



newsletter Legal & Business Update - Portugal

www.fcguerreiro.com

June 2006

**Legal**

» **Madeira Free Trade Zone Companies Exempted From PEC**

**MADEIRA FREE TRADE ZONE COMPANIES EXEMPTED FROM PEC**

A very interesting judgement was recently passed in respect of companies located in the Madeira Free Trade Zone that clearly benefits taxpayers. The Administrative and Tax Tribunal of Funchal decided that companies exempted from Corporate Income Tax are not subject to the Special Payment on Account (PEC), which may allow for a tax saving that can vary between €1.250 to €70.000.

» **Directive on retention of data by Internet Providers entered into force**

**DIRECTIVE ON RETENTION OF DATA BY INTERNET PROVIDERS ENTERED INTO FORCE**

The subject of retention of data generated or processed within electronic communications by electronic communication networks and internet service providers is again currently under public discussion in Portugal given the need to transpose Directive 2006/24/CE by 15 September 2007. This Directive states the obligation for internet providers to retain data for a period of 6 months (minimum) to 2 years (maximum) for the purpose of disclosing said information within the scope of criminal investigations.

**Business**

» **230 M € Euro Mining Contracts in Portugal**

**NEW LEGISLATION ON INSURANCE AGAINST CIVIL LIABILITY IN RESPECT OF THE USE OF MOTOR VEHICLES**

Decree-Law 83/2006 partially transposes to the Portuguese Legal System Directive 2005/14/EC of the European Parliament and of the Council of 11 May 2005 and sets forth the rules and procedures to be observed by insurance companies with a view to ensuring that those companies assume their responsibilities in civil liability cases in respect of the use of motor vehicles

» **CGD Invest 2,94 M€ in 13 New Agencies in Spain**

**230 M€ EURO MINING CONTRACTS IN PORTUGAL**

The Portuguese Government has signed contracts with Portuguese and foreign companies in respect of mining prospecting in Portugal. The investment totals 230 million euros and will secure 800 new jobs. The Australian Iberian Resources and the Canadian Kernow Mining are among the companies involved in this Project.

» **The Salary of Directors of State Owned Companies Will Depend on Performance**

**CGD INVEST 2,94 M€ IN 13 NEW AGENCIES IN SPAIN**

Banco Caixa Geral, CGD's new brand for operations in Spain, will be opening 13 new agencies in Spain this year, which represents a 2,94 million Euro investment that is made within the Bank's expansion plan currently under execution.

**Contacts**

Franco Caiado Guerreiro & Associados

Rua Duque de Palmela,  
25 – 5.º, 1250-097 Lisboa

Tel.: (351) 21 359 30 50  
Fax: (351) 21 359 30 51

law@fcguerreiro.com  
www.fcguerreiro.com

**THE SALARY OF DIRECTORS OF STATE OWNED COMPANIES WILL DEPEND ON PERFORMANCE**

The Government intends to grant service contracts to Directors of companies under the authority of the Ministry of Public Works, Transportation and Telecommunications (e.g. TAP, CP, Carris, CTT) based on the attainment of goals. The objective is that part of the salary of said directors be linked to performance and the attainment of goals.

This Newsletter is designed to provide a summary of the subject matter. It does not purport to be comprehensive or a substitute for specialist legal advice in individual circumstances

If at any time you wish to unsubscribe from the Franco Caiado Guerreiro Newsletter, simply click [here](#).

If you would like any further information on these or any business-related topics please contact our Law Firm.