



newsletter Legal & Business Update - Portugal

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NEW PORTUGUESE NATIONALITY LAW APPROVED

The Portuguese Parliament has approved the new nationality law that gives the right to acquire Portuguese citizenship in new situations. According to the new law, the Portuguese citizenship will be granted to people born in Portugal in case one of his/her parents was also born in Portugal, even if the latter are not legally residing in Portugal. Also, the children of immigrants legally residing in the Portuguese territory for at least five years may have the right to acquire Portuguese citizenship. Finally, children born in Portugal that have completed primary school in Portugal may apply for Portuguese citizenship.

NEW URBAN RENTAL LAW APPROVED

The main change associated with the new Urban Rent Regime is the raise of rents prior to 1990. This new law will bring increased tax revenues to the Portuguese State. The new rents will depend on the tax value of the property, though the raises are not discretionary as they vary according to the state of preservation of the property. The raises in the rents can reach several hundreds of euros, however the Government promises to grant subsidies to those who need it.

PORTUGUESE GOVERNMENT APPROVES MEASURES TO CUT REDTAPE

The Portuguese Government has approved several measures that aim to cut red tape in key areas such as social security, employment, taxation, economy and justice. These measures are part of a wider programme to reduce red tape and boost competitiveness that includes the creation of trade marks "in one hour", the simplification of procedures for incorporating and winding-up companies, the simplification of industrial licensing and the granting of powers to certify signatures to other entities besides Notaries. In addition, the Ministry of Justice has recently announced plans to simplify procedures for notarised real estate deeds of sale and purchase.

MICROSOFT BETS ON PORTUGAL AND PORTUGUESE SPEAKING COUNTRIES

Portugal and software company Microsoft agreed to carry out 18 technology projects as a way to boost the Portuguese economy. The partnership aimed at improving technology training was recently signed by the government and Microsoft Chairman Bill Gates. The projects include technology training for students, workers and police, aid in fighting cybercrime, apprenticeships, software development centres and programmes aimed at Portuguese-speaking African nations.

PORTUGAL ANNOUNCES 2.4 BLN EUR PRIVATIZATION PROGRAM

The Portuguese government has made plans to bring about privatizations until the end of 2007 worth 2.4 billion euros in eight firms ranging from the transportation to the energy sectors. The asset sales would raise 1.6 million euros this year with the rest coming in 2007. About 80 percent of the money would go towards reducing Portugal's public deficit, which exceeds an EU limit of three percent of gross domestic product (GDP).

EXCITING PROSPECTS FOR TOURISM IN PORTUGAL

Tourism in Portugal is about to see a return to the growth rates of the 90s when tourism growth was measured in double digits. Economy Minister Manuel Pinho said recent tourism trends were "very encouraging" and as part of strengthening this vital sector, government had approved new tourism projects worth some €1500 million for mega resorts to be built at Tróia, Porto Santo and along the Alentejo's Atlantic West Coast.

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