

**BANKING AND FINANCE**

# Portugal – Brexit contingency measures for financial services

It has been published today (30 September 2019) the interim regime in the event of an exit of United Kingdom from the European Union without an agreement (“no-deal Brexit”), which provides specific temporary contingency measures for UK entities providing financial services in Portugal. The Decree-Law 147/2019 of 30 September is available [here](#) (with an official summary in English [here](#)).

Please find below a summary of the main contingency measures adopted.

**MiFID investment services and activities.**

Authorized UK credit institutions and investment firms currently providing investment services and activities in Portugal will be able to continue to provide those services in the event of a no-deal Brexit, without an establishment in Portugal, until 31 December 2020, if: (a) before Brexit, a notification for the provision of those services has been submitted to the Portuguese Securities Commission (CMVM – Comissão do Mercado de Valores Mobiliários) – in the case of investment firms – or to the Portuguese Central Bank (Banco de Portugal) in case of a credit institution; and (b) within 3 months of the UK leaving the EU, the relevant institution submits to the CMVM an application in the form made available (<https://dre.pt/application/conteudo/125016440>), which shall also indicate whether it intends: (i) terminate existing contracts; or (ii) request authorization to keep operating in Portugal (in this case, the request must be sent to the competent authority, CMVM or the Bank of Portugal). In relation to agreements where the counterparty is a non-professional investor, and until the relevant institution decides to apply for a MiFID license, such institution will be limited to actions that may be required to terminate such agreements.

It is important to note that, in respect to retail clients, until the authorization request is submitted by the relevant institution, the only activities allowed will be those necessary for the termination of contracts with retail clients.

**"Authorized UK credit institutions and investment firms currently providing investment services and activities in Portugal will be able to continue to provide those services in the event of a no-deal Brexit."**

**Asset management.**

For collective investment schemes services, a similar regime as that provided for MiFID investment services will broadly apply to collective investment schemes and their managers.

**Banking and payment services.**

For banking and payment services, the interim regime provides that agreements for deposits, credit operations, payment and issuing of e-money, that are subject to the supervision of the Bank of Portugal that were executed under the freedom of establishment and freedom to provide services will remain in force until 31 December 2020, provided that the Bank of Portugal is notified within 3 months after the no-deal Brexit date.

**Insurance activities.**

All contracts executed before the exit of the UK from the EU under the freedom of establishment and freedom to provide services, by UK based insurance companies, covering risks in Portuguese territory, will remain in force but without the possibility of renewal. ■

**"For collective investment schemes services, a similar regime as that provided for MiFID investment services will broadly apply to collective investment schemes and their managers."**