

**CRIMINAL LAW AND COMPLIANCE**

IMPIC New Regulation

Regulation no. 276/2019 of 26 March was approved by the Institute for Public Markets, Real Estate and Construction (IMPIC) and will enter into force on 26 June. The Regulation defines the procedures, instruments, mechanisms and formalities to comply with the specific duties provided for under Law no. 83/2017 of 18 August, by entities engaged in real estate activities subject to the supervision of IMPIC.

The duties to be performed by entities engaged in real estate activities (duty to control, duty to identify, duty to report, duty to refrain, duty to refuse, duty to record, duty to examine, duty to cooperate, duty of non-disclosure, duty of training) were already established by previous legislation (Law no. 25/2008, of 5 June and IMPIC Regulation no. 282/2011, of 6 May). However, the new legislation has strengthened and provided greater detail on these duties by providing an exhaustive list of the procedures that must be adopted.

Among other things, this new Regulation: **i)** defines the procedures and formalities for the **identification and due diligence of the clients**, addressing issues such as the time of identification, the way to verify the data and the need for it to be updated; **ii)** provides specific rules for the appointment of the **compliance officer**, specifying the cases in which this appointment is mandatory and the procedures for communicating their appointment, **iii)** regulates the **training** duty, dealing with matters such as the frequency, the format, the programme content and the things that are subject to registration and **iv)** requires the preparation of an annual report on irregularities.

As regards **mandatory communications** to IMPIC, the Regulation specifies the procedures and formalities to be complied with and approves the forms for that purpose.

"The Regulation defines the procedures, instruments, mechanisms and formalities to comply with the specific duties provided for under Law no. 83/2017 of 18 August, by entities engaged in real estate activities subject to the supervision of IMPIC."

Entities that engage in real estate activities in Portugal must communicate to the IMPIC the **start of operations** and the **information and documentation concerning real estate transactions** carried out. In particular, they must communicate to the IMPIC **leasing operations with monthly rents of EUR 2500.00 or more**.

The previous legislation already imposed obligation on entities engaged in real estate brokerage, real estate purchase and resale and construction companies that directly sell real estate directly. The new Regulation extends this coverage to **agents engaged in letting, which are now also identified as obliged entities**, regardless of their nature.

Any breach of the duties and obligations provided for in the new AML / CTF legislation amounts to the commission of administrative offences punished with significant fines, which can rise to EUR 1,000,000 (one million euros).

"Any breach of the duties and obligations provided for in the new AML / CTF legislation amounts to the commission of administrative offences punished with significant fines."