

Portuguese Financial Authority Drafts Rules for Securities Crowdfunding?

In August 2015 Portugal adopted a law for online investing which is described in this article. Such law has been translated into rules by the local financial markets authority, *Comissão do Mercado de Valores Mobiliários* (CMVM), which released this week a first draft, open for public comments until the 21st January 2016.

The proposed regulation includes the following main points:

Investors:

CMVM distinguishes between professional investors and retail investors. The former comprehend institutional investors and all those individuals with an annual income equal or bigger than €100,000.

Fundraising Companies:

According to the proposed regulatory framework, companies raising equity or debt capital via online investing cannot raise more than €1 million in a given year, unless the offer is targeting only professional investors, in which case the limit is moved up to €5 million.

Platforms:

With regards to platforms, they have to be registered with CMVM, as the approved law already indicated, and in addition, the new rules require them to have a minimum capital of €50,000 or alternatively a liability insurance covering for that amount.

The proposed rules for Portuguese online investing are more or less in line with those adopted by neighboring Spain, and for some aspects similar to other cases in the EU. The action of local regulators is a way to mitigate the risks associated with online investing and also to legitimate the growing sector. With time, it is likely adjustments will be made also to favor more cross-border activity.

Read the whole article and more details on [Crowd Valley Blog](#).