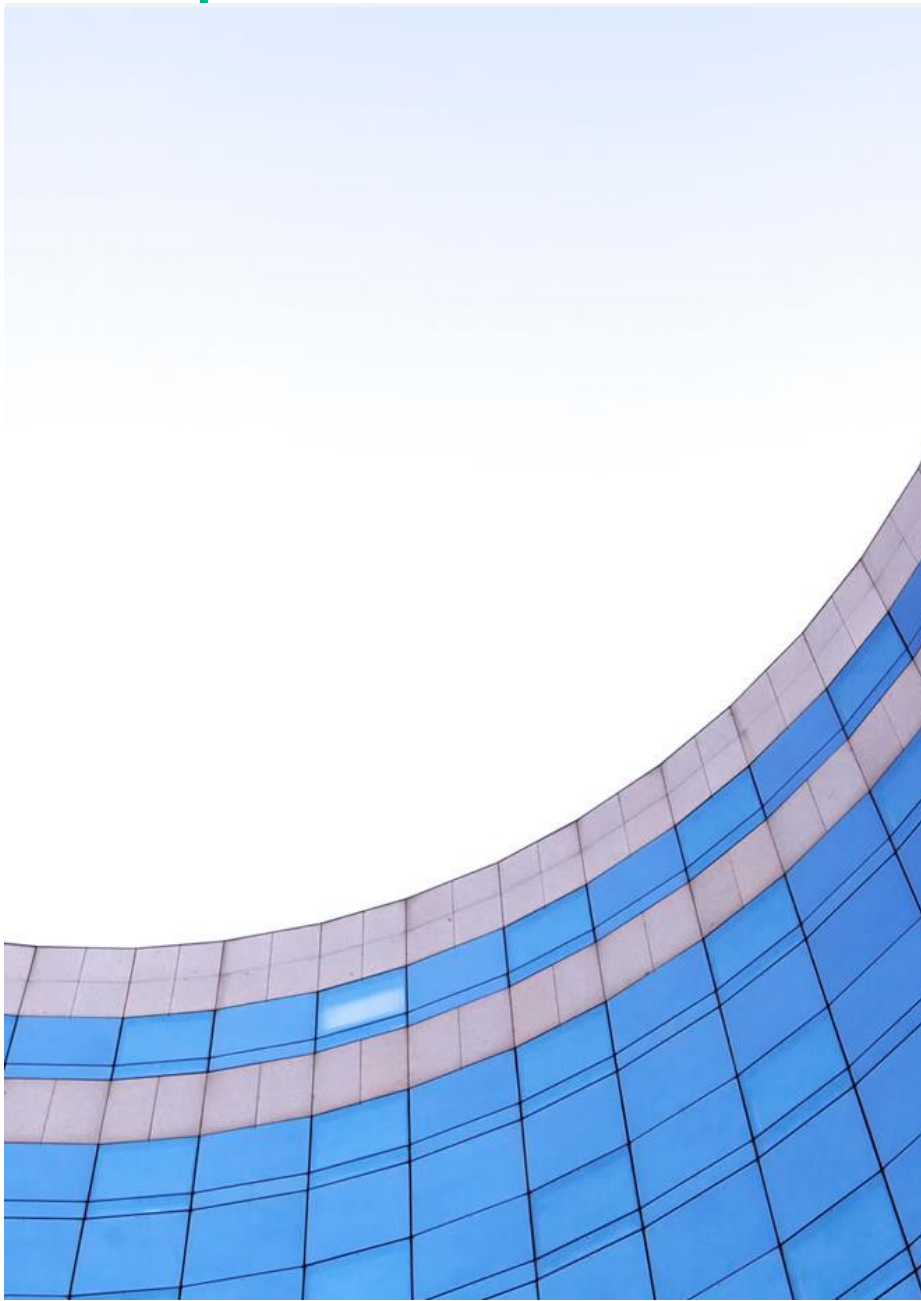


BANKING & FINANCE

BANK OF PORTUGAL PUBLISHES REPORTING
MODEL FOR FINANCIAL ENTITIES OPERATING
IN PORTUGAL UNDER THE FREEDOM TO
PROVIDE SERVICES REGIME

VdA EXPERTISE

January 2021



On 14 January 2021, the Bank of Portugal published a new reporting model for financial entities operating in Portugal and having their head office in another European Union Member State, to be used to report on their activity carried out in Portugal under the free provision of services regime.

BACKGROUND

As from the publication of Law no. 83/2017, of 18 August (“Law 83/2017”), which transposed Directive 2015/849/EU on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, and subsequent Bank of Portugal Notice no. 2/2018, financial entities operating in Portugal under the free provision of services regime are required to provide information on the performance of their activity on national territory.

Accordingly, on 24 September 2020, the Bank of Portugal issued Instruction no. 25/2020 (the “Instruction”), which determined that financial entities acting in Portugal under the aforementioned regime are required to submit to the Bank of Portugal, on an annual basis, a report on the activity originating and/or ending in Portuguese territory carried out by such financial entities.

Following the publication of the new reporting model on 14 January 2021, the Bank of Portugal now publishes the Excel files and reporting template to be used by financial entities falling under the scope of this regime.

SCOPE OF APPLICATION AND FORMALITIES

The financial entities falling under the Instruction and, therefore, subject to this new reporting requirement are indicated in Article 1(1) and include: (i) mortgage credit institutions; (ii) financial companies, with the exception of financial credit companies and investment companies, as well as financial companies under the exclusive supervision of the CMVM; (iii) payment services institutions; (iv) electronic money institutions; and (v) certain credit financial institutions.

The abovementioned report shall be submitted by financial entities until 28 February of each year, reporting on the period from 1 January to 31 December of the preceding year, and must now be prepared using the report model and Excel files provided by the Bank of Portugal, which can be found [here](#).

The Instruction established that the report model must contain the following information:

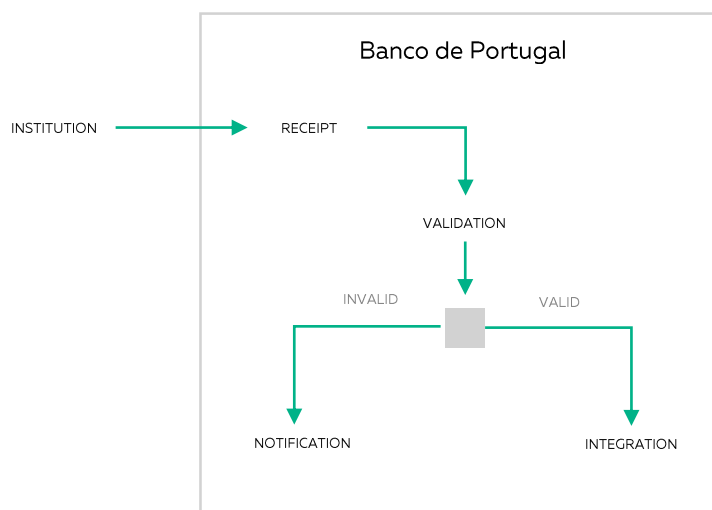
1. Start and end dates of the reporting period;
2. Institutional information as at the end of the reporting period, such as contact details for matters relating to the prevention of money laundering and terrorist financing, and information allowing for the identification of the financial entity;
3. Information on operations carried out in Portugal, divided by the type of services provided on national territory:
 - I. Total number of transactions originating in Portugal and their aggregate amount in euros;

- II. Total number of transactions carried out to Portugal and their aggregate amount in euros;
 - III. The ten (10) jurisdictions of destination of the transactions originating/carried out in Portugal which have the highest aggregate amount of transactions;
 - IV. Distribution channels available; and
 - V. Total number of communicated suspicious transactions carried out in Portugal or abroad, concerning transactions originating/carried out in/to Portugal and the aggregate amount, in euros, of the transactions flagged;
4. Criminal offences and misdemeanours, if applicable; and
 5. Additional information considered relevant by the financial entity and/or the Bank of Portugal and related to the reporting period.

COMMUNICATION MODEL FILING

In accordance with the instructions issued by the Bank of Portugal – which can be found [here](#) –, when filling out their report, financial entities will select from a set of activities according to the type of entity carrying out the activity under the free provision of services regime.

Financial entities are required to complete the referred Excel file templates and submit their reports to the Bank of Portugal via e-mail to the following address: reportelps.bcft@bportugal.pt. The files received will be technically validated by the Bank of Portugal, which will then either notify the financial entity in question or accept and enter their report in the system, as follows:



More information on the reporting templates can be found on the following Bank of Portugal [website](#).

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