



Initial Public Offerings 2025

Ninth Edition

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Introduction

Over the past few decades, especially since the Portuguese Revolution of 1974, Portugal's capital markets have undergone a remarkable transformation.

Between the mid-1970s and the end of that decade, Portugal's stock exchanges effectively ceased to function, as trading floors shut down and major industries were swept into state ownership. The government took control of key sectors (ranging from banking and insurance to telecommunications, energy, and oil), leaving private enterprises with little room to operate.¹

From a largely nationalised market, the inevitable shift back to the dominance of private capital occurred during the late 1980s and 1990s, when a privatisation wave hit the nation. The peak of this activity occurred as Portugal's now consolidated democracy joined the European Economic Community in 1986. Incentivised by government initiatives and growing investor optimism, a broad range of state-owned enterprises were taken public during this period, with the PSI-20 index being launched in 1992 to track the 20 most-liquid stocks – a symbol of the maturing capital market.²

The 2008 global financial crisis dealt another blow to market dynamism, triggering a noticeable decline in capital markets activity. Although legislative efforts sought to reinvigorate investor interest, the repercussions of the crisis remained deeply felt, and even today the size, capitalisation and dynamic of the Portuguese capital markets prove the catastrophe.

In a major refresh, Law no. 99-A/2021 of 31 December revamped Portugal's Securities Code ("CVM"), effective 30 January 2022. These updates aimed to simplify and strengthen the market infrastructure, namely establishing, among other novelties:

- multi-voting shares (up to five votes per share) to empower founders and align with broader European Union ("EU") norms; and
- increased thresholds for mandatory disclosure of qualifying holdings from 2% to 5%.

These reforms were expressly designed to lighten regulatory burdens, attract capital, and bring Portuguese markets closer to EU frameworks. In the meantime, some further changes to the CVM have been made to bring it in line with diverse EU Directives and Regulations, the last of which being Law no. 1/2025 of 6 January.

Recently, the country has seen some initial public offerings (“IPOs”) take place, namely by Samba Digital (2025), Vila dos Números (2024) and Atrium Bire Sigi S.A. (2023), according to the data provided by Euronext;³ however, the small number of IPOs over the last few years is enough of an indicator as to the current “sleepiness” of the Portuguese capital markets.

The IPO process: Steps, timing and parties and market practice

Typically, IPOs are carried out through public offerings of shares, most commonly via a public offer for subscription (*Oferta Pública de Subscrição*), in which a company invites an open pool of undetermined investors to subscribe to newly issued shares. This process is usually paired with the company’s application to list its shares on a regulated market.

Why would a company want to “go public”? An IPO enables the business to raise substantial capital from market participants, meaning that the company can significantly enhance its ability to grow and expand its operations by giving away some of its control.

In that case, there are certain steps and requisites to follow before being able to become a listed and traded company in Euronext Lisbon (the sole regulated stock exchange for share trading in Portugal). Please see below the main elements to keep in mind.

Preliminary steps

Taking a company public might appear an attractive strategic move, but the road to an IPO is anything but immediate. Long before shares are floated on the market, a company must undergo a thorough phase of reflection and groundwork.

Usually, the process starts with a comprehensive due diligence procedure, supported by legal and financial professionals. This is aimed at assessing the company’s overall condition across multiple areas, such as finance, legal compliance, commercial operations, accounting, and taxation, among others that may be deemed adequate.

A comprehensive review generally revolves around six foundational categories:

- Corporate structure and internal records.
- Relevant licences and fiscal documentation.
- Details regarding directors and staff.
- Financial statements and accounts.
- Client-facing policies and procedures.
- Real estate and other tangible assets owned.

This process helps to ensure that no unforeseen issues arise that could hinder the company’s trajectory, also offering the underwriting team, legal advisers, and the company itself a chance to identify and evaluate any potential risks that might impact the success of the IPO.

In any case, it should be noted that the CVM does not mandate companies to have a financial intermediary in the context of public offers in which a prospectus is required (Article 113 of the CVM was revoked in the 2021 reform).

Pre-offers

An optional stage that may take place before the public announcement of the IPO involves gauging investor interest through a pre-offer market sounding process, conducted under the provisions of the Market Abuse Regulation (“MAR”).⁴ A pre-offer refers to the preparatory phase preceding an IPO, during which issuers and their advisors may engage in discussions with potential investors (e.g., cornerstone or anchor investors).

This phase may involve the communication of inside information, which is subject to strict confidentiality and disclosure controls under MAR, namely Articles 11 and 12 of this Regulation, which aim to avoid its unlawful disclosure.

The prospectus

A prospectus is a legal document issued and published by a company that intends to go public.

This document must provide accurate, up-to-date, clear, and objective information that allows potential investors to evaluate: (i) the nature and terms of the offer, including the securities and their rights, characteristics, and associated assets and liabilities; (ii) the financial and economic status of the issuer and, if applicable, any guarantor; and (iii) the issuer's and guarantor's business outlook and earning potential.

The content and format of the prospectus must comply with the requirements of Regulation (EU) no. 2017/1129 ("Prospectus Regulation"), along with its delegated acts. These rules mandate, among other things, the inclusion of a non-technical, concise summary outlining essential details about the issuer, its operations, and the offering.

If the public offer is limited to Portugal, the prospectus must be prepared in Portuguese; however, since the reform, it may also be prepared in English, unless objected to by the Portuguese Securities Market Commission ("CMVM"), or another language accepted by the CMVM.⁵

A prospectus in the context of an IPO needs to be approved by the regulator. In this case, we are talking about the CMVM, which is the Portuguese regulator for financial markets.

To secure the clearance of the CMVM for the prospectus relating to an offer to the public and for admission to trading of securities, the issuer company shall submit a formal application accompanied by an exhaustive documentation package. These would typically include corporate documents, such as relevant management decisions, the company's articles of association, a valid commercial registration certificate, and accounts, as well as offer-related documents like financial intermediary agreements, placing agreements, and, as appropriate, stabilisation contracts.

It is recommended that companies meet with the CMVM early in the process to be able to better proceed with the submission and request for approval of the respective prospectus. The Portuguese regulator is committed to ensuring a fast, predictable and transparent procedure and, as such, a cooperative stance is likely to be beneficial for most companies.

The CMVM shall notify the issuer of its decision within 20 working days from the date of receipt of any further information requested. Delay in response within this time frame does not constitute an indication that the prospectus is approved. In practice, the process is usually dealt with in close coordination with the CMVM so that the transaction timetable is maintained on schedule and all interested parties have adequate time to read the relevant documents – the last available information indicates that the average time of response to a first version of a prospectus from the CMVM is around five-and-a-half working days.⁶

Following approval, the prospectus must be made available as required under Article 21 of the Prospectus Regulation, namely on (i) the website of the issuer, offeror, or party to be admitted to trading, (ii) the website of the financial intermediaries placing and selling the securities, including paying agents, or (iii) the website of the regulated market in respect of which admission is sought, or, if admission to a regulated market is not sought, the site of the operator of the relevant multilateral trading facility.

The prospectus must be made available in an electronic format, which prohibits modifications and allows for its download, printing and search. Access to the prospectus must also be made without the need for a registration procedure, fee, or acceptance of any liability. The European Securities and Markets Authority ("ESMA") is also entitled to receive and publish on its website the prospectus received from national authorities.

Listing application

To have its shares admitted to trading on the Portuguese regulated market, an issuing company must submit a formal listing application to Euronext Lisbon.

Apart from the concrete application, a wide array of documents and information must be provided following the CVM, Euronext's Harmonised Rules (Rulebook I, Notice no. 1-01, etc.), and other relevant rules, including Euronext Lisbon Rulebook II and corresponding Notices. Several of the documents call for duplicates of those submitted to the CMVM for prospectus approval, and also include those documents listed in the official Euronext application form. These documents are required to confirm that:

- the company's legal form and organisation are consistent with applicable laws and regulations;
- proper announcement of corporate events is ensured;
- proper arrangements for the clearing and settlement of transactions in the company's shares exist;
- the issuer's Legal Entity Identifier ("LEI") code has been submitted;
- all press releases necessitated by the listing have been issued; and
- a market liaison representative and a paying agent have been appointed.

Up-to-date certificates from the tax and social security authorities must be obtained, confirming whether the company has any outstanding debts to the state.

Overall, when looking to conduct an IPO that culminates in the listing in the Portuguese regulated markets, investors should be aware that a schedule shall be agreed with Euronext Lisbon, and that this will become their main "roadmap". In addition, for "Growth, Access and Access+" listings, a listing sponsor is mandatory – this person will guide the regulatory process with the ultimate goal of concluding the listing.

According to Euronext's Rulebook I, a decision on an application for admission to trading has to be taken within 30 trading days after the competent undertaking has received the complete set of documentation required. If the application is successful, the listing decision remains valid for 60 trading days, with one extension for an additional 60 trading days.

It is possible that Euronext will refuse the admission to trading of a security when it considers having appropriate grounds to do so. This includes, but is not limited to: (i) failure to meet one or more of the requirements imposed by Euronext or any applicable national regulations; (ii) situations where the listing may be considered detrimental to the interests of the market as a whole; (iii) if a security is already admitted to listing/trading on another market and the applicant has not complied or does not comply with the obligations resulting from such admission to trading; and (iv) if the applicant, any of its board members (including supervisory board members) or its beneficial owners are on the EU Sanctions List or on the list drawn up by the Office of Foreign Assets Control ("OFAC").

Regulatory architecture: Overview of the regulators and key regulations

The Portuguese regulator for securities is the CMVM, which has the mission of supervising the global aspects of securities in markets in the country. It is headquartered in Lisbon and operates under a regime of administrative and financial autonomy, which is in line with its capacity as a regulator.

In this regard, it is an entity with which any company intending to launch an IPO in Portugal must maintain a good relationship and clear communication.

The CMVM, pursuant to its statutes (Decree-Law no. 5/2015 of 8 January), has the following general responsibilities (among others foreseen in other legislation):

- a) Regulate and supervise financial instrument markets, promoting investor protection.
- b) Ensure the stability of financial markets, contributing to the identification and prevention of systemic risk.

- c) Contribute to the development of financial instrument markets.
- d) Provide information and support to non-professional investors.
- e) Assist the government and the relevant finance minister, either upon request or on its own initiative, in defining policies related to financial instruments, their markets, and the entities involved therein.
- f) Perform any other functions assigned by law.

Under the Prospectus Regulation, the CMVM has been designated as the competent authority for the approval of prospectuses for issuers based in Portugal, as well as for those relating to the issuance of financial instruments by entities not based in the EU but whose trading is to begin on the Portuguese regulated market or take place exclusively therein.

Since this involves an IPO, the CMVM plays a key role and holds fundamental powers throughout the prospectus approval process, in accordance with the authority granted to national competent authorities by the Prospectus Regulation.

At this point, it is worth highlighting the requirement for prospectuses to comply not only with the provisions set out in law, but also with the CMVM's own regulations – particularly Regulation no. 1/2023 – concerning the elements and characteristics that prospectuses must meet.

In terms of the key regulations to keep in mind, it is our understanding that the following are crucial:

- a) the CVM;
- b) related EU Regulations, such as the Prospectus Regulation and MAR, and the many Directives (MiFID, the Transparency Directive, etc.);
- c) EU delegated acts related to the Regulations on the matter; and
- d) regulations and instructions approved by the CMVM, in the most updated version.

Moreover, when pursuing an IPO and the subsequent approval to have its shares listed in the Portuguese regulated market, it is also key to comply with Euronext Rulebooks I and II (the latter being specific to the Lisbon Stock Exchange).

Public company responsibilities

So, you have managed to complete the IPO and your company's shares have been admitted to trading on the Portuguese regulated market?

Congratulations – your company is now a public company, which comes with a number of benefits, but also many responsibilities under the law to make sure that investors and the market in general have a degree of information deemed sufficient to provide reasonable protection to the vast number of shareholders a public company may attract.

Information is the main duty of public companies in Portugal, since it is the most important aspect for responsible investment. As such, the duties to inform, both for investors and public companies, are comprehensive and include, among others:

- a) Any investor who reaches or exceeds a holding of 5%, 10%, 15%, 20%, 25%, one-third, half, two-thirds or 90% of the voting rights corresponding to the share capital of a company whose shares are admitted to trading on a regulated market – as well as any investor who reduces their holding below any of these thresholds – must notify the issuer and the CMVM as soon as possible and no later than four trading days after the occurrence of the fact or becoming aware of it.⁷
- b) The public company must disclose the information referred to in the previous paragraph as quickly as possible and within three trading days after receipt.⁸

- c) Shareholder agreements aiming to acquire, maintain or strengthen a qualifying holding in a company whose shares are admitted to trading on a regulated market must be communicated by any of the contracting parties.⁹
- d) With regard to general meetings, companies are required to make available to shareholders all documentation to be presented at the meeting via their website and at their headquarters, namely:
 - i) the notice of meeting;
 - ii) the total number of shares and voting rights as of the date of the notice, including separate totals for each share class, if applicable;
 - iii) forms for proxy and postal voting; and
 - iv) any other relevant documents to be presented.¹⁰
- e) The remuneration policy of companies whose shares are admitted to trading on a regulated market must be published immediately on the company's website, including reference to the voting results and the date of approval at the general meeting. The policy must remain publicly available free of charge, at least for as long as it remains in force.¹¹
- f) The management body of companies with shares admitted to trading on a regulated market must prepare a clear and understandable report providing a comprehensive overview of the remuneration, including all forms of benefits, attributed or due during the last financial year to each member of the management and supervisory bodies. This report must be published on the issuer's website.¹²
- g) Companies whose shares are admitted to trading on a regulated market must publicly disclose related party transactions with a value equal to or greater than 2.5% of their consolidated assets (or individual assets if consolidated accounts are not prepared), with some exceptions. Disclosure must occur no later than the moment the transactions are carried out.¹³

It is also important to note that any information disclosed in Portugal that may influence investor decisions – particularly in connection with public offers, securities markets, intermediation activities, and issuers – must be written in Portuguese or accompanied by a duly certified Portuguese translation. However, the CMVM may exempt all or part of the translation requirement if it considers investor interests to be safeguarded (Article 6(1) and (2) of the CVM).

Issuers are also obliged to disclose inside information directly concerning them in accordance with MAR, which is currently one of the most important sources of regulation applicable to listed companies' disclosure obligations.

Furthermore, pursuant to the CVM, listed companies in Portugal are also required to publish, on an annual basis, a report on their corporate governance structure and practices, the content of which is set out in full in Article 29-H of the CVM. The primary purpose of this report is to provide investors with a better understanding of the internal governance mechanisms of the company.

In addition, all information provided is subject to the standards set forth in Article 7 of the CVM, which stipulates that such information must be complete, true, current, clear, objective, and lawful.

Lastly, listed companies are also subject to several obligations relating to the periodic reporting of their financial and management data, including the requirement that the annual information be subject to an audit report prepared by a statutory auditor (Article 8 of the CVM).

Potential risks, liabilities and pitfalls

While an IPO can be a catalyst for growth and long-term corporate success, the journey to public listing in Portugal is not without its challenges. One of the primary risks lies in underestimating the regulatory burden that follows the initial offering. Despite recent legislative simplifications, companies must comply with stringent ongoing disclosure, governance, and transparency obligations. Any failure to meet these

standards, whether through omission, error, or delay, can lead to reputational damage, investor distrust, or even regulatory sanctions by the CMVM. In addition to this, it is paramount to keep in mind that the Portuguese legal framework is now more intertwined than ever with the European rules, which may be positive when one considers the similarity of the frameworks across different EU jurisdictions; however, the overall strictness and rigidity of EU law might also be a point of concern.

Unrelated to the legal framework issues, companies should consider market volatility and valuation uncertainties. Going public might prove an effective manner to raise significant capital, but it also exposes the company to market dynamics that are often outside its control. Macroeconomic shifts, political instability, or sector-specific downturns can adversely impact stock performance, even when internal fundamentals remain strong. For smaller or mid-sized companies in Portugal, especially those unfamiliar with capital markets, this unpredictability may prove impossible to overcome.

Another important matter to consider is that civil and even criminal liability may arise if inaccurate or misleading information is presented to investors, whether in the prospectus or in other documents. In fact, this risk is heightened when the company operates in sectors deemed sensitive or high risk, which are usually more scrutinised due to their impact and relevance in the country's economic paradigm. This is why the preliminary steps are so crucial when launching an IPO in Portugal, as they are the best way to avoid any issues along the way.

The loss of privacy and decision-making autonomy that comes with the additional regulatory requirements faced by a public company may also present challenges to the directors, namely due to the increased exposure to public scrutiny.

Another important element to take into consideration, and one that has been widely considered as one of the reasons for the rather small size of the Portuguese capital markets, is the increase of the expenses for companies to be listed (and remain listed) in the Lisbon Stock Exchange (e.g., underwriting fees, legal advisory, regulatory filings, listing charges, and post-listing compliance costs), which is profoundly discouraging for small and mid-sized companies. In addition, Portugal has developed a long tradition of bank financing, which might also explain Portuguese companies' lack of culture regarding the stock market.

Despite all of this, we are of the opinion that the Portuguese capital market is one with a very high margin of potential growth, especially when one considers the unique position the country is in today, with an economy that is now much better prepared to take on the challenges of the future than it was a few years ago. However, and considering the winds of change blowing in the EU, which is now waking to its necessity to further invest and revitalise its investment structures, Portugal may present itself as an option for companies looking to be exposed to the European internal market.

To conclude, it is our view that conducting IPOs in Portugal is now a viable option for any company, or at least as viable as the rest of the European markets; however, even if this remains a compelling avenue for growth, companies must proceed with a well-informed, risk-adjusted strategy tailored to the unique features of the Portuguese market and its regulatory environment.



Endnotes

- 1 See <https://eco.sapo.pt/especiais/os-altos-e-baixos-da-bolsa-de-lisboa-no-pos-25-de-abril> (accessed on 17 June 2025).
- 2 *Ibidem*.
- 3 See https://live.euronext.com/en/ipo-showcase?combine=&field_iponi_ipo_date_value%5Bmin%5D=&field_iponi_ipo_date_value%5Bmax%5D=&field_trading_location_target_id%5B406%5D=406 (accessed on 17 June 2025).
- 4 Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

- 5 Article 29.º-F, no. 2, b) of the CVM.
- 6 See <https://www.guiadoemitente.pt/wp-content/uploads/chapters/chapter-en-3-equity.pdf>, page 99.
- 7 Article 16, no. 1 of the CVM.
- 8 Article 17 of the CVM.
- 9 Article 19 of the CVM.
- 10 Article 21-j of the CVM.
- 11 Article 26.º-E of the CVM.
- 12 Article 26.º-G of the CVM.
- 13 Article 29.º-T of the CVM.

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