

16 August 2023

The Portuguese Securities Market Commission (the “CMVM”) issues a [Circular Note to Financial Intermediaries on Advertising](#), to Increase the Transparency Level and Investor Protection

Background

The Portuguese Securities Market Commission (the “CMVM”) issued on May 5, 2023, a Circular Note to financial intermediaries on advertising and marketing arrangements, aiming to strengthen investor protection by increasing the level of market transparency when dealing with the dissemination of advertisement content to retail consumers.

The CMVM has already addressed the afore mentioned topics by issuing a [press release](#) on 15th June 2022, on dissemination of contents concerning investment services by financial intermediaries on social networks or online channels. The 2022 press release outlined the financial intermediary’s responsibility to display the disseminated content as promotional.

Scope

The new CMVM Circular Note aims to broaden the scope of requirements when promoting investment products and/or services to the Portuguese consumers:

- When advertising financial intermediation activities and/or financial instrument(s), if the respective firm is authorized by the CMVM as a financial intermediary, the firm is required to clearly display its registration number with the CMVM;
- When advertising financial intermediation activities and/or financial instrument(s), if the respective firm is conducting its activities on the Portuguese market under the freedom to provide services, a firm must indicate to be qualified for the financial intermediation in Portugal and give reference of the supervisory authority of the European Union Member State, where the firm is registered;
- All firms engaging in financial intermediation must include in their advertising arrangements an “entity identification” as per above points, irrespective of the

advertising channel used, as well as to make clear the advertising nature of their content;

- When engaging in the said activities, all firms must comply with the applicable laws and regulations, such as providing fair, clear, and not misleading information to consumers, together with all relevant risks associated with the offered services and/or financial instruments.

Relevant Rules and Legislation

The CMVM is addressing the aforesaid requirements in connection to the following laws and rules:

- Article 7(4) of the Portuguese Securities Code;
- Article 8 of the Portuguese Advertising Code;
- Article 44 of the Commission Delegated Regulation (EU) 2017/565;
- Directive 2014/65/EU of the European Parliament and of the Council.

Target Audience

This circular is intended to all Investment Firms and Credit Institutions that provide or intend to provide investment services activities on a cross-border basis to Portuguese retail clients, under the provisions of Article 34 of MiFID II (freedom to provide services).

Contacts

Should you have any further questions, please do not hesitate to contact:
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