



newsletter Legal & Business Update - Portugal

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July 2006

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PORTUGAL INDIA JOINT INITIATIVE

The Law Firms Franco Caiado Guerreiro & Associados and R. S. Bakshi & Co. (with offices in New Delhi) have started a joint initiative to provide a platform for Portuguese Clients to invest in India and to provide legal advice to Indian Clients investing in Portugal. Both Firms declared that this venture is intended to respond to a growing need of their Clients who yearn for a single platform of legal support for Portuguese Investment into India or for Indian Investment into Portugal.

ONLINE COMPANY FORMATION

The Portuguese Government has just approved new rules that allow the online formation of companies, which represents a significant reduction in time and costs normally associated to the formation of a company. In addition, a trademark can be associated to the company being formed. This measure is included in the Government's plan to fight red tape called "Simplex".

NEW URBAN RENTAL REGIME BECOMES EFFECTIVE

The new Urban Rental Regime ("NRAU") approved by Law 6/2006 became effective on June 28, 2006. This new regime divides the urban rental in two sectors: the residential and non residential, one of the main objectives of this law being the updating of old rents. The NRAU also brings procedural changes and broadens the situations that may justify tenant eviction. It is now possible the extrajudicial termination of urban rental contracts in case of non payment of the rent.

PORTUGUESE GOVERNMENT ANNOUNCES LOGISTICS PLAN

The Portuguese Government has announced a plan for the creation of logistic platforms ("Plano Portugal Logístico"). Said plan foresees the creation of 11 main logistic platforms, in a project with an estimated investment value of over one thousand million euros. The plan foresees partnerships between public and private entities, although the investment should be mainly of a private nature. The Government expects that Portugal will become a main gate for the entry and exit of products between Europe and other Atlantic countries.

PORTUGAL BUILDS WORLD'S LARGEST SOLAR PLANT

U.S. energy companies GE Energy and PowerLight Corporation, and Portuguese renewable energy company Catavento began building the world's largest solar power plant. The 11-megawatt solar power plant, comprising 52,000 photovoltaic modules, is being built in one of Europe's sunniest areas in Serpa. The 58 million euro plant is expected to be completed by January 2007. Portugal plans other solar plants to counter a rise in carbon emissions.

BRISA ACQUIRES HIGHER STAKE IN AEA

Economy Minister Manuel Pinho approved the acquisition by Brisa of a further 40% stake in Auto-Estradas do Atlântico, another toll-road operator, thus overruling a prior decision from the Portuguese Authority. This means that the biggest player in Portugal in the highway sector will increase its participation in the share capital of Auto-Estradas do Atlântico to 50 %.

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