



newsletter Legal & Business Update - Portugal

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SOON TO BE IMPLEMENTED: EU DIRECTIVE ON DISTANCE CONTRACT FOR FINANCIAL SERVICES

The Portuguese Parliament has authorised the Government to legislate within the scope of distance marketing of consumer financial services. This authorisation includes topics such as the definition of sanctions, the establishment of consumer rights in respect of financial services (e.g right to reflect, right to withdraw, right reimbursement), the framework applicable to non-solicited communications, and the submission of disputes arisen from the provision of distance financial services to alternative dispute resolution mechanisms. This authorisation is granted in view of the implantation of EU Directive 2002/65/EC.

CHANGES TO THE PORTUGUESE COMPANIES CODE

The Portuguese Government has approved a reform that aims to simplify certain corporate procedures. The changes at stake introduce more flexibility in the models of corporate governance, adopt measures that simplify and or eliminate the need to execute public deeds and file company acts, and bring a new set of rules on the dissolution and winding-up of companies. The majority of these changes will come into force on 30 June 2006.

CHANGES TO THE PORTUGUESE CIVIL LITIGATION CODE

Law 14/2006 introduces changes to the Portuguese Civil Litigation Code namely by introducing the rule of the territorial competence of the Court where the Defendant resides for claims on the fulfilment of obligations and also introduces changes to the territorial competence of the Enforcement Agents within the scope of the enforcement of Court Orders.

PORTUGUESE GOVERNMENT APPROVES "SIMPLEX 2006"

The Portuguese Government has approved a package of 333 measures that aim to cut red tape. Highlights include the setting-up of associations and the registering of trade marks "within one hour", the simplification of procedures for incorporating and winding-up companies, simplification of procedures for obtaining industrial licensing, the granting of powers to certify signatures to entities other-than Notaries and easier and faster dissolution and liquidation of companies.

IMF: PORTUGUESE GDP WILL ACCELERATE IN 2006 AND 2007

The International Monetary Fund (IMF) foresees that the growth of the Portuguese economy will rise in 2006 and 2007, although at a lower rate than the EU average. In a report on the global economy perspectives released in April, the IMF foresees that the Portuguese GDP will grow 0,8% in 2006 and 1,5% in 2007.

SONAE LAUNCHES TAKEOVER BID FOR PORTUGAL TELECOM

The Portuguese Competition Authority has been notified of the projected acquisition by SONAE SGPS, S.A. and SONAECOM, SGPS, S.A. of the sole control of Portugal Telecom, SGPS, S.A and Portugal Telecom Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A. by means of a public offer to purchase the shares representing their registered capital. This concentration operation is considered as an operation that might create or reinforce a dominant position in the relevant markets of telecommunications and information technology and will concentrate two of the three mobile network provider providers, as well as the land network provider in only in one player.

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