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# Update

## Finance and Governance

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## Authorization Law for the introduction of the Asset Management Regime approved

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### 1. Context

On December 16, 2022, the Portuguese Parliament approved the **Proposed Law no. 40/XV/1**, authorizing the Government to revise the legal framework on the activity of Undertakings for Collective Investment, aiming at the approval of the Asset Management Regime ("**RGA**") ("*Regime da Gestão de Ativos*").

The Draft Decree-Law undertakes a comprehensive review of the regulation of the asset management sector, revoking the General Regime of Undertakings for Collective Investment ("**RGOIC**") and the Legal Regime of Venture Capital, Social Entrepreneurship, and Specialized Investment ("**RJCRESE**"), and is **intended** to provide a unified legal framework to regulate the management of undertakings for collective investment.

### 2. Amendments to the Proposed Authorization Law

Since the Government's draft law was submitted to Parliament on October 25, 2022, until its approval by final vote on December 16, the legislative authorization was subject to **limited amendments**. These amendments aim to expand the scope on which the Government is authorized to establish the regime of misdemeanour penalties applicable to the regulated subject matter. This objective is pursued as follows:

- i) Firstly, by broadening the subjective scope of application of the accessory sanction of suspension of the exercise of voting rights to those responsible for any misdemeanour. In fact,

the **initial version of the law** authorised the Government to establish the application of an accessory sanction of suspension of the exercise of voting rights attributed to the holders of shares in any Undertakings for Collective Investment in Corporate Form.

However, the final text of the Authorisation Law extends the introduction of that sanction, granting the Government the authorisation for its introduction, no longer limited to holders of shares in Undertakings for Collective Investment in Corporate Form, but in relation to holders of shares in any entities subject to CMVM's prudential supervision.

ii) Secondly, the sanctioning framework of the Securities Code is reinforced, allowing the application of this accessory sanction also for the commission of administrative offenses punishable by the said Code.

### 3. Subsequent developments

After the approval in final vote, the Proposed Law was submitted to the Budget and Finance Committee for final drafting, which was obtained on December 21. Following the respective publication in the **Parliament Journal**, the Proposal was sent for Promulgation to the President of the Republic on December 28.

Once enacted and published, the Law shall allow the Government, through an Authorized Decree-Law, to approve the RGA, as well as to introduce the necessary amendments and harmonization of the current legal framework to the Securities Code.

The development of the approval process of the RGA, and of the reform it promotes, will continue to be closely followed.