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Banking - Portugal

Bank of Portugal's regulatory provisions for payment institutions

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The Bank of Portugal has issued a notice⁽¹⁾ on the applicability to payment institutions of a number of previously issued regulatory notices. The central bank has ruled that the following notices apply to payment institutions:

- Notice 12/92 sets out the main rules relating to own funds and is amended in accordance with Article 30 of the legal framework governing the commencement of payment institution business and the supply of payment services.
- Notice 1/95 provides that all institutions must provide information on the elements of transaction processing and other customer services that incur a cost. Such information must be regularly updated, expressed in clear and plain language and provided in all branches in a directly accessible, well-identified place.
- Notice 3/95 states that credit institutions and financial companies must make provision for:
 - specific credit risk;
 - general credit risk;
 - charges for retirement and survivorship pensions;
 - capital loss from securities and fixed assets;
 - capital loss from other investments; and
 - country-specific risk.
- Notices 1/2003 and 6/2003 set out the legal framework governing the establishment of branches in states outside the European Union in accordance with Article 42(A) of the General Regulatory Framework of Credit Institutions and Financial Companies.
- Notice 1/2005 provides that institutions must prepare consolidated and non-consolidated financial statements in accordance with International Accounting Standards pursuant to EU regulations.
- Notice 5/2008 establishes that credit institutions, financial companies and branches with a registered office in other countries must be equipped with an internal control system that allows them to ensure:
 - the efficient and profitable operation of the business;
 - the availability of complete, accurate, consistent and readily available financial and management information; and
 - compliance with applicable legal and regulatory provisions.
- Notice 10/2008 sets out the duties of information and transparency with which credit institutions and financial companies must comply in advertising financial products and services.

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Endnotes

(1) 10/2009.

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