



Press releases > Communiqués

CMVM Decisions and Recommendations on Covid-19

20 March 2020

The CMVM is permanently and attentively monitoring the developments resulting from the pandemic of the new coronavirus (known as Covid-19), in particular its impact on the evolution of the national and international markets, and the activity of the entities operating in the financial system, in particular those subject to our supervision, as well as investor risk.

Given the known impacts and the uncertainty regarding the duration of the medium-term results, the CMVM urges for tranquil, thoughtful and informed behaviour by all market players, in order to find the best solutions to enhance the resilience of our economy and the financial system.

In this sense, taking into account the current circumstances and risks, and in protecting the market, entities and investors, the CMVM has decided to:

- Monitor the operationality of the business continuity plans of the entities under our supervision, taking into account the existing constraints for employees to travel to their workplaces, as well as the immediate communication to the CMVM of the activation of business continuity plans and possible situations wherein such continuity could be at a risk;
- Clarify that business continuity plans must ensure the capacity to comply with all legal and regulatory duties, namely reporting information and safeguarding investor rights, including providing information to investors and registering orders received, namely by telephone or other phonographic channels;
- Assess, whenever necessary, difficulties in timely compliance with legal information reports in order to find solutions that adapt to the constraints that entities may feel in the current context of severe restrictions, without prejudice to the need for financial supervision to have the information in question;
- Reinforce the reporting requirements to the CMVM, which is vital to assess the consequences of the circumstances arising from Covid-19, namely by increasing the frequency of certain reporting obligations, especially in the scope of asset management, in which case daily information is required;
- In line with [ESMA's public statement](https://www.esma.europa.eu/sites/default/files/library/esma80-191-995_public_statement.pdf) [https://www.esma.europa.eu/sites/default/files/library/esma80-191-995_public_statement.pdf] dated 18 March, flexibilise the reporting obligations of investment firms and other entities required to report financing transactions through securities and reuse to the transaction repositories, adopting an approach based on risk and proportionality;
- Increase daily contacts with management entities and market structures, with a view to timely identify any possible challenges that may be posed to their activity;
- In line with [ESMA's recommendations](https://www.esma.europa.eu/sites/default/files/library/esma71-99-1290_esma_statement_on_markets_and_covid-19.pdf) [https://www.esma.europa.eu/sites/default/files/library/esma71-99-1290_esma_statement_on_markets_and_covid-19.pdf] dated 11 March, issuers shall, in accordance with the market abuse rules, disclose all relevant information on the impacts of Covid-19 on their business, financial situation and economic performance, as soon as possible. The financial reports – particularly, the 2019 annual financial report if it has not yet been concluded or, otherwise, when reporting interim information - must also reflect both current and potential impacts, as far as possible, taking into account based a quantitative and qualitative assessment. The availability of quality information is essential for good price formation in the market, and open markets are important so that investors can continue to invest, have access to liquidity, rebalance portfolios and comply with their obligations;
- Recommend that issuers' general meetings take place using telematic means and that preparatory interactions are based on the use of electronic and remote means of communication, with a view to making the exercise of shareholders' rights compatible with high standards of safety, health and well-being of all those involved. In this regard, CMVM, IPCG and AEM have issued a [joint statement](http://www.cmvm.pt/en/Comunicados/communiqués/Pages/20200320mc2.aspx) [www.cmvm.pt/en/Comunicados/communiqués/Pages/20200320mc2.aspx].;
- Constantly monitor the performance of investors with short positions in national issuers and, depending on their impact for the market and for issuers, assess on a permanent basis, the possibility of introducing temporary prohibitions on the constitution or strengthening of short positions on shares traded in the national market, favouring that measures of this nature are adopted in a coordinated and uniform manner at European level;
- [Recommend auditors](http://www.cmvm.pt/en/Comunicados/communiqués/Pages/20200320mc1.aspx?v=) [www.cmvm.pt/en/Comunicados/communiqués/Pages/20200320mc1.aspx?v=]__implement procedures and practices that guarantee audit quality;

- Within an exceptional context, advise retail investors to make informed, thoughtful decisions and, bearing in mind good investment practices and principles, to contact the CMVM whenever they understand that their rights may be being limited by the current circumstances. For this purpose, the CMVM continues with its toll-free number 800 205 339 from 09h00 to 18h00. The general recommendations on sound investment remain valid.

The decisions and recommendations are in force for an indefinite period and as long as the situation in the markets and in the national economy so requires, and will be updated whenever appropriate, namely website area on Covid-19, [www.cmvm.pt/en/Comunicados/Comunicados/Pages/20200317mc1.aspx].