Advertising is currently of great importance and significant scope in shaping the information material relevant in relation to the issuers of securities and therefore in the formulation of investment decisions. Hence the need for the regulation of the advertising of public offerings of securities, from the perspective of the protection and defence of investors and their legitimate expectations.

In a responsible society, it is important to anticipate and consider the existence of minimum rules, under penalty of consummating misleading situations or constituting an assault on the rights of investors, distorting the actual intrinsic merit of the advertising activity.

Experience shows that advertising campaigns are often key to successful public offerings, exerting a decisive influence on the formation of the willingness of investors, in the context of their process of choice and decision. The advertising of public offers is subject to the principles of the information provided in the Securities Market Code, i.e., it must be complete, true, timely, clear, objective and licit, with the AGMVM being responsible for its review pursuant to Article 25 of the Securities Market Code.

The Securities Market Code further provides that the AGMVM is responsible, by regulation, for establishing the terms and conditions to be observed by the advertising of public offerings. Considering that advertising is currently done through different means,
this Regulation shall apply to any form of communication directed at the general public in order to promote the subscription or sale of securities.

Finally, it should be noted that the dissemination of advertising material relating to the offering of securities without the prior approval of the AGMVM is, pursuant to No. 1 c) of Article 253 and No. 4 b) of Article 254 of the Securities Market Code, a less serious offense subject to a fine ranging between 25,000$00 and 1,250,00$00.

Thus, under Article 214 of the Securities Market Code, the following regulation is approved:

Article 1

(Scope)

1. This Regulation lays down the terms and conditions under which public offerings shall be advertised.

2. It is up to the issuer, to the financial intermediaries or to any third party providing services under the disclosure of the public offering to ensure that the advertising observes the provisions of this Regulation.

3. The rules and principles contained in this Regulation shall apply regardless of the advertising medium used, including audiovisual, oral, written, the Internet or another medium.
Article 2

(Advertising)

1. The advertising of public offerings shall:

   a) comply with the general principles of completeness, accuracy, timeliness, clarity, objectivity and lawfulness set out in Article 39 of the Securities Market Code and may not mislead the public about the truth of the facts, circumstances, activities, business, results, values or expectations, or omit or conceal information required in each case for the proper assessment of the offer by the recipients;

   b) be written in moderate language, warning readers of the investment risks;

   c) refer explicitly that it is advertising material, differentiating factual information from interpretations, opinions, estimates and projections;

   d) refer to the existence or future availability of a prospectus and indicate the forms of accessing it; and

   e) be in alignment with the content of the prospectus and may not contain information that is different or inconsistent with that contained in the prospectus.

2. The provisions of Article 191 et. seq. of the Securities Market Code shall apply, mutatis mutandis, to the civil liability for the content of the information disclosed in advertising campaigns.
Article 3

(Approval by the AGMVM)

1. All advertising materials related to the public offering shall be subject to prior approval by the AGMVM.

2. The AGMVM shall respond within 8 business days of the date on which it receives the advertising material.

3. The AGMVM shall refuse the application for approval whenever the advertising does not comply with the provisions of the preceding Articles.

4. With regard to the advertising that does not comply with the provisions of the preceding Articles, the AGMVM shall order the changes deemed necessary, notifying the applicant to make said changes.

5. The making of the changes referred to above by the AGMVM after consideration of the advertising material submitted waives their subsequent approval by the AGMVM.

Article 4

(Ex-ante advertising)

When, after preliminary examination of the application for approval of the prospectus or the registration of a public offering, the AGMVM considers that the approval of the prospectus or the registration of the offer is feasible, it may authorise advertising prior to the approval of the prospectus or the granting of the registration, provided that this does not cause any disturbance to the recipients or to the market.
Article 5
(Repeal)
Regulation No. 1/2000 of 27 November is repealed.

Article 6
(Entry into force)
This law shall come into force on the day following its publication in the Official Bulletin.

- The Auditor General, Maria Alves Rocha Encarnação.