 28
Request for authorisation

1. Applications for authorisation to act as an independent advisor on investment in securities must include the following information:

a) the applicant's personal details, police record and certificate;

b) address for professional purposes;

c) how the applicant intends to act as an investment consultant, namely what methods the applicant intends to use to advise clients;

d) human, technical and material resources to be used;

e) details of financial instruments owned by the applicant;

f) questionnaire and declaration in the form approved by CMVM;

g) a solemn declaration that the applicant does not hold any of the positions mentioned in paragraph 2 of the preceding article.

2. Any deficiencies in the application or in the accompanying documents may be corrected, within the deadline established by CMVM, before the licence is refused. CMVM may request additional information from the applicant, and make all such enquiries as it may consider necessary.

Article 29
Decision

1. The applicant shall be informed of the decision within six months of the date of reception of the application or, if additional information has been requested from the applicant, of the date of receipt of the said information, but in no case more than twelve months after the date of the initial submission of the application.

2. If the applicant is not notified within the time limits indicated in the preceding paragraph, it shall be assumed that the licence application has been rejected.

3. The licence shall be refused if the applicant does not satisfy the legal and regulatory requirements which govern his/her activity and, in particular, where:

a) any deficiencies in the content of the application have not been corrected within the deadline established by CMVM;

b) the information supplied with the application contains inaccuracies or falsehoods;

c) he/she does not satisfy the requirements of fitness and professional competence;

d) he/she does not have the requisite technical and material resources to allow him/her it to engage in the activity;

e) the manner in which the applicant intends to carry on business as an independent investment advisor on investment in securities does not provide for appropriate supervision.

Article 30
Revocation and expiry of authorisation

1. CMVM may revoke a licence where the independent investment advisor:

a) has made false declarations or used other illegal measures to obtain the authorisation;

b) engages in an activity that does not correspond to the terms of the licence;

c) ceases trading for a period exceeding twelve months;

d) cannot be contacted at his/her professional address for a period exceeding six months;

e) no longer satisfies the requirements of fitness and competence mentioned in article 9;

f) violates the rules which govern his activity.

2. The independent investment advisor shall be informed of the decision to withdraw his licence, with an express statement of the reasons. The decision shall be published in such manner as CMVM deems appropriate.

3. The licence shall expire if the applicant in question expressly renounces it or if the independent investment advisor does not begin the activity within a period of twelve months.

Article 31
Register

The register of independent investment advisors shall contain the following information:

a) personal details;
b) address for professional purposes;
c) list of qualifying holdings;
d) date of commencement of activity;
e) any alterations to the foregoing information, declared within ten days after the occurrence thereof.

Title II
Exercise of activities

Chapter I
General Provisions

Section I
Internal organisation and management of intermediaries

Article 32
General principles

The internal organisation and management of financial intermediaries must incorporate the necessary procedures to:

a) ensure the proper processing and appropriate internal control of transactions;

b) guarantee confidentiality of data regarding transactions carried out and services provided to their clients;

c) prevent conflicts of interest either within the same business activity or the different forms of intermediation in which it may engage;

d) ensure high levels of efficiency and security in the services they provide;

e) prevent the disclosure of privileged information.

Article 33
General internal organisation measures

1. Financial intermediaries which exercise more than one form of intermediation activity must organise and manage the said activities so as to prevent the occurrence of conflicts of interest with their clients or between different clients, as well as the disclosure of privileged information.

2. Each financial intermediation activity must be independently organised and managed, by personnel allocated to it, without interference in or from any other activity with which conflicts of interest may occur.

3. [Revoked][23]

Article 33-A[24]
Transactions by directors, members of supervisory committees, employees and lead generators (prospectors)

1. Financial intermediaries shall define, in their rules of procedure, the rules for carrying out own account transactions on securities or derivative financial instruments by members of their corporate bodies, employees exercising functions involving financial intermediation activities, including financial analysts, or others resulting in their having access to privileged information or related to lead generation (prospectors), as follows:

a) Any prohibitions or restrictions on the execution of transactions, as regards the type of security, the area in which the employee exercises functions or the type of transaction involved;

b) Any authorisations or prior communication to which they are subject.

2. With regard to credit institutions, the employees referred to in paragraph 3 of Article 10 are not required to be subject to the rules set forth in paragraph 1.

3. The rules of procedure must establish the following:

a) A reasonable period of time in which transactions must be reported, even if they are carried out through another financial intermediary, and the person or body to which said report should be addressed;

b) Control mechanisms in place for transactions.

[23] Revoked by CMVM Regulation no. 7/2005

[24] Addendum introduced by CMVM Regulation no. 7/2005

3. The provisions set forth in Articles 346 and 347 of the Portuguese Securities Code shall apply to the transactions referred to in paragraph 1.

Article 34
Internal procedures

1. With a view to minimising the risk of occurrence of conflicts of interest, financial intermediaries must adopt the necessary measures in their internal organisation to ensure that:

a) any information of which they may have become aware in the course of their business, particularly any which has not yet become public knowledge and which may influence prices in any market, is limited to the departments and persons directly involved in the transaction;

b) any such information as is referred to in the preceding paragraph is not used in transactions in which the financial intermediary itself, the persons responsible for its administration and auditing or its personnel are involved, or in which other clients or third parties are interested;

c) there is proper separation of the functions of decision-making, implementation, registration and supervision;

d) computer control and security mechanisms are created and kept secure, particularly through the allocation of non-transferable personal passwords, aimed at protecting stored information, files and databases.

2. When providing services related to public offers or others which result in knowledge of privileged information, financial intermediaries must prepare a list of the persons who had access to the said specific information, and must warn them that they may not use this information.

Article 35
Complaints by clients

1. With a view to ensuring the appropriate treatment of client complaints, intermediaries must establish an internal procedure which provides expressly for:

a) Reception and forwarding of the complaint for processing by a person different from the one who perpetrated the act that gave rise to it;

b) Specific procedures to be adopted for the evaluation of complaints;

c) The maximum period in which to reply to the client.

2. Complaint files must be stored for a period of 5 years and must contain:

a) The client's complaint;

b) Details of the complainant, the financial intermediation activity in question and the date of the occurrence of the facts and the registration of the complaint;

c) The name of the intermediary employee involved in the provision of the service;

d) A brief assessment by the intermediary, action taken and date of notification to the complainant.

Article 36
Internal control system

1. Financial intermediaries must establish an internal control system that ensures compliance with the laws and bylaws applicable to the activities pursued, with professional ethical standards and with internal regulations.

2. The internal control system mentioned in the preceding paragraph must include, at least:

a) a definition of the organisational structure;

b) fundamental rules establishing its objectives and the procedures and resources to be used to implement it;

c) penalties established in case of infringement;

d) Procedures aimed at identifying transactions on securities which arouse suspicions of money laundering.[25]

3. Financial intermediaries are required to report any events which could affect the security of clients' assets and generate risks for other financial intermediaries or the market to CMVM with the greatest possible haste.

Article 36-A[26]
Supervision and internal audit reports

1. Financial intermediaries are required to draw up an internal audit report for each year and submit same to CMVM by 30 June of the following year.

2. The internal audit report must have the following minimum content:

a) the means used for registering orders received, including orders with special conditions for execution, transactions carried out and information on any failures which were verified;

b) Information, which is not optional, regarding the number of people referred to in paragraph 1 of Article 33-A who frequently carry out transactions in the areas in which they exercise their functions;

c) Description of any frequent complaints lodged and the measures adopted to prevent their repetition;

b) Developments as regards the activity of lead generation (prospection), incidents which arise and the number of clients gained by lead generators (prospectors);

e) The identification of any alterations made to the internal control system;

f) Identification of any alterations to implemented risk control mechanisms, as stipulated in item b) of Article 41.4 and Article 82, any incidents which arise and the measures adopted to manage guarantees;

g) The number of analysed transactions on securities which aroused suspicions of money laundering, the number of such denied transactions and the number which were reported to the competent authorities;

h) A description of relevant incidents occurring in the use of the Internet, namely unauthorised access and the inoperability of websites;

[25] Wording provided by CMVM Regulation no. 7/2005

[26] Wording provided by CMVM Regulation no. 7/2005

i) The frequency of audits and inventories carried out with a view to guaranteeing the existence of security measures for the assets of the entity and assets deposited by clients;

j) Identification of back office and front office computer applications used by the financial intermediary in the exercise of the activities for which the internal audit report is drawn up, for the period to which said report refers;

l) Identification of any inadequacies in the internal control system and measures proposed or adopted to rectify said inadequacies.

Article 36-B[27]
Procedures for registering clients

1. Prior to the commencement of the provision of financial intermediations services, the financial intermediary is required to draw up a register of clients, containing the following minimum content:

a) The identity of the client;

b) The client's number;

c) The client's domicile and headquarters;

d) the date on which the client register was opened;

e) the financial intermediation services provided and any alterations to these, and, in both cases, the dates on which the provision of said services commenced and ceased;

f) Identification of accounts of cash, securities, financial instruments and other assets to be operated during the provision of the contracted financial intermediation services, with details of accounts relating to each activity;

g) Identification of all accounts with the financial intermediary of which the client is the holder, has the legitimate right to operate, has usufruct rights or is the secured creditor;

h) Identification of persons authorised to operate each of the accounts identified in items f) and g);

i) Any special conditions regarding remuneration for the service, agreed with the client;

j) Unequivocal identification of the documents supporting the registration.

2. The following documents shall be contained in an annex to the registration:

a) A copy of the identification documents which are legally adequate for the purpose in question, containing a photograph, in the case of individuals;

b) In the case of entities subject to commercial or equivalent registration, a copy of this or, if not subject to such registration, a copy of the registration with the *Registo Nacional de Pessoas Colectivas* (National Register of Legal Persons) or equivalent;

c) A copy, signed by the client, of the contracts necessary for the provision of the financial intermediation service;

[27] Addendum introduced by CMVM Regulation no. 7/2005

d) A copy of the document which confers the power to operate the account, if this is the case;

e) A copy of the written information submitted to the client's attention, in compliance with the applicable legal or regulatory provisions;

3. The financial intermediary is required to adopt adequate measures to ensure that records for the provision of financial intermediation services to clients are kept up-to-date and duly documented, guaranteeing the veracity of said records and their conformity with the supporting documents.
4. Records of clients, including the documents referred to in paragraph 2, must be kept on file for at least 5 years from the date on which the relationship with the client ends.

5. Before commencing the provision of services, the financial intermediary must request the following information from the client:

a) Any public offices currently held or held in the past;

b) The identification of the economic beneficiary of transactions, if other than the client;

Article 37
Internal regulations

By means of its internal regulations, as registered at CMVM, each financial intermediary must establish, at least:

a) the organisational measures mentioned in article 33;

b) the areas or services between which the information mentioned in article 34 may not circulate;

c) the internal control system adopted to comply with the applicable legal, regulatory and ethical provisions, pursuant to article 36;

d) the internal procedure for dealing with client complaints;

e) the procedures for transactions effected by the persons mentioned in article 33.3 on their own behalf.

Section II
Information duties

Subsection I
Preliminary information

Article 38
information on the financial intermediary

1. Prior to commencing the provision of services, financial intermediaries must provide information to potential clients on the main characteristics of the company, including at least:

a) details of the financial intermediary and its address;

b) the names of and posts held by personnel or other employees and departments with whom the client has or will have contact;

c) details of the data registered with the supervisory body relating to the activity to be provided to the client;

d) type of financial intermediary and its capacity to provide the intended services.

2. Any information regarding past performance which a financial intermediary provides to the investor must:

a) be relevant to the assessment of the performance of the service the financial intermediary proposes to offer;

b) be a complete and unambiguous record.

Article 39
Other preliminary information

1. Before commencing provision of a service, financial intermediaries must:

a) provide the investor with appropriate information about the nature, risks and implications of the transaction or service in question, a knowledge of which is necessary for the decision to investor disinvest, taking into account the nature of the service provided and the knowledge and experience of the investor in question;

b) deliver to the investor a document about the general risks of investment in securities or other financial instruments;

c) provide the investor with specific and detailed information about the risk involved, where the products or services involve liquidity risk, credit risk or market risk;

d) inform the investor about the existence and operating method of the financial intermediary's investor complaint investigation service and the possibility of complaining to the supervisory body.

2. Where the client is an institutional investor, the provisions of the preceding paragraph shall only apply if the investor expressly requests the information referred to therein.

3. The financial intermediary must expressly inform the client of the right provided for in the preceding paragraph.

Article 39-A[28]
Conditions for the provision of services

1. In cases in which no written contract has been signed, namely the situations provided for in Articles 335 and 344 of the Portuguese Securities Code, non-institutional investors may request a written document from the financial intermediary, with the terms and conditions for the provision of financial intermediation services, in particular the rights and obligations of the parties.

2. Prior to commencing the provision of services, the financial intermediary is required to inform the client in writing of the right referred to in the previous paragraph.

Subsection II
Other Information

Article 40[29]

[28] Addendum introduced by CMVM Regulation no. 7/2005

[29] Wording provided by CMVM Regulation no. 7/2005

Execution reports for transactions

1. Unless provision is made to the contrary with institutional investors, financial intermediaries are required to issue, within one working day of the day on which the transaction was carried out, an execution report for transactions ordered by each client, providing the following details: ;
a) The identification of the financial intermediary and the party ordering the transaction;

The nature of transactions carried out;
c) The date on which the transactions were carried out;
d) The security or derivative financial instrument involved and the value of the transaction;

e) The unit price and total price of the transaction;
f) The date on which settlement took place, indicating the accounts of cash or securities to be credited/debited;
g) The market, when applicable, in which the transactions were carried out or an indication of the counterparty to the transaction;
h) Commission and other costs which may be paid on an aggregate or individual basis;
i) The number of the execution report and the number of the order to which it relates;
2. If agreed in writing with the client, the financial intermediary may provide the information referred to in the previous paragraph on an aggregate basis, according to the market and the security or derivative financial instrument and based on the average price obtained.
3. In the event of information being provided under the terms of the previous paragraph, the financial intermediary is required to provide the client with a breakdown of this information, at no additional costs, whenever the client requests such information.

4. When entering into the agreement provided for in paragraph 2, the financial intermediary shall inform the client in writing of the right referred to in the previous paragraph.

5. The execution report for spot transactions must also contain the following information:
a) The quantities traded;
b) Interest and other similar payments.
6. The execution report for transactions on derivative financial instruments must also include the quantity of contracts traded.
7. Each execution report shall relate to one day only and shall be drawn up in duplicate for the following recipients:

a) The original, for the party ordering the transaction;

b) A duplicate copy, which must be kept on file by the financial intermediary in the mandatory archives it keeps.

Article 41[30]

Information related to transactions on derivative financial instruments

1. The financial intermediary must, on a daily basis, submit all information pertaining to the following to its clients:

a) The constitution, reinforcement and substitution of guarantees;

b) Adjustments to profits and losses made;

[30] Wording provided by CMVM Regulation no. 7/2005

c) Settlements carried out;

d) Transfers of position;

e) Any other incidents arising while the client has open positions and which could in any way affect these positions.

2. Notwithstanding the provision of the previous paragraph, at the request of the client, the financial intermediary shall issue a document providing proof of the positions held by the client in derivative financial instruments.

3. The provisions of items b) and c) of Article 80.1 shall apply to the contract for receiving orders on derivative financial instruments, and said contract shall contain a reference to the provisions of items b) and c) of Article 82.

4. Financial intermediaries providing the service referred to in the previous number are required to:

a) Calculate, on a permanent basis, the relation between the value of guarantees and the value of open positions;

b) Observe the provisions set forth in Article 82.

Article 42[31]
Information to be provided with regard to the activity of portfolio management

1. Financial intermediaries shall submit to non-institutional clients with whom they have a portfolio management contract, on a monthly basis, or at another interval of no more than three months, as agreed between the parties, a statement containing the following minimum information:

a) The performance of the value of the portfolio in the period in question and in the preceding 12 months;

b) Assets comprising the portfolio, including liquidity, and the method of calculating said liquidity;

c) The total value of commission and other costs met during the period, and the nature of said costs;

d) Dividends, interest and other remuneration received;

e) Debit and credit transfers of cash or securities to the portfolio being managed.

2. The financial intermediary is required to provide the client with information on the transactions carried out, indicating the type of transaction and the date and price, whenever such information is requested by the client. Said information shall be provided without any additional cost to the client.

Article 43
Indirect orders

1. If the financial intermediary receiving the order does not itself effect the transaction, the completion report shall be issued by the financial intermediary that received the order.

[31] Wording provided by CMVM Regulation no. 7/2005

2. The financial intermediary that receives the order shall report the completion of the transaction to the client within 24 hours of being informed thereof by the implementing agent executor, subject to the provisions of the first part of Article 40.

Article 44
Commission

1. Tables stating the commission and other sums charged by financial intermediaries to their clients for their services must be displayed in all its offices and in all customer service locations, including computer terminals, in a clearly visible form.

2. The information referred to in the preceding paragraph must contain data on all charges payable by clients, including the reimbursement of postage and other costs of a similar nature derived from the intervention of intermediaries in the trading of the securities.

3. Financial intermediaries may not charge prices exceeding those set out in the tables displayed for services provided.

Section III
Subcontracting

Article 45
Scope

This section shall not apply:

a) to the transmission and implementation of orders;

b) to the provision of technical services or the supply of technical resources related to forms of financial intermediation, such as accounting, advertising and marketing.

Article 46
Principles

1. The subcontracting of investment and investment fund management services shall be subject to the observance of the following principles:

a) the main contractor must not be deprived of business;

b) the maintenance of an identical level of client protection, particularly by supplying the same information as though there were no subcontracting;

c) the maintenance by the principal contractor of control of subcontracted activities and responsibility towards clients for these activities;

d) supervision of the subcontractor of an authority with powers defined by law.

2. The principle referred to in item c) of the preceding paragraph implies that the main contractor:

a) must define the management policy and take the main decisions, where the subcontracted activities confer management powers of any type;

b) maintains exclusive relations with the client, including dealing with any payments to be made by or to the client.

Article 47
Subcontracting

All subcontracts must be in writing and registered with CMVM or, in the case of investment fund management, approved by CMVM, and must contain the necessary information for the observance of the principles referred to in the preceding paragraph.

Article 48
Duties of principal contractor

1. The principal financial intermediary shall have the following duties:

a) ensuring that the service provider has technical, material and human resources appropriate to the subcontracted functions;
b) monitoring the activity of the service provider, equipping itself with the necessary material and human resources to do so;

c) providing the service provider with all the information required for it to fulfil the contract;

d) informing its clients of the services subcontracted and details the subcontractor;

e) including the essential elements and the terms and conditions of all subcontracted activities in its annual reports;

f) terminating the contract if anything occurs that might cause the principles established in article 46 to be put at risk.

2. If subcontracting occurs during an established client relationship, the client may terminate the contract, subject to the formalities established for this purpose.

Article 49
Information to be submitted to CMVM

1. The financial intermediary must send to CMVM:

a) the subcontract, before it has been signed, for the purpose of registration;

b) the names of the persons responsible for decision taking and for control of the subcontracted activities, for the purpose of registration;

c) a description of the procedures for supervision and for the exchange of information between the two bodies;

d) information on any matter affecting the provision of the subcontracted service which may cause the principles established in article 46 to be put at risk.

2. If the financial intermediary is in a parent-subsidiary or group relationship with the subcontractor, it must prove to CMVM that the rules for the prevention of conflicts of interest and separation of functions provided for in this regulation are duly established.

3. If the subcontractor is subject to supervision of an authority in a foreign country, it must inform CMVM of the identity of the said this authority.

4. In the cases provided for in the preceding paragraph, CMVM may make the subcontract conditional on confirmation from the foreign supervisory authority of the information provided about the subcontractor.

Section IV
Prospecting for investors

Article 50[32]
Notion

1. Prospecting for investors and clients shall mean any activity, exercised on a professional basis, which, without prior request from investors, provided outside the premises of the financial intermediary, which activity consists of the acquisition of clients for any acts or activities of financial intermediation.

2. The activity is exercised on-site (i.e. outside the premises) whenever:

a) There is remote communication, directly with the residence or workplace of any persons, namely by correspondence, telephone, email or fax;

b) There is direct contact between the prospector and the investor, at any locations outside the premises of the financial intermediary.

Article 50-A[33]
Exercise of the activity of lead generation (prospecting)

1. The activity of lead generation (prospecting) provided for in this section shall be exercised by individuals not forming part of the organisational structure of a financial intermediary, on behalf of a financial intermediary, under the same conditions in which the intermediary is licensed to exercise said activity, pursuant to the terms of the contract stipulated in Article 4.

2. The activity of lead generation (prospecting) relative to the marketing of investment units in collective investment undertakings, under the terms of this Regulation, may be exercised on behalf of the entities referred to in Article 2.1 of CMVM Regulation no. 24/99, which entities shall submit to CMVM the respective procedures, pursuant to the provisions of said Regulation, namely Article 4 thereof. Express reference shall be made to the existence of lead generators (prospectors) in documents providing information on the collective investment undertaking.

3. The activity of lead generation (prospecting) within the scope of a public offering shall be disclosed in the prospectus relating to the offering.

4. The contract entered into between the prospector and the financial intermediary shall be set down in writing and shall contain all clauses necessary to the fulfilment of the requirements set forth in this Regulation. Said contract should also include the following information:

a) Identification of the parties thereof;

[32] Wording provided by CMVM Regulation no. 32/2000

[33] Addendum introduced by CMVM Regulation no. 32/2000

b) Remuneration of the prospector;

c) Duration and conditions for rescission of the contract.

5. The financial intermediary shall be responsible for all acts practiced by the prospector in the exercise the functions entrusted to him/her, and for supervision and inspection of the activity exercised by the prospector, which shall be subject to the Code of Conduct and the Internal Regulation of the financial intermediary.

Article 50-B[34]
Limitations on the activity of lead generation (prospecting)

In the exercise of the activity of lead generation (prospecting), the lead generator (prospector) is prohibited:

a) Notwithstanding the provisions of item e) of Article 50-C, from having the power to draw up any contracts in the name of the financial intermediary[35];

b) From acting or making investment decisions in the name of investors;

c) From acting on behalf of more than one financial intermediary, except when a controlling or group relationship exists between these;

d) From delegating to other persons the powers which have been invested in them by the financial intermediary.

Article 50-C[36] [37]
Relations with investors

1. In his/her relations with investors, the prospector shall:

a) Identify him/herself to them, as well as identifying the financial intermediary on behalf of which he/she exercises the activity;

b) Mention the limitations to which the exercise of the lead generation (prospecting) activity is subject;

c) Not receive any monies from investors;

d) Not receive any form of remuneration from investors.

e) be permitted to receive orders on securities belonging to investors and to issue investment recommendations, provided that provision is made for this in the contract referred to in paragraph 4 of Article 50-A;

2. If the financial intermediary permits its lead generators (prospectors) to receive orders, the following must first be submitted to CMVM:

[34] Addendum introduced by CMVM Regulation no. 32/2000

[35] Wording provided by CMVM Regulation no. 7/2005

[36] Addendum introduced by CMVM Regulation no. 32/2000

[37] Wording provided by CMVM Regulation no. 7/2005

a) Details of the procedures adopted to guarantee the observance of rules applying to the reception of orders, namely as regards whether orders are to be set down in writing or recorded, registration and immediate transmission or execution under the best conditions;
b) Written information to be submitted to the attention of investors with regard to the conditions under which orders are to be received by lead generators.

Chapter II
Special provisions

Section I
Orders from investors

Subsection I
General provisions

Article 51
Scope

For the purpose of this section, investors' orders shall mean, in addition to those provided for in Article 334 of the Portuguese Securities Code, those intended for implementation:
a) inside or outside the market;

b) of spot or futures transactions;

c) in Portugal or abroad;

d) in tender offers and distribution offers.

Article 52
Form

1. Financial intermediaries may replace the reduction of orders to writing with a chart showing the insertion of the offers into the settlement system, provided that the recording of the information mentioned in the next article is guaranteed thereby.

2. Where orders received are recorded by audio-recording equipment, the same must provide appropriate levels of intelligibility, durability and authenticity.

Article 53
Procedures at the financial intermediary

The financial intermediary which receives the orders must note:

a) the time of reception;

b) details of the instructing client; and

c) the order reception serial number.

Article 54[38]
Content of orders

[38] Wording provided by CMVM Regulation no. 7/2005

1. The financial intermediary receiving an order must record the following information, regardless of the means through which the order was received:

a) The date and exact time at which the order was received;

b) Identification of the party which issued the order;

c) The cash and security accounts to be credited/debited;

d) The nature of the transaction;

e) Identification of the security or contract to which the order relates;

f) The price or criteria for calculating it;

g) The quantity or sum to be traded;

h) The markets on which the order is to be executed;

i) Conditions under which the order should be executed;

j) Period of vailidity.

2. The identification to which item e) of the previous paragraph refers must be unequivocal, even if in the form of a code or abbreviation assigned by the operator of the market or the issuer.

Article 55[39]
Contents of orders for the regulated futures market
[Revoked]

Article 56
Orders relating to public offerings

If it is in the interest of investors to do so, CMVM may impose additional requirements regarding orders relating to public offers.

Article 57
Orders given electronically by investors

1. Investors may not submit offers in a regulated market through direct connection to the settlement system. Their orders must pass through a member of the market in question.

2. The electronic transmission of orders by investors shall under no circumstances reduce the responsibilities of the financial intermediary, which must create mechanisms for the control of such orders and the prevention of any kind of threat to the protection of the market.

Article 58[40]
Period of validity

[39] Revoked by CMVM Regulation no. 7/2005

[40] Wording provided by CMVM Regulation no. 17/2002

1. Orders shall be valid for the period defined by the instructing client, which shall not exceed one year, counted from the day following that on which the order is received by the financial intermediary.

2. Financial intermediaries may define periods shorter than the maximum period provided for in the previous paragraph, and shall inform clients of the periods of validity which they apply, which periods may vary according to the markets or the type of security in question.

3. If the instructing client does not define the period of validity, the orders shall be valid until the end of the day on which they were given.

Article 59
Archives

1. Financial intermediaries must keep all orders received, transmitted and implemented in permanent files, updated daily and consisting of:

a) originals of the orders given by the instructing client or recorded in writing by the financial intermediary;

b) recordings of orders transmitted by telephone, a fact of which instructing clients should be warned in advance;

c) computer records of orders transmitted electronically.

2. The said files must also contain:

a) documentary records of orders received by telex, fax or equivalent;

b) written confirmation of the order, when required by the financial intermediary.

3. The provisions of this article shall apply to revoked or modified orders.

Subsection II
Reception of orders by intermediaries who are not members of the market where futures transactions are carried out

Article 60[41]
Contracts to be entered into by financial intermediaries
[Revoked]

Article 61[42]
Modes of transmission of orders
[Revoked]

Article 62[43]
Simple transmission
[Revoked]

Article 63[44]

[41] Revoked by CMVM Regulation no. 7/2005

[42] Revoked by CMVM Regulation no. 7/2005

[43] Revoked by CMVM Regulation no. 7/2005

Transmission of orders without identification of the client
[Revoked]

Article 64[45]
Transmission of orders with identification of the client to the management company
[Revoked]

Article 65[46]
Accounts
[Revoked]

Article 66[47]
Default
[Revoked]

Section II
Money deposited by clients

Article 67
General principles

1. Unless otherwise expressly specified, in writing, money deposited by clients with investment companies must be deposited in bank accounts distinct from those of the said companies, with credit institutions whose registered offices are within the European Community.

2. The accounts mentioned in the preceding paragraph shall be opened in the name of the investment companies on behalf of their clients, and may relate to one or more clients.

Article 68[48]
Account movements

1. The financial intermediary shall make available to clients all sums due for any operations relating to securities, including receipt of interest, dividends and other income:

a) on the day on which the securities in question are available in the account of the financial intermediary;

b) up to the first working day when the rules of the settlement system are incompatible with the provisions of the previous item; or

c) on the date established in a written agreement with the client, provided that it is not less favourable to the interests of the latter.

2. Investment companies may withdraw from the accounts referred to in the preceding article only for the purposes of:

a) payment of the subscription or acquisition of securities for clients;

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[44] Revoked by CMVM Regulation no. 7/2005

[45] Revoked by CMVM Regulation no. 7/2005

[46] Revoked by CMVM Regulation no. 7/2005

[47] Revoked by CMVM Regulation no. 7/2005

[48] Wording provided by CMVM Regulation no. 2/2003

b) payment of commission or fees due from clients; or
c) transfers to other accounts opened in the name of clients or transfers at the direction of clients to such accounts as they may indicate.

Article 69
Record of movements

1. Financial intermediaries are required to record in their accounts, on a daily basis and using computerised means, all credits and debits made to accounts of cash and securities in relation to each client;[49]

2. The said record must be in chronological order, the record of each account movement containing:

a) the name of the client;

b) the date;

c) the nature of the movement (debit or credit);

d) a description of the movement;

e) the remaining balance.

3. Notwithstanding the case-by-case auditing carried out by the financial intermediary, computer systems used to record financial intermediation activities must automatically interact with the accounting system[50].

Article 70
Monitoring

1. In order to ensure the accuracy of daily records kept, financial intermediaries must, as often as necessary and at least once a month, compare the movements and balances set out in the records they keep with the bank statements or other relevant documents received[51].

2. The person responsible for the control procedures described in the preceding paragraph may not combine the said function with that of the person in charge of the internal accounts of the investment company.

3. Any discrepancy resulting from the procedure referred to in paragraph 1 must be resolved as quickly as possible.

4. If any such discrepancies persist for a period of over one month, financial intermediaries must inform CMVM immediately of the said situation[52].

Article 71
Documents to be provided to clients

[49] Wording provided by CMVM Regulation no. 7/2005

[50] Wording provided by CMVM Regulation no. 7/2005

[51] Wording provided by CMVM Regulation no. 7/2005

[52] Wording provided by CMVM Regulation no. 7/2005

1. Once a month, or at least once every three months, as agreed, and whenever requested of them, financial intermediaries must send investors a statement of debits/credits to their cash accounts during the period in question[53].

2. The statement mentioned in the preceding paragraph must contain the following elements:

a) date of movements;

b) description of movements;

c) details of initial balance, final balance and balance after each account movement.

3. When there have been no movements on the accounts, the investment company need only send the client the statement mentioned in paragraph 1 on a quarterly basis.

Article 71-A[54]
Procedures applicable to the receipt of money from clients and the operation of accounts

1. Investment firms are required to establish written procedures applicable to the receipt of monies from clients, in particular defining the following:

a) The accepted methods of payment for provisions related to client accounts;

b) The department or persons permitted to receive money from clients;

c) The type of documentary evidence issued by the financial intermediary and delivered to the client;

d) Rules relating to the place where it is stored prior to being deposited and the place at which the respective documents are kept on file;

e) The daily frequency with which monies delivered by clients are to be deposited in the respective bank accounts;

f) The mechanisms for preventing money laundering.

2. Investment firms shall establish written procedures applicable to the operation of accounts held by clients, stating that the power to operate accounts cannot be conferred upon persons responsible for reconciling accounts.

Section III
Investment consultancy

Article 72[55]
Prohibited activities

Independent investment advisers shall be prohibited from:

a) acting as a counter-party in the transactions which they recommend.

[53] Wording provided by CMVM Regulation no. 7/2005

[54] Addendum introduced by CMVM Regulation no. 7/2005

[55] Wording provided by CMVM Regulation no. 7/2005

b) Providing any services to financial intermediaries or entities which are part of a financial group, except for consultancy services.

Article 72-A[56]
Transmission of orders in representation of advisees

1. Independent advisers are permitted to transmit orders on securities, acting in representation of advisees in dealings with financial intermediaries, provided that the following requirements are cumulatively observed:

a) Orders merely constitute acts involving the execution of investment recommendations formulated by the adviser and accepted by the advisee;

b) The adviser is not granted any of the discretionary powers which are typical in individual portfolio management contracts;

c) The role of independent adviser is revealed in the letter of attorney sent to the financial intermediary receiving the orders.

2. The financial intermediary directly submits to the client's attention the information provided for in Article 42 and, as the case may be, in Article 71 of this Regulation and Article 85.4, sub-paragraph a) of the Portuguese Securities Code.

3. For the effects of the provisions set forth in item a) of paragraph 1, statements of acceptance of recommendations formulated by the adviser must:

a) Be set down in writing or recorded on a phonographic medium;

b) Be kept on file for a period of five years.

Article 73
Information duties of independent investment advisors

1. Independent investment advisors must maintain up-to-date records of all acquisitions and disposals of financial instruments effected by them, for payment or free of charge, directly or through a third party, specifying:

a) the date;

b) the price;

c) the quantity;

d) the transaction number;

[56] Addendum introduced by CMVM Regulation no. 7/2005

e) the financial intermediary which executed the order;

f) the market where the order was performed.

2. Independent investment advisors must, by the end of the month of January, provide CMVM with a report detailing all acquisitions and disposals of financial instruments carried out by them during the previous year, for payment or free of charge, directly or through a third party, expressly including the details set out in the items of the preceding paragraph.

Section IV
Record of transactions

Article 74
Scope

1. This section establishes the rules governing the register of transactions carried out by financial intermediaries in implementation of:

a) investors' orders, as defined in article 51;

b) investment decisions within the context of third-party portfolio management, collective investment institutions or their own portfolios, for implementation as defined in article 51.

2. The provisions of this section shall also apply to financial intermediaries that receive orders within the context of public offers or to be dealt with, even if they do not implement the same.

Article 75
Registration format

1. The registration of the transactions referred to in this section shall take the form of electronic registration carried out by the end of the day following the date of the transactions.

2. Financial intermediaries must deal with registration in the manner most appropriate to the structure of its information systems, its volume of business and the markets in which it does business, and must have the necessary up-to-date information to meet any requirements regarding the generation of files and availability of data.

3. The registration procedures used must make it possible for searches to be made and extracts obtained from the registers at any time by date, time of completion, type and number of transaction, financial instrument, investor, counter-party, market and intermediation activity, and for the same to be obtained on paper in the form of a list.

4. The procedures used must ensure that entries in the registers cannot be altered and that any amendments are clearly marked.

Article 76
Sequence of register

1. The daily registration of transactions must be in chronological order, according to the moment they are carried out, and each day's transactions must be classified according to market, normal sessions being distinguished from special sessions and transactions carried out outside the market being listed for each offer.

2. Liquidity increase or price stabilisation transactions must be registered in separate sections, using the divisions provided for in the preceding paragraph.

Article 77
General rules regarding the contents of the register

1. The register of transactions must record their relationship with the orders and investment decisions that gave rise to the same, and the portfolio managed must be identified in the case of investment decisions.

2. The register must unequivocally indicate the relation between cash movements and the registration of transactions effected on behalf of each client or portfolio.

Article 78
Contents of the transaction record

1. The register of securities transactions must contain the following information in respect of each transaction and with reference to the relevant form of intermediation:

a) identification details of the security;

b) nature of the transaction;

c) date and time of execution of the transaction;

d) number of the transaction;

e) quantity or nominal amount traded;

f) quotation or unit price;

g) details of the financial intermediary counter-party;

h) details of the client.

2. For transactions implemented by way of public offer, the relevant data shall be the results of the offer as calculated at a special market session or by the financial intermediary responsible for this settlement.

3. In the case of transactions outside the regulated market, in addition to the information mentioned in paragraph 1, except as to the number of the transaction, the register must contain:

a) the registration number in chronological order;

b) the percentage of securities transferred which corresponds to the securities actually traded, on which a transaction fee is payable.

4. The provisions of the preceding paragraph shall apply to transactions regarding transfers of securities recorded by annotation in the appropriate securities accounts.

Article 79[57]
Content of the futures transactions register
[Revoked]

[57] Revoked by CMVM Regulation no. 7/2005

SECTION V[58]

Granting of loans for investment in securities

Article 80
Loan contract

1. The contract governing loans to non-institutional investors for investment in securities must contain the following minimum information:

a) The implicit interest rate;

b) The terms under which the financial intermediary is permitted to request a reinforcement of guarantees or proceed with the execution of same;

c) The type and frequency of information to be submitted by the financial intermediary to the attention of the client, in order to ensure efficient risk management.

2. When the contract provided for in paragraph 1 permits the permanent alteration of the composition of the portfolio of securities given by way of guarantee, the financial intermediary manages the risk posed to the securities and financial instruments which can be acquired with the loan granted, with the appropriate frequency, which, in the case of situations in which securities with a high level of volatility are sold, is on a permanent basis.

3. For the effects of the previous paragraph, risk management shall be understood as meaning the calculation of the value of the portfolio of securities and financial instruments pledged by way of a guarantee of compliance with the obligations arising from the contract.

Article 81
Acceptance of orders of an insufficient value

1. When orders from a client to which the service of registration and deposit of securities is provided result in an increase of a negative balance of cash or securities, orders from said client may only be accepted by a financial intermediary which is licensed to provide the service of granting loans for investment in securities and which has the means of settling the said transactions in such a way as to guarantee that money or securities belonging to other clients are not used for the purpose in question.

2. When the financial intermediary receives orders from investors to which it does not provide the service of registration and deposit of securities, it shall define the requirements which these clients are required to observe, under the terms of Article 326.2 of the Portuguese Securities Code, so as not to refuse orders without providing proof of the availability of the securities to be disposed or making the necessary sum available for the settlement of the operation.

Article 82[59]

Risk control

[58] Wording provided by CMVM Regulation no. 7/2005

[59] Addendum introduced by CMVM Regulation no. 7/2005

A financial intermediary which, under the terms of Article 80 or paragraph 1 of the previous article, grants a loan for investment in securities or accepts orders for which there are insufficient funds, is required to implement adequate risk control mechanisms, as follows:

a) Criteria must be adopted to define the requirements which must be observed by clients to which this type of operation is permitted;

b) The limits to be observed by these clients, namely the minimum ratio between the value of the portfolio and the amount by which the balance is insufficient;

c) The establishment of the faculty by means of which, once the limit referred to in the previous item is surpassed, the financial intermediary ceases to accept orders for which the client has insufficient funds;

d) Procedures and timeframes for the submission of information to the investor regarding the management of guarantees provided;

e) The drawing up of a list of securities in relation to which this type of operation is permitted.

CHAPTER III[60]
Final provisions

Article 83
Cumulative effect

The provisions set forth in this regulation do not affect nor are they affected by the fact of other rules being in force with regard to the prevention of money laundering, issued by other authorities responsible for the supervision of the financial system, under the legal powers conferred upon them.

*****

Annex

CMVM Regulation no. 12/2000
Financial Intermediation

Following on from the publication of the Portuguese Securities Code, this Regulation develops rules regarding financial intermediation activities, which have hitherto been covered by several different regulations.

Applying the principle of continuity, this Regulation authorises solutions that have already been put into practice, although an attempt at simplification, particularly in relation to the procedures regarding the registration of intermediation activities, has now been made. The consolidation of regulatory provisions into one single document has made it possible for the number of rules to be reduced, as a result of the reduction of repetition and also because the Portuguese Securities Code is, with regard to this aspect, more developed than the previous code.

[60] Addendum introduced by CMVM Regulation no. 7/2005

Apart from maintaining legislative continuity, this Regulation also deals with new, as yet unregulated matters, as well as attaching special importance both to the internationalisation of business and to the development of modern means of communication, in particular those involving information technology. As regards this latter aspect, rules have also been established for the use of computer technology in order to provide sufficient protection for investors, without restricting the development of the use of these resources by financial intermediaries. For matters made subject to regulation for the first time, balanced solutions have been sought which take into account the normal development of activities without affecting the principles of investor protection and the subjection of these activities to supervision by CMVM. This was the case, in particular, with regard to subcontracting to independent investment advisors and the transmission of orders by investors using computerised means, and their relationship with settlement systems. These new developments required a reasonable period of time to allow financial intermediaries to adapt to them.

Certain previously regulated areas are no longer subject to any form of regulation. The most obvious case is that of the lending of securities. The reason for this is that the matter is considered to require further reflection, in light of the major changes introduced by the Portuguese Securities Code. CMVM will therefore shortly issue regulations on this and other matters which are not contemplated here or are not developed in full and which, in the latter case, may be the subject of a Directive addressed to financial intermediaries.

As far as the management of collective investment undertakings is concerned, all regulations issued so far under the specific legislation governing these bodies will remain in effect. However, in spite of the specific nature of their activity, the rules laid down in this Regulation will also apply to the same, except as otherwise specifically provided, since they constitute general duties applicable to all financial intermediaries.

The draft on which this Regulation is based was widely publicised and numerous suggestions were received from the various associations of financial intermediaries and other bodies with responsibilities in securities markets. Consequently, many of the suggestions given by these bodies have been incorporated into the regulations.

Pursuant to Articles 318 to 320, 351 and item b) of Article 353.1 of the Portuguese Securities Code, the Executive Board of the Portuguese Securities Market Commission (CMVM), following consultation with the *Banco de Portugal* (the Portuguese Central Bank), the Institute of Public Debt Management (*Instituto de Gestão do Crédito Público*, the Association of the Lisbon Stock Exchange (*Associação da Bolsa de Valores de Lisboa*), the Association of Porto Derivatives Exchange (Associação da Bolsa de Derivados do Porto), *Interbolsa – Associação para a Prestação de Serviços às Bolsas de Valores*, the Portuguese Banking Association (*Associação Portuguesa de Bancos*), the Portuguese Association of Brokers and Broker-Dealers (*Associação Portuguesa de Sociedades Corretoras e Financeiras de Corretagem*) and the Portuguese Association of Asset Management and Investment Fund Management Companies (*Associação Portuguesa de Sociedades Gestoras de Patrimónios e de Fundos de Investimento*), has approved the following regulation:

(…)

Article 81
Entry into force

1. This regulation shall take effect on 1 March 2000.

2. Paragraphs 6, 7 and 8 of Article 13 shall take effect with the publication of the CMVM instruction on the accreditation body which has been authorised.

*****

CMVM Regulation no. 32/2000
Lead generation (prospecting) for investors

Article 292 of the Portuguese Securities Code, concerning advertising, promotion and lead generation (prospecting) for the purpose of intermediation contracts and the collection of information on current or potential clients, enshrines the principle of exclusivity, providing that such lead generation (prospecting) may only be engaged in by financial intermediaries.
It is now intended to define the requirements and limits to which lead generation (prospecting) must adhere and which, without a prior request on the part of the investor, takes place outside the financial intermediary's establishment by means of recourse to individual persons who do not form a part of the organisational structure of the former, in order to ensure, on the one hand, respect for the said principle of exclusivity and, on the other, adequate protection for the investor.
It is required, as a pillar in the relationship between the financial intermediary and the prospector, that the former be responsible for all the acts performed by the latter whilst exercising the functions attributed to the same. On the other hand, the transparency of the relationship between the prospector and the investors is assured by virtue of the clear identification of the financial intermediary on behalf of which the prospector is acting and the limitation of the activity of the latter to that of a mere intermediary, without direct intervention in the financial intermediation activities. For the purpose of monitoring by the *Comissão do Mercado de Valores Mobiliários (CMVM)* [Securities Market Commission] of the fulfilment of the said requirements and limits imposed with regard to lead generation (prospecting), it is required that a written contract be entered into between the financial intermediary and the prospector.
In order to avoid any undesired regulatory dispersal, it was decided, instead of covering matters relating to lead generation (prospecting) by means of a new regulation, to incorporate the necessary provisions in CMVM Regulation no. 12/2000, which combines all the provisions relating to financial intermediation.
In accordance with the conditions of paragraph d) of article 319 of the Securities Code, with benefit of the opinion of the *Associação Portuguesa de Bancos* [Portuguese Association of Banks], the *Associação Portuguesa de Sociedades Corretoras e Financeiras de Corretagem* [Portuguese Association of Brokers and Financial Brokage Companies] and the *Associação Portuguesa de Sociedades Gestoras de Patrimónios e de Fundos de Investimento* [Portuguese Association of Companies Managing Assets and Investment Funds], the Executive Council of the *Comissão do Mercado de Valores Mobiliários* [Securities Market Commission] has approved the following Regulation:

(…)

Article 3

This regulation shall come into effect on the day following that of its publication in *Diário da República* (the Official Journal).

*****

CMVM Regulation no. 17/2002
Amendment to Article 58 of CMVM Regulation no. 12/2000
on financial intermediation)

The present amendment is aimed at harmonising the rules applicable to financial intermediaries, when exercising activities of financial intermediation, with the rules of the securities markets where these intermediaries participate, as regards orders from investors and the respective periods of validity.
The principles applied when defining the period of validity of orders issued by investors are maintained, as is the period of validity of the day on which the said orders are transmitted, in cases where the investor remains silent. However, the maximum period of validity for orders is hereby extended to one year. Nevertheless, financial intermediaries are afforded the possibility of establishing shorter periods of validity.
Thus, pursuant to the terms of item b) of Article 353 of the Portuguese Securities Code, following consultation with Euronext Lisbon, *Associação Portuguesa de Bancos* (the Portuguese Association of Banks) and *Associação Portuguesa de Sociedades Corretoras e Financeiras de Corretagem* (the Portuguese Association of Brokerage Firms and Full-Service Brokerage Firms), the Executive Board of the *Comissão do Mercado de Valores Mobiliários* has approved the following Regulation:

(…)

Article 2
(Entry into force)

This regulation shall take effect on the day following that of its publication in *Diário da República* (the Official Journal).

*****

CMVM Regulation no. 2/2003
Amendment to Article 68 of CMVM Regulation no. 12/2000 on financial intermediation)

The fact that financial intermediaries disclose to their clients the value of operations carried out on securities immediately after settlement contributes to the efficiency of the market and towards the reduction of the cost of operations, a situation which requires adequate protection.
With this objective in mind, financial intermediaries – credit institutions or investment companies – should make available to their clients the value of operations on securities on the day on which settlement takes place, except if the rules of the settlement system do not permit this, in which cases settlement is permitted on the following day.
Thus, under the terms of item b) of Article 353 of the Portuguese Securities Code, having been heard the Portuguese Association of Banks (Associação Portuguesa de Bancos), the Portuguese Association of Brokerage Firms and Broker-Dealer Firms (Associação Portuguesa de Sociedades Corretoras e Financeiras de Corretagem) and the Portuguese Association of Asset Management Firms and Operators of Investment Funds (Associação Portuguesa das Sociedades Gestoras de Patrimónios e de Fundos de Investimento), the Executive Board of the Comissão do Mercado de Valores Mobiliários has approved the following Regulation:

(…)

Article 2

This regulation shall take effect on 01 April 2003.

*****

CMVM Regulation no. 10/2003
Amendment to Article 10 of CMVM Regulation no. 12/2000 on financial intermediation

This amendment is aimed at removing the imposition of accreditation as a necessary pre-requisite for intervention in the market. The operators of the markets now have the power to define, within the scope of each market's own rules, the conditions for intervention in the market by persons acting on behalf of financial intermediaries, in particular persons exercising the function of head of trading services and operator of the trading terminal.

Market operators retain the power to attribute the aforementioned accreditation, and are also responsible for keeping an up-to-date record of accredited persons. The rules implementing the terms of accreditation are still subject to registration with CMVM.

Thus, pursuant to the terms of item b) of Article 353 of the Portuguese Securities Code, the Executive Board of the Portuguese Securities Market Commission (CMVM) has approved the following Regulation:

(…)

Article 2
(Entry into force)

This regulation shall take effect on the day following that of its publication in *Diário da República* (the Official Journal).

*****

CMVM Regulation no. 7/2005
Financial Intermediation
(Amendment to CMVM Regulation no. 12/2000)

CMVM Regulation 12/2000 has been in force for five years. It concentrated most of the rules applicable to financial intermediation activities into one regulation. During the said period of time, it provided a stable regulatory framework for those intervening in the market, undergoing only four slight amendments. In the meantime, there have been significant changes to the market, both on a national and on an international level, and to the way in which financial intermediaries exercise their activity.

The present amendment to CMVM Regulation no. 12/2000 is not designed to transpose the Markets in Financial Instruments Directive, which must be transposed by means of a Decree-Law.

Intercalary modifications are hereby introduced, which are not in conflict with the process of transposing the Directive, but are necessary. This is the case with regard to the activity of granting loans for investment in securities, the reinforcement of internal control mechanisms of intermediaries, by enforcing the duty to appoint a person responsible for internal audits and to draw up an annual internal audit report. Internal control mechanisms relating to transactions carried out by employees on their own behalf are hereby reinforced, as is the security of clients' assets held by investment firms. The duty of financial intermediaries to organise a register of clients is hereby established, as a means of preventing money laundering related to transactions on securities. The rules governing the register of persons with certain responsibilities are simplified, and the substantive components of this register are reinforced. Modifications are introduced to the rules governing the disclosure of information with regard to transactions and the reception of orders on derivative financial instruments. The rules governing access to the activity of independent investment advisers are also adjusted, as is the permitted scope of activity of advisers.

These amendments are not intended to involve unnecessary extra cost for intermediaries.

Thus, following the public consultation process of the draft regulation, and with the benefit of the opinions of *Associação Portuguesa de Bancos* (The Portuguese Banking Association), *Associação das Sociedades Corretoras e Financeiras de Corretagem* (the Portguese Association of Brokerage Firms and Broker-Dealers) and *Associação das Sociedades Gestoras de Fundos de Investimento, de Pensões e de Patrimónios* (the Portuguese Association of Investment and Pension Fund Management Companies and Asset Management Companies), pursuant to the provisions of Articles 318, 319 and 320 of the Portuguese Securities Code, the Executive Board of CMVM has approved the following Regulation:

(…)

Article 4

Entry into force

This regulation shall take effect on 01 January 2006.

Annex 5

Background Information – Portugal

Crimes recorded by the police (denunciations)

Types of crime	1998	1999	2000	2001	2002
Against individuals	83173	80576	83050	84891	89477
Against patrimony	193495	209124	213450	215528	227618
Against life in community	34282	37610	34248	35953	36598
Against the State	2982	3318	3104	3663	4337
Others set down in ancillary Penal Law	27190	31960	29439	32133	33568
Some sub-categories					
Premeditated homicide	340	299	247	282	266
Involuntary homicide	1479	1364	1337	1130	1267
Kidnapping/abduction	349	421	315	418	442
Corruption	416	353	90	102	121
Drug trafficking	3538	4091	3214	3853	4053

No evidence has been found of any national terrorist group or any use of radical national groups by foreign terrorist organisations.

Enquiries and prosecutions[61]

Types of crime	Phase	1998	1999	2000	2001	2002
Against individuals	enquiries	4203	4628	4436	4499	4533
	investigation	53970	57599	49191	48021	49311
Against patrimony	enquiries	2788	2830	2205	1481	1336
	investigation	70604	73641	70657	66373	67155
Against life in community	enquiries	615	611	616	557	482
	investigation	15937	21528	21511	18578	16871
Against the State	enquiries	162	177	218	209	219
	investigation	6774	8848	6757	7100	7375
Others set down in ancillary Criminal Law	enquiries	764	870	721	692	407
	investigation	108878	48531	38289	26775	18347

Criminal cases with sentence handed down[62]

[61] In legal terms, an enquiry is mandatory whenever there is a complaint relating to a crime or in the case of a crime whose prosecution is not dependent of a complaint by the plaintiff (crimes in the public domain). Investigation proceedings are not mandatory and will not necessarily take place, depending on the will of the defendant.

[62] Offences against life include, for example, homicide or involuntary homicide. Offences against personal freedom include abduction, kidnapping and hostage-taking. Offences against property include, for example, breaking and entering, robbery or damage to property. Offences against patrimony involves embezzlement,

Types of crime	1998	1999	2000	2001	2002
Offences against human life	1207	1163	1342	978	796
Offences against personal freedom	1434	2008	2308	737	849
Trafficking of human beings and incitement to prostitution	68	9	21	28	19
Offences against property	11957	12062	16355	8486	8028
Offences against patrimony	2409	3192	2173	1003	1060
Offences against patrimonial rights	550	592	726	391	425
Corruption	40	32	62	38	57
Customs and tax crimes	81	29	513	663	784
Drug-trafficking	1245	1315	2012	1356	1324
Issuing uncovered cheques	53014	30110	20731	2208	2461

misuse of guarantee cards or of credit. Offences against patrimonial rights includes receiving stolen goods and giving material assistance to a criminal

Annex 5

Financial Information - Portugal

Unit: 10^6 Euro

	2003	2004	Δ (2003-04)
Stock market capitalisation	157,120.0	170,036.1	8.2%
Regulated markets	156,936.0	169,126.8	7.8%
Shares	91,180.4	112,724.4	23.6%
Bonds	62,380.0	53,689.3	-13.9%
Participation units	99.8	122.5	22.7%
Unit trusts	381.5	243.9	-36.1%
Rights	0.0	0.0	-
Warrants	1,799.1	1,258.0	-30.1%
Certificates	381.4	413.8	8.5%
Convertible (4)	713.9	674.8	-5.5%
Non-regulated markets	184.4	909.3	393.1%
Shares	184.4	539.4	192.5%
Warrants	0.0	369.9	-
Certificates	0.0	0.0	-
Others	0.0	0.0	-
Term market			
Futures: Volume traded (9)	1,449.8	1,038.3	-28.4%
PSI-20 Futures	1,273.9	849.2	-33.3%
Futures - shares	175.9	189.1	7.5%
Options - Volume traded	8.5	-	
PSI-20 Options	0.0	-	
Options - shares	8.5	-	
Investment funds			
OICVM and FEI			
Number of funds	215	224	9
VLGF (10)	22,850.1	24,415.1	6.8%
Real Estate			
Number of funds	51	65	14
VLGF (10)	5,850.4	7,050.5	20.5%

Sources: CMVM, MTS - Portugal, Euronext Lisbon and Dathis
Key: p.p. = percentage points. (1) Includes private offers carried out on the Portuguese market under the provisions of article 110 of the Stock Market code by companies with capital open to the public, subsequently communicated to the CMVM, and public offers carried out on the Portuguese market under the provisions of article 109 of the Stock Market code. (2) Closing values. (3) Calculated by annualisation of daily logarithmic yield volatility. (4) The convertibles segment was created in January 2003. (5) The structured market started in October 2004. (6) The MEOG was closed down in November 2003. (7) PEX started on 18 September 2003. (8) This only refers to listed securities. (9) Figures derived from business prices. (10) Includes amounts invested in participation units.

Unit: 10^6 Euro

	2003	2004	Δ (2003-04)
Issues in the primary market			
Shares (1)	1,041.4	1,756.0	68.6%
Bonds	10,159.0	8,490.4	-16.4%
Over the counter			
Stock Market Indicators (2)			
Shares (PSI20)	6,747.41	7,600.16	12.6%
Annualised volatility (3)	11.80%	10.35%	-1.45 p.p.
Maximum / Data	6747.41 (31 Dec)	7952.52 (08 Mar)	
Minimum / Data	5218.66 (25 Feb)	6786.51 (07 Jan)	
Total Volume	169,434.8	186,632.3	10.1%
Regulated market	154,434.3	165,899.1	7.4%
Stock Market	22,379.3	30,139.1	34.7%
Normal sessions	21,693.2	29,731.2	37.1%
Shares	19,023.9	27,745.1	45.8%
Bonds	1,267.5	653.8	-48.4%
Participation units	4.2	6.5	54.8%
Unit trusts	27.0	8.9	-67.0%
Rights	131.9	63.9	51.6%
Warrants	1,157.3	1,120.0	-3.2%
Certificates	23.8	50.1	110.5%
Convertible (4)	57.5	82.9	44.2%
Special sessions	686.1	407.9	-40.5%
MEDIP	132,055.0	135,760.0	2.8%
Treasury Bonds	128,245.0	122,110.0	-4.8%
Treasury Bills	3,810.0	13,650.0	258.3%
Non-regulated markets	11.8	104.6	786.4%
Unlisted market (Euronext Lisbon)	2.7	17.7	555.6%
Shares	2.7	17.7	555.6%
Others	0.0	0.0	-
Structured markets (Euronext Lisbon) (5)	-	82.9	-
Warrants	-	82.9	-
Certificates	-	-	-
MEOG (6)	8.8	-	-
PEX (7)	0.4	4.0	900.0%
Over the counter (8)	**14,988.7**	**20,628.6**	**37.6%**

	No. of institutions	No. of institutions	No. of institutions
	2002	2003	2004
Credit institutions			
Banks, including:	64	68	68
branches of banks from other EU Member-Countries	19	22	24
branches of banks from third countries	1	1	1
Savings banks	8	8	8

Central and Mutual agricultural credit banks	135	128	128
Credit financial institutions		3	10
Investment companies	4	3	3
Financial leasing companies	16	12	6
Factoring companies	9	6	4
Credit purchase financing companies	14	10	4
Mutual guarantee companies	2	3	3
Branches of other foreign credit institutions	14	13	12
	266	254	246
Financial companies			
Investment firms:	51	43	40
Dealers	8	7	7
Brokers	16	11	10
Foreign-exchange or money-market mediating companies	1	1	1
Wealth management companies	26	24	22
Investment fund management companies	47	47	45
Credit card issuing or management companies	3	3	3
Risk capital companies	8		
Group purchase managing companies	18	17	13
Exchange offices	20	21	22
Credit securitisation fund management companies	2	3	4
Other companies	2	2	2
	151	136	129
Holding companies	60	66	52

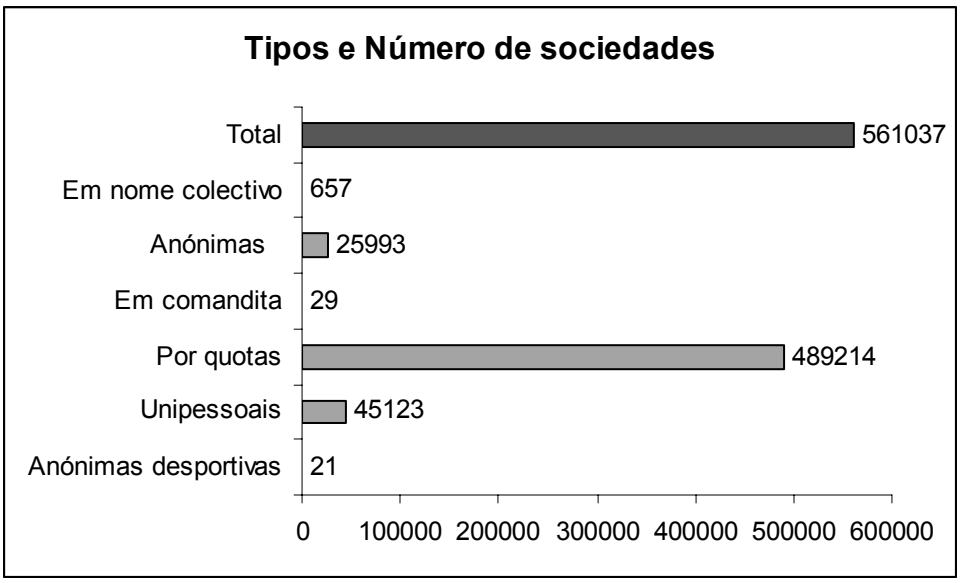
	2002	**2003**	**2004**
Market Structure			
Number of employees	54 768	53 731	52 000
Number of branches	5 531	5 567	5 572
Share of the 5 largest credit institutions in total assets (consolidated basis)	79%	79%	77%

	2002	**2003**	**2004**
Banking assets (10^9 euros)	283,0	304,07	314,99
Year on year rate of growth of banking assets	1,63%	7,45%	3,59%

	2002	**2003**	**2004**
Companies set up under Portuguese legislation	46	43	41
e	15	14	14

Non-life	23	21	19
Mixed	6	6	6
Mutuals	2	2	2
Branches of foreign companies	36	31	28
With registered office in the European Union	34	30	27
Life	10	10	8
Non-life	23	19	18
Mixed	1	1	1
With registered office outside the European Union	2	1	1
Life	1	0	0
Non-life	0	0	0
Mixed	1	1	1
Total	**82**	**74**	**69**

Companies categorised in the RNPC according to legal status (2002) (Ministry of Justice Statistics)



Legend: **Em nome colectivo** – general partnerships
Anónimas – joint –stock companies
Em comandita - Limited companies
Por quotas – limited liability companies
Unipessoais - One-person companies
Anónimas desportivas – joint-stock companies on sports activities