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## Crowdfunding – legal framework

Law no. 102/2015, of August 24, was published today and regulates crowdfunding for the first time in Portugal (“**Crowdfunding Law**”).

According to this law, crowdfunding is a financing alternative for entities, their activities or projects, which involves raising investment from one or more individual investors, upon registration with (online) electronic platforms.

The Crowdfunding Law identifies four types of crowdfunding, among which we would highlight the (i) loan-based crowdfunding, where the relevant loans bear interest in favour of the lenders and, (ii) the equity-based crowdfunding, which enables investors to acquire, through the relevant platform, a shareholding in the relevant company.

The entry into force of both these crowdfunding types still depends on regulation to be issued by the Portuguese Securities Market Commission (“**CMVM**”) within 90 days.

We would additionally point out the need for prior registration of entities managing electronic platforms with the CMVM and the obligation to identify the relevant investment risks in equity-based or lending-based crowdfunding.

The Crowdfunding Law will enter into force on 1 October, while some of its provisions will enter into force upon issue by CMVM of the above regulation.