



newsletter Legal & Business Update - Portugal

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Legal

»»Code of Conduct on Transfer Pricing Documentation Approved

CODE OF CONDUCT ON TRANSFER PRICING DOCUMENTATION APPROVED

The European Commission has recently approved a Code of Conduct on Transfer Pricing documentation for enterprises. Said code sets forth that multinational enterprise groups can optionally adopt its rules, mainly establishing that the Transfer Pricing Documentation should consist of two main parts: (i) one set of documentation containing common standardised information relevant for all EU group members (the "masterfile"), and (ii) several sets of standardised documentation each containing country-specific information ("country-specific documentation"). Such code may help to reduce compliance costs.

»»Competition Authority Fines 4 Cartel Companies in the Salt Industry

COMPETITION AUTHORITY FINES 4 CARTEL COMPANIES IN THE SALT INDUSTRY

The Portuguese Competition Authority last month fined four salt producing companies in a total of €918,700 for running an anticompetitive cartel and stitching up the national market for salt - both for food sector use as well as industrial applications - for six years from 1998 to 2004. According to the Portuguese Competition Authority, the economic damage to clients totalled at least €5.6 million.

Business

»»Portugal Moves Up 7 Places in 2006 Index of Economic Freedom

PORTUGAL MOVES UP 7 PLACES IN 2006 INDEX OF ECONOMIC FREEDOM

Portugal is ranked 30th in the 2006 Index of Economic Freedom, recently published by The Heritage Foundation and released by the Wall Street Journal, moving up seven places from the position occupied in 2005. The Index evaluated 161 countries, in various categories. Fiscal Burden and Monetary Policy (a drop in Portugal's weighted average annual rate of inflation) are the drivers responsible for the Portuguese ranking increase.

»»Portugal is the 6th Largest Investor in Brazil

PORTUGAL IS THE 6TH LARGEST INVESTOR IN BRAZIL

According to the Brazilian Central Bank, Portugal is the 6th largest investor in Brazil with an investment of 163 million dollars (126,8 million euros) until July 2006. This figure corresponds to a 3000% rise compared with the investment of 5 million dollars during the first 7 months of last year. Portugal is now responsible for 3,6% of the total direct foreign investment in Brazil, which already amounted to 9,673 billions dollars (7,525 billion euros) on August 15 2006. Since 1997, the Portuguese invested about 11 billion euros, being responsible (based on the estimates of ICEP) for 110.000 direct jobs.

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

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