



SOCIEDADE DE ADVOGADOS, SP,RL
ROGÉRIO FERNANDES FERREIRA
& ASSOCIADOS



Nº35/20

NEWSLETTER

DIGITAL TRANSITION ACTION PLAN
2020: E-RESIDENCY
AND TECHNOLOGICAL
FREE ZONES

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INTRODUCTION

Over the last few years Portugal has drawn up several plans to modernize and digitalize the economy with the help of technology. Examples are the creation of the so-called *Tech Visas* and the creation of the *Non-Habitual Resident Status* aimed at attracting business executives, namely companies in the technological, scientific and R&D sector.

In alignment with the investment policies defined for the European Union in the period of 2021-2027, namely the axes of innovation, digitalization, economic transformation and support to small and medium-sized enterprises (“SMEs”), the Resolution of the Council of Ministers no. 30/2020 was published in the Portuguese Official Gazette on April 21st, 2020, approving the Digital Transition Action Plan (“PATD”).

Under the terms of the referred Resolution, the PATD determines *“the responsibilities and competences of the various players, allowing the programming of actions to be implemented in the current legislature, being an instrument not only of guidance and support in the definition and*

implementation of initiatives that promote the digital transition of the country, but also intends to be already an enabling instrument for the achievement of some initiatives (...).”

THE DIGITAL TRANSITION ACTION PLAN

The PATD defines 3 central action pillars:

- Capacity building and digital inclusion of people;
- Digital transformation of enterprises;
- Digitalisation of the State.

Each pillar is then subdivided into sub-pillars that concretize or better determine the specific areas of action to be executed.

The PATD immediately approved a set of 12 measures to execute and/or present during the year of 2020:

- Digitalization program for schools;
- Intensive and specialized digital training program for 3,000 professionals - *UpSkill*;
- Digital inclusion program for 1 million adults;

- Social tariff for access to Internet services;
- *E-Residency* program;
- Promotion of Technological Free Zones (“ZLTs”) through the creation of special regulatory regimes;
- Digital Training Program for SMEs in the Interior +CO3SO Digital;
- Digital Innovation Hubs for Entrepreneurship;
- Digitalization of the 25 public services most used by citizens and companies;
- Increase in the supply and translation of digital services of interest to internationalization in ePortugal;
- Cloud Strategy for Public Administration;
- Simplification of the hiring of information and communication technology services by the Public Administration.

Due to the importance they will have for companies and investors, we will analyze in this Newsletter the *e-Residency* Program and the promotion of Technological Free Zones.

***E-RESIDENCY* PROGRAM**

The *e-Residency* program, - internationally, with origins in Estonia and,

nationally, with antecedents in the Portuguese Simplex 2019 program - is a program designed to allow online access to Portuguese public services by nationals and foreigners, resident or non-resident.

The program assumes a special importance in the Portuguese business and (consequently) economic panorama, as, through it, a wider range of entrepreneurs - including the so-called digital nomads, freelancers, startups and digital entrepreneurs - will be able to establish their economic activity in Portugal, creating the respective companies and fulfilling all the administrative duties associated to their activity through online platforms.

To obtain the status under the *e-Residency* program it will be sufficient to gather the necessary documentation, submit the application to the competent authorities, which will analyze it and, if the application is accepted, the applicant will receive an *e-Residency* kit consisting of an identification card, a reader of that card and passwords.

The Portuguese Government plans to launch the *e-Residency* program globally during the Web Summit 2020, which will take place in Portugal from 2 to 5 November this year.

TECHNOLOGICAL FREE ZONES (ZLTs)

Technological Free Zones will be geographical locations which, in order to develop and experiment new technologies, will be subject to specific regulatory regimes adapted to these new realities.

The ZLTs have been subject to specific regulation, which lays the foundations for their general principles, and this was approved by Council of Ministers Resolution No. 29/2020 of April 21. The ZLTs will allow the elaboration of a legislative framework which promotes and facilitates the carrying out of research, demonstration and testing activities, in a real environment, of innovative technologies, products, services, processes and models, in Portugal. They are aimed at promoting and attracting private, commercial and research and development (R&D) activity, as well as accelerating development and testing processes, attracting innovative projects, notably projects using *blockchain* technology.

The ZLTs will be coordinated by the Portugal Digital Mission Structure, a body whose creation was approved by the Resolution of the Council of Ministers No. 31/2020 of April 21 and who

will be responsible for implementing the PATD.

Thus, the ZLTs are areas where, through a more adapted legal discipline, it will be possible to move towards the consolidation and experimentation of not only new technologies, but also technologies that already exist all over the world and that are expected to conquer a preponderant part of the economic activity of the future. We speak, by way of example, of the *cryptocurrencies* and *5G technologies*.

CONCLUSION

These initiatives, combined with the tax regime applicable, for example, to the activity of buying and selling cryptocurrencies (and which we have analyzed in [our Newsletter which can be consulted here](#)), can make Portugal one of the few countries in the frontline to regulate this type of activity in a friendly environment for investors and which does not place too many regulatory obstacles on them. It will now be necessary to wait for further developments and implementation of these measures.

Lisbon, May 18th, 2020

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Digital Transition Action Plan 2020:
E-Residency and Technological Free Zones

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