

---

**TO : Cyprus Investment Firms (CIFs)**

**FROM : Cyprus Securities and Exchange Commission**

**DATE : 10 March 2021**

**CIRCULAR No : C430**

**SUBJECT : Requirements of the Portuguese Securities and Exchange Commission ('the CMVM') regarding the promotion, distribution and marketing of PRIIPs in the territory of Portugal**

---

The Cyprus Securities and Exchange Commission (the "CySEC") hereby draws the attention of the Cyprus Investment Firms (the "CIFs") to the CMVM's current regulatory framework applicable with regards to promoting, distributing, marketing and/or making packaged retail investment and insurance products (the "PRIIPs") available in Portugal and/or to investors in Portugal<sup>1</sup>.

In November 2020, the CMVM published four Regulations, that among other amendments provide for a 29% reduction in the duties of regular reporting of information to the CMVM, affirming simplification as one of the guiding principles of its regulatory policy, which will take effect on 1 July, 2021.<sup>2</sup> The current reporting requirements of Regulation No.8/2018 and No. 3/2016 will therefore be amended by the CMVM Regulation No. 6/2020 which will take effect as of 1<sup>st</sup> July 2021.

#### A. PRIIPs (KIDS)

With regards to the obligation to provide investors with key information documents (KIDs) and the obligations of PRIIPs marketing communications, CIFs should comply with the following CMVM requirements:

- 1) When promoting, distributing, marketing and/or making PRIIPs available in Portugal and/or to investors in Portugal, CIFs must proceed with the prior submission of the relevant key information document(s) (the "KID(s)") to the CMVM, at least two days in advance of the

---

<sup>1</sup> Current PRIIPs' legal and regulatory framework in Portugal:

- 1) [Regulation \(EU\) No. 1286/2014](#) of the European Parliament and of the Council, of 26 November 2014 on key information documents for PRIIPs;
- 2) [Delegated Regulation \(EU\) 2017/653](#) of the Commission, of March 8, 2017 for the presentation, content, review and revision of PRIIPs key information documents and the conditions for fulfilling the requirement to provide such documents;
- 3) [CMVM Regulation No. 5/2019](#) (Restricts the sale, distribution and sale of differential contracts [CFDs] and prohibits the sale, distribution and sale of binary options in Portugal to non-professional investors).
- 4) [CMVM Regulation No. 8/018](#) (contents only in Portuguese) on information and marketing duties relating to PRIIPs;
- 5) Portuguese PRIIPs Legal Framework (Annex II of [the Law No. 35/2018](#), of July 20).

<sup>2</sup> For further information on the four amending regulations, please consult the information on the CMVM [site](#).

date in which the KID(s) and or PRIIPs are intended to be made available (in accordance with article 5(2) of Regulation (EU) No. 1286/2014 (the “PRIIPs Regulation”), article 5 of Annex II of Law No. 35/2018, of 20 July (the “Portuguese PRIIPs Legal Framework”) and article 5(1) and Annex 1 of CMVM Regulation No. 8/2018 (the “CMVM Regulation”);

- 2) CIFs also need to comply with the above mentioned requirement with regards to KIDs produced or prepared and reviewed before the date of entry into force of the CMVM Regulation (as per article 19(1)(a) and (2) of the CMVM Regulation);
- 3) The submission of KIDs to the CMVM should be completed through CMVM’s Extranet (the “Extranet”), subject to the CMVM Regulation No 3/2016 and articles 5(6) and 8(3) of the CMVM Regulation No. 8/2018<sup>3</sup>. In the event that the submission is submitted through alternative means (e.g. email), CIFs must provide an explanation and, as soon as possible, to successfully complete the submission through the Extranet (as per article 10(2) of CMVM Regulation 3/2016). Therefore, CIFs are required to be connected to the Extranet by filling the appropriate request form and sending the request form to the CMVM (as per article 6(3) and Annex of the CMVM Regulation No. 3/2016<sup>4</sup>).

#### B. PRIIPS (Marketing Communication)

- 4) Furthermore, CIFs are required to comply with the legal and regulatory framework applicable to marketing communications, promoting or advertising materials, as per article 9 of the PRIIPs Regulation, article 4 of the Portuguese PRIIPs Legal Framework, article 7(4) and 292 of the Portuguese Securities Code and articles 14-17 of CMVM Regulation No. 8/2018, regarding requirements for information sources and expression of restricted use in marketing communications, minimum content, marketing communications with links to other websites and electronic trading platforms.
- 5) In addition, advertising messages and/or marketing communications related to PRIIPs are subject to prior approval by the CMVM, which will decide within seven working days after receiving the fully instructed request (in accordance with article 4 of the Portuguese PRIIPs Legal Framework).
- 6) The aforementioned advertising approval request must be accompanied by the following, in accordance with article 4 of the Portuguese PRIIPs Legal Framework:
  - a) Application ([Application to request prior approval of advertising relating to PRIIPs](#));
  - b) The draft advertising message;
  - c) The material elements related to the media through which the advertising message is expected to be disseminated;
  - d) The fundamental information document related to the PRIIP to be advertised, except when it has been previously notified;
- 7) The advertising message can be used within six months after the date of its approval.

---

<sup>3</sup> The forms of reporting/upload information are changed [CMVM Regulation No. 6/2020] and will take effect from 1 July 2021.

<sup>4</sup> The forms of reporting/upload information are changed [CMVM Regulation No. 6/2020] and will take effect from 1 July 2021.

CySEC expects all CIFs that promote, distribute, market and/or make PRIIPs available in Portugal and/or to investors in Portugal to take, where necessary, appropriate actions and measures to adhere to the aforementioned requirements of the CMVM.

Sincerely,

Demetra Kalogerou  
Chairman of Cyprus Securities and Exchange Commission