

Decree-Law No. 61/2002 dated 20 March 2002

Transparency as regards qualifying holdings in public companies is essential to the integrity and regular functioning of the markets as far as securities issued by these companies are concerned, in particular through ensuring proper decision-making by investors and a clear perception of who controls the companies.

It has been perceived that the information duties for qualifying holdings do not always allow the above goal to be reached, particularly when such holdings are held by entities forming part of a complex chain of legal persons or those having headquarters in jurisdictions not cooperating with the supervisory authorities. The proposed amendments are aimed at overcoming these situations, rendering the communication duties related to qualifying holdings more concrete, so as to ensure that the market and the supervisory authority are always aware of the real holders of these shares, since mere knowledge of those entitled to the qualifying holdings is not enough, as this is often only true in a formal sense.

Given the importance of the matter in question, a mechanism is hereby established, aimed at preventing the utilisation of qualifying shares in a manner which is not transparent, and provision is made for the suspension of the rights inherent to securities comprising such shareholdings.

For reasons of efficiency, provision is made herein for the automatic suspension of the said rights, which suspension is not dependant on any prior procedures, be these administrative or of another type.

The urgency in seeking approval for this document is justified by the importance of these measures, for the credibility and integrity of the securities market, in light of the involvement of the Portuguese authorities in international efforts to combat market abuse and considering the expectations and consensus generated by the measures.

The benefit of the opinion of the Portuguese Securities Market Commission (CMVM), *Banco de Portugal*, the Portuguese Institute of Insurance (*Instituto de Seguros de Portugal*) and BVLP - Sociedade Gestora de Mercados Regulamentados, S. A. was sought.

Thus:

Pursuant to the terms of Article 198(1)(a) of the Constitution, the Government hereby decrees the following:

Single article

Articles 16 and 17 of the Portuguese Securities Code, enacted by Decree-Law no. 486/99 dated 13 November 1999, are hereby amended to read as follows:

(...)

Read and approved by the Council of Ministers on 31 January 2002 - António Manuel de Oliveira Guterres - Guilherme d'Oliveira Martins.

Promulgated on 1 March 2002.

For publication.

President of the Republic, JORGE SAMPAIO

Countersigned on 7 March 2002.

The Prime Minister, António Manuel de Oliveira Guterres.