

# Collective Investment Management Companies Framework

Guide to assist through the process for authorisation  
and registration in Portugal



# Collective Investment Management Companies Framework



**1** Supervision model in Portugal

**2** Regulatory landscape

**3** Licensing procedures

# 1 Supervision model in Portugal



Our supervision model is not based on twin peaks model. We have a three entities structure.

|                              |   |  |   |
|------------------------------|---|--|---|
| <b>Supervision authority</b> | <br>CMVM | <br>BANCO DE PORTUGAL<br>EUROSYSTEM |  |
| <b>Scope of supervision</b>  | Securities market and financial instruments   | Credit institutions, financial companies, payment institutions, e-money institutions                                   | Insurance and reinsurance   |
| <b>Market segment</b>        | Securities market   | Banking  | Insurance   |

**Conselho Nacional de Supervisores Financeiros – CNSF**  
 CNSF aims to promote the coordination of the activity of the financial regulators

## Banco de Portugal (BdP)

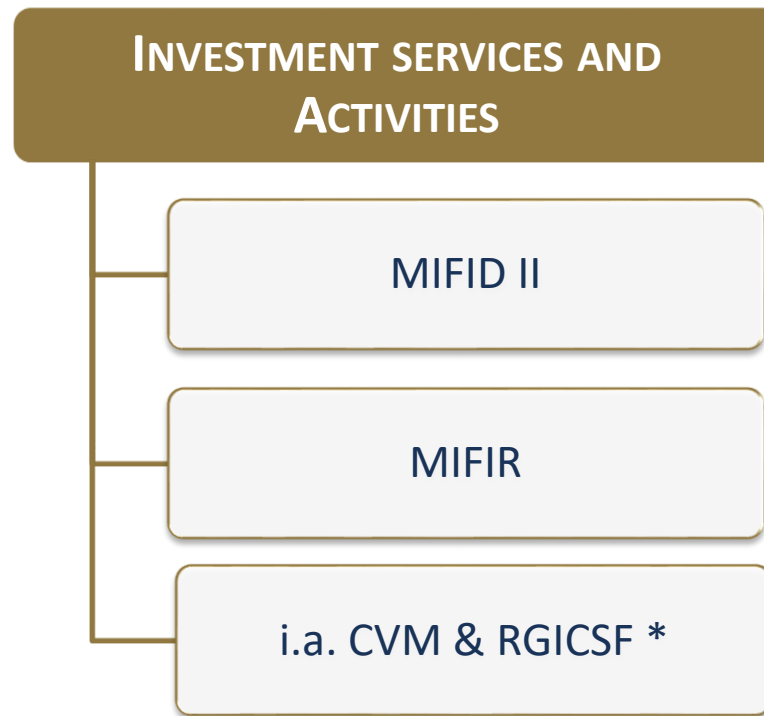
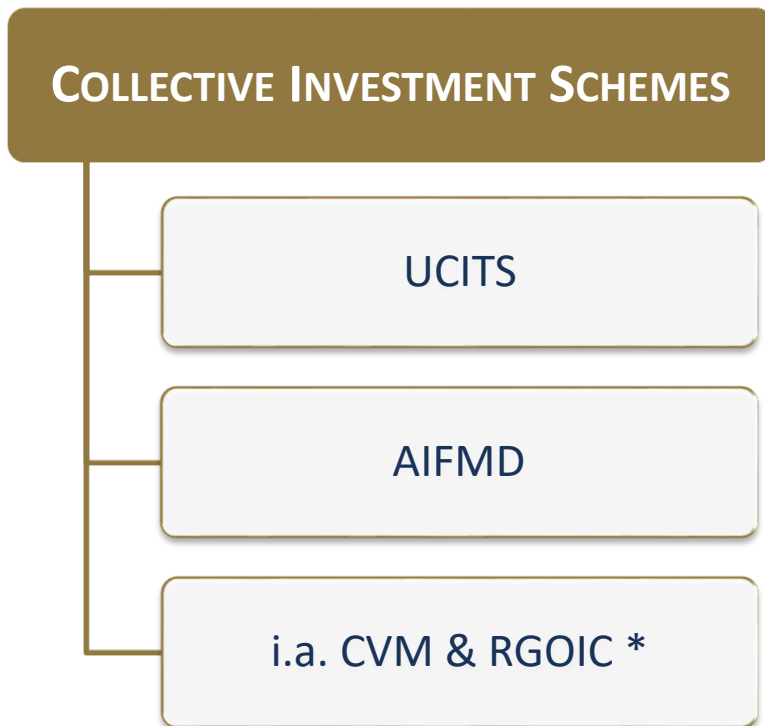
- ❖ Two core missions: to **maintain price stability** and to **promote the stability of the financial system**.
- ❖ As national supervisory authority, BdP is part of the Eurosystem and the European System of Central Banks, the Single Supervisory Mechanism and the Single Resolution Mechanism.
- ❖ **Regulates and supervises credit institutions, financial companies, payment institutions and electronic money institutions** to ensure that the funds they were entrusted to hold are secure. It applies preventive measures and sanctions.
- ❖ Prepares the decision to grant or refuse authorisation concerning credit institutions, within the framework of the Single Supervisory Mechanism. It is the competent authority to grant or refuse authorisation regarding financial companies, payment institutions and electronic money institutions.

## Comissão do Mercado de Valores Mobiliários (CMVM)

- ❖ CMVM's mission is to **protect the investor, ensure market integrity and market development.**
- ❖ **Regulates and supervises** collective investment management companies, investment firms, securities issuers, independent investment advisors, investment funds, venture capital funds and companies, securitization funds and companies, crowdfunding platforms and auditors.
- ❖ It is the **competent authority** to grant or refuse **authorisation** of investment advice firms, independent investment advisors, investment funds, venture capital funds and companies, securitization funds and companies, crowdfunding platforms as well as **registration** of auditors and investment firms.
- ❖ Today's cross border activities demand a **stronger cooperation** within the European System of Financial Supervision (ESMA, EBA, EIOPA, ESRB) but also with other international organisations namely IOSCO.

## 2 Regulatory landscape

### Regulatory framework



\* Portuguese Securities Code (CVM), General Regime Collective Investment Schemes (RGOIC), Legal Framework of Credit Institutions and Financial Companies (RGICSF)

## 2

## Regulatory landscape

## Licensing requirements



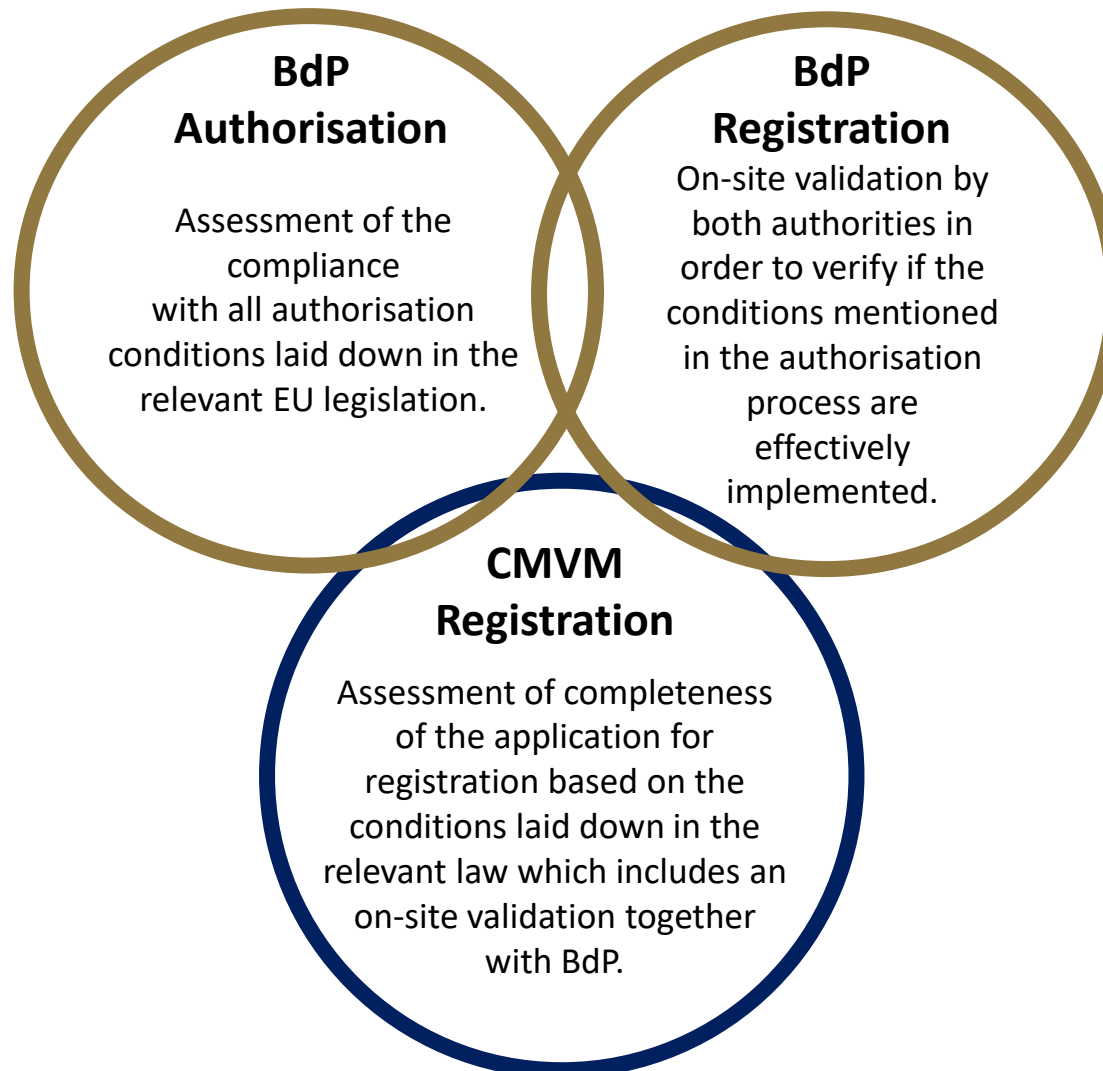
|  | Type of entities                                 | Initial capital requirements |
|--|--|------------------------------|
| Collective Investment Schemes Management Companies | • Securities investment fund management company  | € 125 000                    |
|  | • Real estate investment fund management company | € 125 000                    |
| Investment firms                                   | • Dealers  | € 3 500 000                  |
|  | • Brokers  | € 350 000                    |
|  | • Wealth management companies                    | € 250 000                    |
|  | • Investment advice firms                        | €50 000                      |

### Licensing requirements

- ❖ Detailed and sound business plan, including compliance with prudential requirements;
- ❖ Adequate organisational structure;
- ❖ Compliance with fit and proper criteria (management body and qualifying holdings);
- ❖ Effective anti-money laundering system and controls;
- ❖ Head office and effective management in Portugal;
- ❖ Robust governance arrangements and adequate internal control mechanisms in place;
- ❖ Effective processes in place to identify, manage, monitor and report risks;
- ❖ Remuneration policies and practices in place promoting, and consistent with, a sound and prudent risk management.



### BdP and CMVM joint action



**BdP and CMVM are determined to contribute to promote efficient licensing procedures for collective investment management companies.**



**Requirements and procedures in English on both websites**



**Single contact point**

A single email address can be used to contact both authorities, either to submit applications or to request information:

[welcome\\_mancom@bportugal.pt](mailto:welcome_mancom@bportugal.pt) or [welcome\\_mancom@cmvm.pt](mailto:welcome_mancom@cmvm.pt)



**Electronic submission** of application and supporting documentation



**Timeframe**

Up to 3 months for authorisation by BdP, 3 months for registration by BdP and 30 business days for CMVM's registration, providing that mandatory information has been fully submitted and the requirements are met.



**All equivalent documents approved by other EU regulators will be considered, namely on suitability and conduct of business rules**

Nevertheless BdP and CMVM must perform their own assessment and make an autonomous final decision.



**English language**

Application and additional information will be accepted in English. Both teams will notify, provide guidance and support in English through the entire process and after the authorisation.



**Support and guidance**

Once a request for information or an application is made, the relevant authority will promptly reply indicating the person responsible for the process and its contacts.

### 3

## Licensing procedures



When submitted via the email addresses referred to previously, applications will be simultaneously received by BdP and CMVM – assessment done in parallel

Articulation between both entities throughout the entire process to shorten the timeframe to final decision

Contact points can ensure updated information on process status



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