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### BANKING & FINANCE

#### NEW BNA INSTRUCTIONS ON EXCHANGE RATE POLICY

##### INSTRUCTION NO. 01/2018

- Establishes, among other provisions, that the sale and purchase of foreign currency shall be carried out through auctions, via the SGMC, and also defines the access requirements for participation of Commercial Banks in these auctions and the procedures they should observe in this regard.
- This Instruction, which entered into force yesterday, repeals Instruction no. 10/2105.

##### INSTRUCTION NO. 02/2018

- Sets forth the procedures to be observed when carrying out foreign exchange transactions, with a view to ensuring ethical and professional conduct on the part of Commercial Banks in the trading of currencies.
- This Instruction will enter into force on 1 February 2018.

##### INSTRUCTION NO. 03/2018

- Defines the process of setting the reference exchange rate on the primary market – which shall be established by calculating the weighted average of selling rates at foreign currency auctions.
- Sets the authorized margins for foreign exchange transactions on the secondary market: (i) the buying exchange rate will be calculated with a reduction of up to 0.25% with respect to the selling exchange rate; and (ii) the exchange rate on the interbank market and to be applied to clients will be of up to 2% (above or below) the reference exchange rate published by the BNA.
- This Instruction repeals all regulations to the contrary and enters into force on 24 January 2018.