

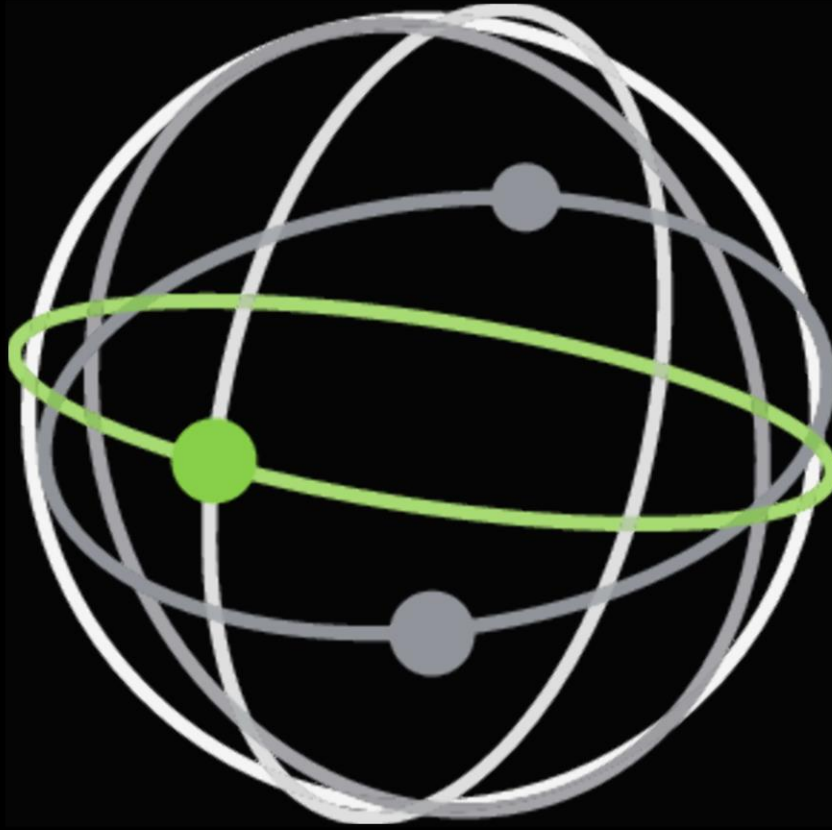
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CTSU Legal Insights

6 August 2020



CTSU

Legal Insights no. 44

Bank of Portugal Notice no. 3/2020 ad Bank of Portugal Instruction no. 18/2020

On 15 July 2020, Bank of Portugal Notice no. 3/2020 (“Notice 3/2020”), regulation internal governance and control systems of institutions and establishing the minimum standards for organizational culture for institutions subject to Bank of Portugal’s supervision and repealing Bank of Portugal Notice no. 5/2008 and no. 10/2011, as well as Bank of Portugal Instruction no. 20/2008, was published in the Portuguese Official Gazette.

This Notice aims to consolidate the regulatory provisions regarding institutions’ internal control and governance, incorporating not only the content of its Portuguese predecessors, but also the EBA guidelines on internal governance, the EBA guidelines on outsourcing arrangements and the EBA guidelines regarding sound remuneration policies.

Notice 3/2020 addresses eleven fundamental topics of internal control and governance – organizational conduct and culture; internal governance, structure and strategic planning; internal control system and the risk management function; related parties and conflicts of interest; whistleblowing; outsourcing of functions; selection and appointment of external auditors; remuneration policies and practices; financial groups; self-assessment of the adequacy and effectiveness of organizational culture and internal governance systems; and, finally, the documentation, systematization and dissemination of information to the public.

The obligation to produce an internal control report on an annual basis, provided for in Banco de Portugal Notice no. 5/2008, is replaced with the duty to submit, also on an annual basis, a self-assessment report. Institutions’ reporting duties regarding this new assessment are detailed in Banco de Portugal Instruction no. 18/2020, published at the same time as Notice 3/2020.

Nevertheless, the internal control report is still due in 2020, and must be submitted by institutions until 30 September.

To access the full text of Bank of Portugal Notice no. 3/2020 (only available in Portuguese), please click [here](#).

For more information on this topic, please contact:

Miguel Cordeiro

+351 219 245 010

mcordeiro@ctsu.pt

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