



SUPPORT GUIDE

COVID-19 MITIGATION MEASURES IN PORTUGAL

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I. INTRODUCTION

On March 11th, 2020, the WHO declared a global pandemic of the new coronavirus, technically called SARSCOV-2 (disease Covid-19).

The pandemic had a global impact from the health sector to the economy as a whole, due to the high rate of spread of the disease and to the measures executed worldwide, namely the different degrees of severe confinement of the entire population, with a direct impact on consumption and, thus, on the entire economy as a whole.

Since the beginning of the pandemic, the Portuguese Parliament and the Government have been adopting a wide variety of measures, of the most diverse nature, aimed at easing and mitigating the direct and indirect effects the pandemic generated on businesses, including measures to support companies, businesses, families and private individuals.

Considering that the legislative production is at an unprecedented level, the preparation of a document compiling the various exceptional and provisional measures in a condensed form is of critical importance both for businesses and citizens.

This Guide is solely intended to be a supporting document for businesses and families to be able to organize all the information and does not replace with the consultation of existing legislation nor possible cases of legal consultation aimed at specific situations.

II. THE STATE OF EMERGENCY

On March 18th, April 2nd and April 16th of 2020, the President of the Republic requested the Parliament, based on a situation of public calamity, the permission to declare the state of emergency throughout the country, having been successively extended for successive periods of 15 days.

Under the powers conferred by the Constitution of the Portuguese Republic (CPR), the Parliament has successively authorized said declaration of a state of emergency, and it is important to analyze the impact of these declarations.

A. TEMPORAL AND TERRITORIAL APPLICABILITY

Under the Portuguese Constitution, the declaration of a state of emergency has a maximum duration of 15 days. However, nothing prevents said state of emergency from being successively extended for equal periods, provided that the constitutional assumptions and requirements are maintained and provided the Parliament issues successive authorizations for the declaration.

Thus, on the current state, the declaration of a state of emergency began at 00:00 of April 18th, 2020 and it will end at 23:59 on May 2nd, 2020.

B. RESTRICTED RIGHTS

Both the Portuguese Constitution and Law No. 44/86 determine that the declaration of a state of emergency must expressly indicate the fundamental rights, freedoms and guarantees whose exercise is suspended, and thus the Decree of the President of the Republic of April 16th of 2020 established the possibility of suspension of the following rights:

- **Right to move and settle in any part of the national territory:** the possibility for public authorities to impose mandatory seclusion at home or at healthcare facilities, travel bans and restriction of travel on public highways except for (i) performance of professional activities; (ii) provision of medical care; (iii) assistance to others; (iv) supply of goods and services; (v) other imperative reasons;
- **Right to private property and private economic initiative:** public authorities may require the civil requisition of any services, the use of movable or immovable property, health care facilities and business premises, as well as impose a mandatory opening, service and functioning of certain companies;

- **Workers' rights:** it may be determined that any worker, whether in the public or private sector, irrespective of his or her type of employment, including workers in the health, civil protection, security and defence sectors, shall be required to perform compulsory work. The right to strike shall be suspended to the extent that it may jeopardize the operation of critical infrastructure or healthcare facilities;
- **Right of international movement:** cross-border controls on persons and goods and health controls may be determined, in conjunction with the European Union, with the aim of preventing the spread of the pandemic, as well as the imposition of compulsory confinement of private individuals;
- **Rights of assembly and demonstration:** meetings or public demonstrations which, considering the number of people involved, enhance the virus transmission may be limited or banned from taking place altogether;
- **Freedom of religious worship, in its collective dimension:** necessary restrictions may be imposed in order to reduce the risk of contamination, in particular by limiting the holding of religious celebrations involving a crowd of people;
- **Right of resistance:** any act of resistance, active or passive, to orders issued by the relevant public authorities in execution of the present state of emergency shall be prevented.

The Decree also determines that the declaration of the state of emergency can never affect rights to life, personal integrity, personal identity, civil capacity and citizenship, the non-retroactivity of criminal law, defendants' right to defence, and freedom of conscience and religion as well as the principle of the unitary State nor the territorial continuity of the State.

III. TAX MEASURES

Given the current international public health emergency, resulting from the Covid-19 pandemic, the Government approved several measures aimed to protect citizens and businesses, by making the payment of taxes and social contributions more flexible.

A. PAYMENT OF VAT, PIT AND CIT WITHHOLDINGS

In the second quarter of 2020, the obligations under the Personal Income Tax Code, Corporate Income Tax Code and VAT Code for taxpayers with a turnover of up to € 10 M can be complied with in three or six-monthly instalments, without interests.

On what concerns VAT, the deadlines for standard compliance have been extended, and periodic returns for March and April of the monthly regime may be submitted until May 18th and June 18th, respectively. Periodic VAT returns for the 1st period of the quarterly regime may be submitted until May 22nd.

The resulting tax returns may be submitted up to the 25th of each month, regardless of adherence to the installment payment regime.

If this instalment plan is chosen, the first instalment is due on the date of fulfilment of the payment obligation in question, with the remaining monthly instalments due on the same date of the following months.

Taxpayers who do not meet these criteria may also request a plan for payment in instalments if they show a reduction in the invoicing (in the E-Fatura site) of at least 20% in the average of the 3 months preceding the month in which this obligation arose in relation to the same period of the previous year, with certification of a chartered accountant.

It should also be mentioned that, through a Circular Letter, the Subdirector General of the Collection area determined that during this year, taxpayers will pay withholding taxes through the multi-tax guide pay slips. It has also been foreseen the extension, until April 20th, 2020, to fulfil the obligations to assess and pay the taxes due in the months of January, February and March of 2020, with the remaining obligations regarding the same year to be fulfilled until the 20th day of the month following that in which the tax obligation arose.

It is also worth mentioning the postponement, to August 7th and 31st, respectively, of the obligations to submit the annual accounting and tax information declaration (IES/DA) and the submission of the tax documentation process and the documentation process regarding the transfer pricing policy adopted.

B. BENEFIT PLANS, SUSPENSION OF EXECUTIVE PROCEDURES AND EXTRAORDINARY EXTENSION OF SOCIAL BENEFITS

The current instalment plans within the scope of tax executions are suspended, without prejudice to the possibility of being able to continue to be punctually fulfilled, as part of the judicial vacation regime. Should this regime cease before June 30th, 2020, the tax executive procedures must remain suspended until this date, and the installment plans in progress for debts to Social Security outside the scope of the executive proceedings are also suspended for the same period.

Unemployment benefits and all social security benefits which guarantee minimum subsistence and whose concession or renewal period ends at an earlier date have also been extended until June 30th, 2020.

C. CREDIT PROTECTION MEASURES FOR FAMILIES, COMPANIES AND PRIVATE SOCIAL SOLIDARITY INSTITUTIONS

A moratorium was approved, until September 30th, 2020, which provides for the prohibition of the revocation of contracted credit lines, as well as the extension or suspension of credits until the end of this period, thus guaranteeing the continuity of financing for families and companies as well as preventing possible defaults resulting from the reduction in economic activity.

Under the provisions of item 17 of the Stamp Duty General Table (SDGT), the extension of the term of a credit agreement is considered as a new credit granting for the purposes of this tax, determining, as such, the creation of a new taxable event.

Thus, and in the context of the extraordinary measures approved, the Director General of Taxes clarified, through Circular Letter No. 6/2020, that there will only really be an extension (generating a new taxable event) when the new deadline constitutes an addition to the previously established deadline, with effect only after its expiration ("*ex nunc*" effects).

On the other hand, if the original deadline is replaced by a different deadline, *i.e.*, with a retroactive effect ("*ex tunc*" effects), Stamp Duty will only be due if the new deadline corresponds to a higher rate and the tax will be assessed by the rate differential (if any).

In this context, regarding credits with a determined or determinable period of use, the capitalization of interest accrued during the extension period shall not constitute a new Stamp Duty obligation provided for in 17.1.1 to 17.1.3 or 17.2.1 to 17.2.3 of the SDGT.

D. SUPPORTING DOCUMENTATION FOR THE PERIODIC VAT DECLARATION

Executive Order No. 129/2020-XXII introduces simplification procedures aimed at adapting compliance with reporting obligations to the circumstances brought about by the pandemic.

In this context, it was stipulated that periodic VAT returns for the February 2020 period may be calculated based on the data in the E-Fatura site and do not require supporting documentation. The same will not be valid for the months of April, May and June, but invoices in PDF format must be accepted, which will be considered electronic invoices for all purposes provided for in tax legislation.

These rules will be applicable to taxable persons with a turnover of up to € 10 M in 2019, who started business on or after January 1st, 2020, or who recommenced business on or after that date and did not obtain a turnover in 2019.

In addition, it should also be noted that, in compliance with any tax obligations, situations where a "sanitary barrier" is set up to prevent taxpayers from travelling to and from the areas covered by the barrier are now considered a fair impediment, provided that they have their tax or professional domicile in the said areas.

E. CUSTOMS DUTY RELIEF AND EXEMPTION FROM VAT ON IMPORTS OF GOODS NEEDED TO COMBAT THE OUTBREAK OF COVID-19

Commission Decision (EU) 2020/491, of April 3rd, 2020, provides for the granting of duty-free treatment and exemption from VAT on the importation of goods (from third party countries) to combat the effects of the Covid-19 outbreak.

This Decision is adopted within the legal framework of the Union which provides for the possibility of granting relief from customs duties to the victims of disasters, which is subject to a Commission Decision acting at the request of the Member States concerned.

Similarly, the Union's VAT legislation (Council Directive 2009/132/EC) has equivalent provisions concerning exemption from VAT on the final importation of certain goods.

According to the statements made by the President of the European Commission, this measure makes it financially easier to purchase medical equipment, including such items as masks, protective equipment, test kits, ventilators and other medical equipment.

This Commission Decision emerged in response to several requests from Member States including Germany, France, Spain, Portugal and Italy.

The United Kingdom is also covered by this Commission Decision and has made a request for similar assistance from other Member States in order to ensure a duty-free and VAT-free importation of goods necessary to combat the Covid-19 outbreak. To this end, the Commission invoked the Article of the Exit Agreement which allows the application of the Union measures to the United Kingdom during the transitional phase.

Through this Decision, the European Commission provides for the possibility for public organizations in the Member States and/or other organizations authorized by them to import, free of charge and free of VAT, goods which qualify as necessary for the fight against the pandemic and which are intended for free distribution to individuals affected by Covid-19 as well as to individuals participating in the fight against this disease.

To this end, Member States shall communicate the following information to the Commission by November 30th, 2020:

- A list of organisations approved by the competent authorities of the Member States to carry out import operations of goods intended for combating Covid-19;
- Nature and quantity of goods imported under this regime;
- The measures implemented to ensure that imported goods are not transferred free of charge or against payment after they have been allocated for their intended purpose (in order to avoid possible attempts to abuse this exception regime, which are provided for in the Directives and Regulations governing customs duties and the harmonized VAT system).

The legal framework provided for in this Decision is applicable from January 30th, 2020 until July 31st, 2020, with the possibility to be extended, subject to a reassessment of the situation.

F. REDUCTION OF THE VAT RATE APPLICABLE TO MASKS AND DISINFECTANT GEL

As part of the tax measures that have been approved in the epidemiological context, the Government's proposal to reduce the VAT rate applied to Masks and Disinfectant Gel was approved by Parliament.

Thus, after the publication of this law, the Masks and Disinfectant Gel will benefit from the reduced rate of 6%.

In the case of Disinfectant Gel, only products that comply with the specificities set out in the dispatch of the Government members responsible for the areas of economy, finance and health will benefit from the reduced rate of 6%.

G. EXEMPTION ON INTRA-COMMUNITY ACQUISITION OF GOODS NECESSARY TO COMBAT COVID-19

Following the European Commission (EU) Decision 2020/491, dated 3rd April 2020, granting relief from customs duties and VAT on the importation of goods (from third countries) to combat the effects of the Covid-19 outbreak, the Assembly of the Republic approved the extension of the said VAT exemption to intra-Community acquisitions of goods.

According to the approved Order, the Government intends to ensure the correct application of the principle of neutrality and eliminate distortions in competition.

To this end, an exemption is established for intra-Community transfers and acquisitions of goods made within the national territory, when they are intended for State bodies, charitable or philanthropic organisations approved by the competent authorities, and when they are intended to be distributed or made available to the victims of disasters, while remaining the property of the bodies concerned.

To this end, this new law contains an annexed table listing the goods that are covered by this exemption measure.

As far as the subjective criterion is concerned, this new measure determines that the following entities are eligible for VAT exemption on intra-Community acquisitions of the goods listed:

- (i) The State, Autonomous Regions or local authorities, and any of their departments, establishments and bodies, even if personalised, including public institutes;
- (ii) Health establishments and units that make up the National Health Service, including those that take the legal form of corporate public entities;
- (iii) Other health establishments and units in the private or social sector, as long as they are included in the national plan of the National Health Service to combat COVID-19, having contracted this obligation with the Ministry of Health, and identified on a list to be approved by order of the Government members responsible for the areas of finance, health and labour, solidarity and social security;
- (iv) Entities with charitable or philanthropic purposes, previously approved for that purpose and identified on a list to be approved by order of the Government members responsible for the areas of finance, health and work, solidarity and social security.

The possibility of deducting the tax on goods or services acquired, imported or used by the taxable person to carry out the transfers of exempt goods, provided for in this rule, is also contemplated.

Finally, as regards compliance with formal requirements, it is laid down that the invoices holding these operations must contain a reference to the legal provision allowing them to be carried out under an exemption scheme.

H. DONATION INCREASE

The Decree N. 137/2020-XXII, of April 3th, 2020, of the Secretary of State for Tax Affairs, determines that, for the duration of the emergency period, should be considered, as an entity within point a) of Article 62(1) of the Statute of Tax Benefits, the SPMS- Shared Services of the Ministry of Health, E.P.E, hospital entities, E.P.E and regional health services, as entities that benefit from donations.

This framework will allow donors to benefit from the scheme provided for donations made to the State and public law entities, which consists of a 140% increase in the costs of social donations.

Through this the decree, it is also possible that these donations may benefit from the exclusion of stamp duty, provided for in point c) of Article 1(5) of the Stamp Tax Code.

This decree aims to recognize the donations made to the National Health System, which would be on the margins of this benefit, taking into account the understanding of the Tax Administration according to which the entities operating under the designation of E.P.E. are not eligible for the purpose of applying the increase provided for donations granted to the State and public law entities.

IV. SOCIAL SECURITY AND CONTRIBUTIONS MEASURES

A. SOCIAL SECURITY CONTRIBUTIONS

Employers in the private and social sectors with less than 50 employees or, with up to 249 employees, with a loss of at least 20% of turnover (in the E-Fatura site) in March, April and May 2020 compared to the same period of the previous year are entitled to **deferment of payment** of contributions.

The deferment may also be granted to private charitable institutions or similar, employers in the shut sectors, aviation or tourism, even if they have 250 or more employees, provided they demonstrate a loss in invoicing in terms similar to those previously mentioned. Self-employed workers will also be covered by this deferment.

Regarding employer's contributions, 1/3 of the contributions are due in March, April and May 2020, the remainder being paid in equal and successive instalments in July and September 2020 or in July to December 2020, without interest.

The deferment of contributions due by **self-employed** persons applies to the months of April, May and June 2020, which may be paid in terms similar to those referred to above. Failure to meet the requirements for access to deferment of payment of contributions gives rise to the immediate payment of all the instalments due and the cessation of the exemption from interests.

It should be noted that there is also the additional possibility of deferring contributions due by the **self-employed persons** in case they receive social benefits, a regime provided for in cases of:

- proven situation of total cessation of its activity or of its sector, by means of a declaration by the self-employed; or
- in a situation of an abrupt and sharp drop of at least 40% in invoicing (in the thirty-day period preceding the application to the competent social security services, with reference to the monthly average of the two months preceding that period, or in relation to the same period of the previous year, or, for those who started business less than 12 months ago, the average for that period), by means of a declaration by themselves accompanied by a certification of a Certified Public Accountant or certified accountant.

The deferment shall apply for each month in which they receive the said benefit.

B. TEMPORARY EXEMPTION FROM PAYING SOCIAL SECURITY CONTRIBUTIONS

In addition to the main measures (the extraordinary support for job retention and the training plan), employers are granted temporary exemption from paying Social Security contributions payable by the employer, regarding covered employees and members of statutory bodies, during the period of this measures.

The right of exemption described above shall also apply to self-employed workers who are themselves employers and may benefit from these measures and their respective spouses.

This exemption covers contributions related to the compensations due in the months in which the company benefits from the measures. The waive from the payment of the contributions regarding self-employed workers determines the registration of remuneration by equivalence to the entry of contributions according to the applicable taxable basis.

Employers must submit autonomous remuneration statements for the employees covered by this measure and pay their contributions, *i.e.*, the exemption covers only the employer's contributions.

This exemption is recognized automatically by the *IEFP, I. P.*, namely based on the information transmitted by this entity.

V. LABOR MEASURES - IN SUPPORT OF BUSINESSES AND WORKERS

The rapid evolution of Covid-19 disease has made it necessary to reinforce the first measures adopted, in order to support the maintenance of jobs and to mitigate situations of corporate crisis.

A. BUSINESS CRISIS SITUATIONS

The exceptional measures provided for in this Decree-Law apply to employers in the private sector, including employers in the social sector, and workers in their service who are affected by the COVID-19 pandemic and who are, as a result, in a **business crisis situation**.

Thus, the following companies/entrepreneurs are deemed to be in a **business crisis situation**:

- the total or partial closure of an undertaking or establishment as a result of the obligation to close premises;
- business crisis situation improved by a declaration by the employer accompanied by a certificate from the company's certified accountant certifying:
 - a) the total or partial stoppage of the company's or establishment's activity resulting from the interruption of global supply chains or the suspension or cancellation of orders, and/or
 - b) the abrupt and sharp drop of at least 40% in invoicing in the 30-day period (instead of the 60 days provided for in the regime now revoked) prior to the application to social security, with reference to the monthly average of the 2 months prior to that period, or in relation to the same period of the previous year, or, also, for those who started the activity less than 12 months ago, to the average of that period.

Proof of the veracity of the facts can only be provided by means of documents and the presentation of:

- Accounting balance sheet for the month of the support as well as for the corresponding month or months before it, if applicable;
- VAT declaration for the month of the support as well as for the 2 immediately preceding months, or the declaration for the last quarter of 2019 and the first quarter of 2020;

- Documents demonstrating the cancellation of orders or reservations, from which it appears that the use of the affected company or unit has been reduced by more than 40% of its production or occupancy capacity in the month following the request for support; and
- Additional evidence to be established by order of the member of the Government responsible for labor and social security.

B. SIMPLIFIED LAY-OFF

The most awaited measure is the derogatory support to keep jobs in a business crisis situation. This measure supports companies which find themselves in the need to reduce normal worktime or even suspend employment contracts (a procedure known as "**simplified lay-off**") and can be combined with a vocational training plan appropriate to the development of professional qualification that increases the employability or the viability of the company and the maintenance of jobs, approved by the IEFP, I. P., which will cover the amount corresponding to € 131.64, intended, equally, for the employer and the employee.

The employer **may reduce the normal working period** ("NWP") or suspend the employment contracts of his employees, without prejudice of rights, duties and guarantees of both parties that do not entail the effective provision of work.

In order to carry out the suspension, the employer must issue a written notice to the employees, informing them of the decision of reduction of the NWP or suspension of the employment contracts and its foreseeable duration.

During the reduction or suspension period, employees are entitled to receive a monthly compensation corresponding to 2/3 of the gross compensation or the value of the minimum monthly guaranteed remuneration ("**MMGR**", currently set at € 635) correspondent to their normal working period, whichever is higher. In the event of a reduction in the NWP, the employee's remuneration is calculated as a proportion of the hours worked.

Ministerial Order No. 94-A/2020 determines that the calculation of the compensation considers the remuneration benefits normally declared for social security and normally received by the employee, relating to basic pay, monthly bonuses and regular monthly allowances.

The written notice issued by the employer to the employees informing on the decision must be submitted through an online request to Social Security, along with the following information:

- a statement from the employer with summary description of the business crisis situation; e,
- in cases of total or partial disruption of the supply chain or suspension or cancellation of the company's orders, a certificate from the company's chartered accountant attesting said situation; as well as the
- a list of the employees' names subject to the measure, as well as their social security numbers.

The inclusion of new workers during the period of extraordinary support for the maintenance of employment contracts, in addition to those identified in the initial application, shall be done by submitting a new attached file, with payment of the support granted for the remaining period.

Under the terms of Ministerial Order No. 94-A/2020, the entities receiving the support must preserve the relevant information for the period of 3 years, for the purpose of proving the facts on which the application is based and the respective extensions.

C. EXTRAORDINARY FORMATION PLAN

Companies which did not use the support to maintain their employment contracts may access to the extraordinary support for part-time vocational training, through a training plan, in order to guarantee their jobs and to enhance their skills, in order to act preventively against unemployment.

This exceptional training plan granted to the workers is covered by the *IEFP, I.P.*, and is granted according to the hours of training attended, up to a maximum of 50% of gross remuneration, with a maximum limit of one MMGR. This measure is valid for one month and is intended for the implementation of the training plan.

The employers must issue written notices to the employees, informing them of the decision to start a training plan and of the foreseeable duration of the measure, and immediately inform the *IEFP, I. P.*, attaching the abovementioned documents relating to the application for support of job maintenance.

D. EXTRAORDINARY FINANANCIAL INCENTIVE

Employers who benefit from the measures described above are entitled to an ancillary measure consisting of an **extraordinary financial incentive to support the resumption of business activity**, to be granted by the IEFP, I. P., paid in one lump sum and with the value of one RMMG per employee.

The employer must apply to the IEFP, accompanied by the documents required to prove the business crisis situation listed above.

E. EXTRAORDINARY SUPPORT FOR THE REDUCTION OF ECONOMIC ACTIVITY

This support applies to self-employed workers who have had a contributory obligation for at least 3 consecutive months or 6 interpolated months in the last 12 months:

- proven situation of cessation of their activity or of the activity of their sector as a result of the Covid-19 outbreak;
- at least 40% of the invoicing has been broken in the period of 30 days prior to the request submitted to the Social Security, attested by their own declaration and certified accountant's certificate.

This fall in invoicing in the period of 30 days prior to the request is compared with:

- the monthly average of the two months preceding the application; or
- the same period as the previous year; or
- the average of the whole period in activity, for those who have been in activity for less than 12 months

The measure consists of financial support corresponding to the value of the remuneration recorded as a contributory base, with a limit of 1 IAS (€ 438,81) in situations where the value of the remuneration recorded as a contributory base is less than 1.5 IAS (€ 658.22).

When the remuneration recorded as a contributory base is greater than or equal to 1.5 IAS (€ 658,22), the beneficiary is entitled to financial support corresponding to 2/3 of the value of the remuneration recorded as a contributory base with the maximum limit equal to the RMMG.

For the calculation of the extraordinary support for the reduction of economic activity, Ministerial Order No. 94-A/2020 establishes that the remuneration considered corresponds:

- Self-employed workers: average of the contributory assessment basis of the months in which remuneration was registered in the period of 12 months immediately prior to the date of submission of the application;
- Managing partners: basic remuneration declared in March 2020 for the month of February 2020 or, if there was no basic remuneration declared in that month, the amount of the IAS.

The beneficiaries must preserve the relevant information for the granting of the support during the period of 3 years and the support has a duration of 1 month, extendable to 6 months.

F. PROHIBITION OF DISMISSAL

During the period of application of the support measures and for the following 60 days, the employer covered by any of the previous measures may not terminate contracts of employment under the terms of collective redundancy or dismissal for termination of employment.

Declaration of Rectification no. 14/2020, of 28 March, clarified that the subject of this impediment is the employer benefiting from some extraordinary measure, and therefore applies to all employment contracts to which the employer is a party and not only, as seemed to result from Decree-Law no. 10-G/2020, to those that concern the workers covered.

G. JUSTIFIED ABSENCES

Decree-Law no. 10-K/2020 establishes an **exceptional and temporary regime of justified absences** motivated by family assistance or the performance of certain functions considered relevant in the context of the pandemic.

Under the present exceptional regime, justified absences are considered:

- those motivated by care for a child or other dependent under the age of 12 or, regardless of age, with a disability or chronic illness or a grandchild (in some cases), in the periods of school breaks fixed by legislation or defined by each school;
- those motivated by assistance to a spouse or person living in a consensual union or common economy with the worker, relative or kin in the ascending straight line who is dependent on the worker and who frequent social equipment whose activity is suspended, as long as continuity of support through an alternative social response is not possible;
- those motivated by the provision of help or transportation, in the context of the COVID -19 disease pandemic, by volunteer firemen with an employment contract with a private or social sector employer, proven to be called by the respective fire department.

The justified absences under the previous paragraph do not determine the loss of any rights, except in relation to retribution, and do not count for the annual limit of absences foreseen in the Labor Code.

H. HOLIDAYS

More innovative is the one introduced with regard to the possibility of, in order to provide assistance in the situations envisaged and mentioned above, the worker may proceed with the scheduling of holidays, **without the need to agree with the employer**.

For this purpose, a written communication given to the employer two days before the beginning of the desired holiday period is enough.

During the holiday period, the employee shall be paid the remuneration corresponding to that which he would have received if he had been in effective service, and the holiday subsidy may be paid in full up to the fourth month following the beginning of the holiday period.

I. TELEWORKERS RESIDENT IN PORTUGAL SUBJECT TO SOCIAL SECURITY LEGISLATION OF ANOTHER STATE

For workers resident in Portugal who are subject to the social security legislation of another Member State of the European Union, the European Economic Area or Switzerland, periods of teleworking provided from the national territory during the period of exceptional and temporary measures in response to the epidemiological situation caused by COVID-19 shall not be taken into account for the determination of the applicable legislation and shall not imply the amendment of the legislation to which they are subject.

VI. JUDICIAL MEASURES – THE LIMITS AND STEPS

A general suspension of time limits for procedural and procedural acts has been determined, but some exceptions are provided for.

A. NON-URGENT PROCEEDINGS AND PROCEDURES

i. PROCEDURAL DEADLINES

The time limits for the performance of acts in proceedings under the terms of this Regulation are suspended at:

- Judicial Courts;
- Administrative and Fiscal Courts;
- Constitutional Courts;
- Courts of Auditors; and
- Other Jurisdictional Bodies, Arbitral Courts, Public Prosecution Service, Courts of Peace, Alternative Dispute Resolution Entities and Fiscal Execution Bodies.

The suspension provided for is applicable to (i) the period of presentation of the debtor to the insolvency; and (ii) acts to be carried out in executive proceedings, namely, sales, tender of creditors, judicial deliveries of real estate, seizure diligences and preparatory acts.

Notwithstanding the foregoing, the legal provisions in force do not preclude the practice of acts in ongoing proceedings and procedures, if this is feasible through computer platforms and means of remote communication, such as teleconferencing, video calling or other equivalent.

Likewise, and following the same logic, the Law allows for the possibility of a final decision in cases in which the court and other entities do not consider it necessary to take new steps.

ii. PROCEDURAL DEADLINES

This suspension regime is also applicable, with the necessary adaptations, to the deadlines for the practice of acts and diligences in the following procedures:

- administrative and tax procedures in relation to the practice of acts by individuals.
- misdemeanor, sanctioning and disciplinary proceedings, including acts of judicial challenge of final or interlocutory decisions, which run under the terms of direct,

indirect, regional and autarchic administration services, and other administrative entities, namely independent administrative entities;

With regard to tax deadlines, it should be noted that the suspension regime only includes acts of judicial impugnation, free complaint, hierarchical appeal, or other procedures of the same nature, such as the request for unofficial review, as well as procedural or procedural acts subsequent to those.

iii. LIMITATION PERIODS

In addition, the suspension of limitation periods for all types of proceedings and procedures is also determined.

B. URGENT PROCEDURES

As mentioned, the general rule of suspension provides for the existence of exceptions, thus leaving out of its scope the deadlines for acts and steps to be taken in urgent proceedings, which must proceed without suspension or interruption.

For this purpose, the following rules to be observed during this exception period are established:

- The proceedings that require the physical presence of the parties, their representatives or other intervening parties must be carried out by means of remote communication, such as teleconferencing, video calling or other equivalent;
- where it is impossible to use the means of distance communication and where the life, physical integrity, mental health, freedom or immediate subsistence of the parties concerned are at stake, the proceedings may be carried out in person, provided that this does not involve the presence of more persons than provided for in the recommendations of the health authorities and in accordance with the guidelines laid down by the competent Supreme Councils.

If it is neither possible nor appropriate to comply with the rules laid down for carrying out the acts and steps, the suspension regime shall apply to these procedures.

C. EXTENSION OF THE URGENCY PROCEDURE

The rules established for urgent procedures, which determine an exception to the general rule of suspension of time limits for procedural and procedural acts and steps, are extended to the following cases:

- proceedings and procedures for the defense of rights, freedoms and guarantees injured or threatened with injury by any unconstitutional or illegal measures;
- urgent service provided under the law of international judicial cooperation in criminal matters, mental health law, law for the protection of children and young people in danger and the legal regime of entry, stay, exit and removal of foreigners from national territory;
- proceedings, procedures, acts and steps that prove necessary to avoid irreparable harm, those relating to minors at risk or to educational tutelary proceedings of an urgent nature and the proceedings and trials of imprisoned defendants.

VII. CORPORATE AND COMMERCIAL MEASURES

A. CORPORATE BODIES

General meetings of companies, associations or cooperatives which should take place, by legal or statutory imposition, may be held until June 30th, 2020.

With regard to the **General Meetings of companies**, the Law determines that the participation by telematic means, namely by video or teleconference of members of the said bodies, does not hinder the regular operation of the meeting, namely with regards to quorum and resolutions. The form of participation of each of said members must nevertheless be recorded in minutes.

Thus, there is a temporary derogation from the provisions that allow the statutory prohibition of holding general meetings or board meetings by telematic means - see Article 377, paragraph 6, al. B) and article 410, no. 8 of the Companies Code. In the case of companies that contain, in their articles of association, a prohibition on holding these meetings by telematic means, the members may resign under those terms, without this leading to the annulment of the resolutions resulting therefrom.

For companies subject to CMVM regulation and supervision, CMVM has published guidance and clarifications addressed to investors regarding general meetings.

Among the measures in question, the outside:

- possibility of the realization holding mixed general meetings, with the conjugation of telematic and face-to-face means – in this case, conferred to certain participants are given physical presence and others simultaneous access through distance communication media, with or without the possibility of interaction, decentralized or through the use of common physical locations where video access is available to the meeting place;
- the need to include in the call notice the specific way of holding the general meeting, which will be disclosed by the issuer in the Information Dissemination System, as well as the means that will be used to identify shareholders;
- the maintenance of general rules, such as, the shareholder's duty to manifest to the chairman of the bureau his intention to participate in the general meeting or the duty

of the financial intermediary to communicate to the chairman of the general meeting bureau, at the request of the shareholder, the number of shares held by the shareholder

B. PORTUGUESE SECURITIES AND EXCHANGE MARKET COMMISSION

The impact of Covid-19 on the regular activity of institutions requires constant monitoring of the integrity and regular functioning of financial markets and an assessment by the various authorities of the need to adopt exceptional measures in this period.

In this sense, the CMVM has been disclosing a set of decisions, recommendations and guidelines applicable to the entities it supervises, with a view to adopting and reinforcing measures to face the pandemic context we are going through:

- Recommendations for the adoption of principles of sustainability and transparency in market information and in dividend and crisis management policies, of 14 April, pursuant to which securities issuers must ensure the quality and transparency of information made available to their investors and stakeholders, as well as safeguard a solid and resilient financial structure through careful consideration of decisions - such as accountability, dividend distribution, remuneration policies and crisis management;
- Circular on the deadline for reporting to CMVM the internal control report, of 13 April, which extends the deadline for the submission of the evaluation report on the effectiveness of the compliance control system, risk management and internal audit service (internal control report), for the year 2019 until 30 September 2020;
- Circular on the Prevention of Money Laundering and Terrorist Financing, of April 2, which states that the current situation potentially creates adverse situations within the scope of the issue in question, and therefore, in the period thereafter, the companies should remain vigilant and rigorous with regard to compliance with the legal requirements relating to the prevention of money laundering and terrorist financing. This circular also extends the deadline for the submission of the Report to the CMVM of the activity pursued by the companies in 2018 and 2019 for a period of 3 months.
- Decisions and recommendations of the CMVM within the scope of Covid-19, namely regarding CMVM's own operation, business continuity, reporting obligations to CMVM and a relaxation of investment companies' reporting obligations.

- CMVM's Recommendations on Audit Activity under Covid-19 of 20 March 2020, in which it gives recommendations to the audit teams that had already started or were preparing to start the audit processes for 2019. On the other hand, the CMVM stresses that auditors and companies should identify the impacts and risks that the propagation of Covid-19 may cause in their activity and in the financial statements prepared or in progress;
- Recommendations in the context of the General Meetings held on March 20, 2020, being a joint communiqué of the CMVM, the Portuguese Institute of Corporate Governance and the Association of Listed Securities Companies, which contains several recommendations regarding the holding of General Meetings using telematic means, making available the information prior to the Meeting on the company's website and on the CMVM's Dissemination System.

Guidance and clarifications addressed to investors of 27th April 2020, which are organized by the following topics: (i) the importance of open markets, (ii) care to be taken in the face of volatility in the markets, (iii) common behavioral biases in times of turbulence, (iv) recommendations from the CMVM for dividend distributions, (v) recommendations for dividend distribution, (vi) general meetings at a distance. How to participate?, and (vii) tips to face the increased risk of fraud.

VIII. SECTORIAL MEASURES

A. SUPPORT FOR TOURISM AND RESTAURANT COMPANIES, HOTELS AND ACCOMODATION FOR TOURISTS – INTEREST FREE LOANS

The Secretary of State for Tourism determined the creation of a **financial support line** to meet the cash needs of microenterprises whose activities are affected by Covid-19 disease. To that end, on March 25, 2020, **Normative Order No. 4/2020** was published.

The beneficiaries of this support line are microenterprises with IAPMEI electronic certification, which carry out tourism activities in the areas indicated below:

BENEFICIARIES (PER NICE CODE)			
551	HOTEL ESTABLISHMENTS	79	TRAVEL AGENCIES AND TELECOM. OPERATORS
55201	FURNISHED ACCOMMODATION FOR TOURISTS	82300	FAIR AND EVENTS ORGANIZATION
55202	COUNTRYSIDE TOURISM	93192	OTHER SPORT ACTIVITIES *
55203	OTHER SHORT-TERM ACCOMMODATION	93210	SMALL FUN ACTIVITIES *
55300	CAMPING GROUNDS AND CARAVANNING	93292	MARINA ACTIVITIES *
561	RESTAURANTS	93293	ORGANIZATION OF ANIMATION ACTIVITIES *
563	BEVERAGE ESTABLISHMENTS	93294	OTHER FUN AND RECREATIONAL ACTIVITIES *
771	CAR RENTAL		

* IF DEVELOPED BY TOURISTIC ANIMATION COMPANIES

The support in question is a loan, **without any associated interest**, in the amount of € 750 for each job on February 29, 2020, corresponding to 3 months, up to a maximum limit of € 20,000 per company.

The loan in question has no associated interest, a repayment period of 3 years and a grace period of 1 year, during which no capital payment is due.

The requirements for access to the Turismo de Portugal line are the following:

- Situation regularized before the Tax Administration, Social Security and Tourism of Portugal;
- Active licensing, to exercise the respective activity, and registration with the National Tourism Register, when applicable;

Only micro-enterprises with electronic certification on the IAPMEI portal and which carry out, in national territory, the tourist activities referred to above may be beneficiaries of these measures, and one of the partners must also provide a personal guarantee.

The companies must also comply with several other requirements, most of which are proven by a declaration made by the company at the time of the application, as well as some reporting obligations to the Portuguese Tourism Board.

B. CREDIT LINES

As part of the support measures for enterprises and sole proprietors, several credit lines have been launched, through the banking and financial system, with State guarantees, which already exceed € 6 billion.

<i>COMPANIES IN GENERAL</i>	<i>TOURISM/HOUSING SECTOR</i>	<i>RESTAURANTS SECTOR</i>	<i>TOURISM AND EVENTS SECTOR</i>
<i>€ 4.500 MILLION (€ 1.700 MILLION TO SMEs)</i>	<i>€ 900 MILLION (€ 300 MILLION TO SMEs)</i>	<i>€ 600 MILLION (€ 270 MILLION TO SMEs)</i>	<i>€ 200 MILLION (€ 75 MILLION TO SMEs)</i>
<i>MAXIMUM OF € 2 MILLION PER COMPANY</i>	<i>MAXIMUM OF € 2 MILLION PER COMPANY</i>	<i>MAXIMUM OF € 1.5 MILLION PER COMPANY</i>	<i>MAXIMUM OF € 1.5 MILLION PER COMPANY</i>

These are common requirements for access to credit lines:

- the IAPMEI electronic certification;
- positive net worth in the last financial year; in the event of a negative net worth, they may access the lines if they have a positive interim balance sheet by the date of the operation;
- the non-existence of unregulated incidents with the Bank on the date of issue of the contract;
- the situation regularized by TA and Social Security;
- presentation of a statement explaining the negative impacts of the Covid-19 outbreak on their economic activity, which substantiates the specific need to obtain financing under the Credit Line;
- not be considered companies in difficulty on 31.12.2019, resulting in the difficulties of the circumstances related to the Covid-19 epidemic;

- submit a statement in which it undertakes to maintain permanent jobs until December 31, 2020, given the proven number of such jobs on February 1, 2020 and, as such, have not promoted or will promote, during that period, processes of collective dismissal or dismissal for termination of the job, or demonstrate that it is subject to the lay-off regime, upon submission of approval by the Social Security.

The loans resulting from the credit lines identified above may not, in turn, exceed:

- twice the annual wage expenses;
- 25 % of the client's total turnover in 2019.

C. FINANCIAL INCENTIVES – PORTUGAL 2020

The Council of Ministers Resolution no. 10-A/2020 determines several measures aimed at supporting the cash flow and working capital of companies, maintaining jobs resulting from the sharp drop in demand with immediate repercussions on the available liquidity of companies, with the intention of anticipating the payment of subsidies and other public support.

The following measures were determined to support the liquidity of companies:

- the liquidation of the incentives should occur as soon as possible after the payment requests submitted by the companies, and may be made, in the limit, as an advance;
- in the case of companies with losses of more than 20 %, the deferment for a period of 12 months of the instalments due up to 30.09.2020, relating to reimbursable subsidies granted under the NSRF and/or Portugal 2020, without interest charges or any other penalty for the beneficiary companies;
- expenses demonstrably incurred by beneficiaries in initiatives or actions cancelled or postponed for reasons related to Covid-19, foreseen in projects approved by Portugal 2020 or other operational programs, as well as by Instituto do Vinho e da Vinha, I.P., are eligible for reimbursement;
- the negative impacts resulting from Covid-19 that give rise to the insufficient achievement of actions or targets may be considered as reasons of force majeure not attributable to the beneficiaries in the evaluation of the contractual objectives under the Portugal 2020 incentive schemes.

IX. MEASURES IN THE REAL ESTATE AND HOUSING SECTOR

The Government and the Parliament have been approving exceptional and temporary measures in order to mitigate the consequences of the pandemic outbreak in the real estate sector, giving priority to matters related to renting and lending for housing.

A. EXCEPTIONAL MEASURES APPLICABLE TO LEASES

Law No. 4-C/2020, of April 6, with retroactive application, establishes an exceptional regime for situations of arrears in the payment of rent due under housing and non-housing urban lease agreements, given the epidemiological situation caused by COVID-19 disease.

I. Housing lease agreements

In the case of housing leases, the measures apply to whoever demonstrates:

- a decrease of more than 20% in the income of the tenant's household compared to the income of the previous month or the same period of the previous year; and
- the effort rate of the tenant's household is or becomes higher than 35%.

The possibility for tenants and students to apply to the Institute of Housing and Urban Rehabilitation, I.P. is also determined. ("IHRU"), to grant an interest-free loan to support the difference in income resulting from the fall in income and/or the increase in the effort rate.

The IHRU has already published the Regulations for the Exceptional Support Program for Housing Rentals, which can be consulted here.

Tenants who are unable to pay the rent have the duty to inform the landlord, in writing, up to five days before the due date of the first rent in which they intend to benefit from this scheme.

Finally, it should be noted that the termination of the lease at the initiative of the tenant renders the immediate payment of the rentals due and not paid, as from the date of termination.

II. Non-housing leases agreements

In relation to non-housing leases agreements (and other contractual forms of exploitation of commercial real estate), the law applies to non-housing lessee:

- Which have as their object the development of retail trade activities or the provision of closing services or which have their activities suspended, including in cases where they maintain the provision of electronic commerce activities, or the provision of services at a distance or through an electronic platform; or
- Of the catering sector and the like, including in cases where they maintain activity for the exclusive purpose of confection intended for consumption outside the establishment or delivery at home.

Such lessees may defer payment of rents due in the months in which the state of emergency takes effect and in the first subsequent month, for the 12 months after the end of that period, in monthly instalments not less than one twelfth of the total amount paid together with the rent for the month concerned.

Furthermore, the law determines that failure to pay rents in the months in which the state of emergency takes place and in the first subsequent month, as mentioned in the preceding paragraph, cannot be invoked as a basis for resolution, denunciation or other form of termination of contracts, nor as a basis for obligation to vacate property.

Furthermore, under that law, the landlord shall not be entitled (i) to demand payment of any other penalties based on late payment of rents which are due in accordance with the terms described in the preceding paragraph, (ii) to demand payment of compensation of 20%, provided for in Article 1041.^o of the Civil Code, for late payment of rents that are due in the months in which the state of emergency is in force and in the first subsequent month of the , and (iii) to refuse receipt of the subsequent rents.

It should finally be noted that the cessation of the contract on the initiative of the lessee makes it chargeable, from the date of cessation, for the immediate payment of the overdue and unpaid rents.

B. SUPPORT TO HOUSING LANDLORDS

The law also provides for financial support for housing landlords:

- Which have a fall of more than 20% of the income of the landlord's household compared to the income of the previous month or the same period of the previous year, which is caused by the non-payment of rents by the lessees under this law;
- Whose remaining disposable income from the landlord's household falls below the IAS (€ 438.81); And • whose lessees do not use an IHRU loan, I.P.

This financial support translates into the granting of an interest-free loan to offset the value of the monthly income due and not paid.

C. TERMINATION OF LEASE AGREEMENTS

During the duration of the measures to prevent, contain and mitigate the covid-19 pandemic, and up to 60 days after the cessation of such measures, the following shall be suspended:

- The production of effects of complaints of housing and non-housing leases agreements made by the landlord;
- The expiry of housing and non-housing leases agreements, unless the lessee does not object to cessation;
- The production of effects of the revocation of housing and non-housing lease agreements;
- The production of effects of opposition to the renewal of housing and non-housing leases agreements made by the landlord;
- The period indicated in Article 1053 of the Civil Code, if the expiry of that period occurs during the period in force of measures; And
- Eviction actions, special eviction procedures and processes for the delivery of leased property, when the lessee, by virtue of the determine sentencing, can be placed in a fragile situation due to lack of own housing or for another imperative social reason.

D. SUSPENSION OF EXECUTION OF MORTGAGES OVER RESIDENTIAL PROPERTIES

Law n.º 1-A/2020 also establishes the suspension of the execution of mortgage over a property that constitutes own and permanent housing of the executed during the term of the measures of prevention, containment and mitigation of the pandemic of COVID-19, and up to 60 days after the cessation of such measures.

E. REVENUE DECREASE DEMONSTRATION

Ordinance n.º 91/2020 of April 14th considers relevant for the purpose of demonstrating the income fall:

- In the case of income from dependent work, their gross monthly value – these incomes are proven by the corresponding receipts or by employer's statement;
- In the case of business or professional income of category B of CIRS, the amount before IVA – these incomes are proven by the corresponding receipts, or, in cases where it is not mandatory to issue, by invoices issued under legal terms;
- In the case of pension income, their gross monthly value;
- In the case of property income, the value of rents received;
- The value amount of social benefits received on a regular basis;
- The value amount of housing support received on a regular basis; and
- The value of other income received on a regular or periodic basis.

X. MEASURES OF THE LAWYERS' BAR ASSOCIATION AND CPAS

A. PORTUGUESE BAR ASSOCIATION

The General Council of the OA allowed that, by simple request, the payment of the quotas for the months of April to September 2020, be deferred for the year 2021, and may be performed in that year in twelve monthly installments without interest.

B. CONTRIBUTIONS TO THE PROVIDENCE FUND OF LAWYERS AND SOLICITORS

On April 15th, 2020, an extraordinary meeting of the General Council of the CPAS took place, and a regulation having been passed on this to respond to the consequences of the epidemic of the new Coronavirus – Covid-19.

The Regulation lays down exceptional and temporary measures on contributions applicable to beneficiaries who have demonstrably suffered a drop in income that prevents them from meeting their contributory obligations due to illness or abnormal reduction of activity.

In order to benefit of these measures, lawyers must meet the following requirements:

- Have the contributive situation with the CPAS regularized or, if they have debts, there is an undergoing payment plan;
- Are in a proven condition of Covid-19 disease;
- Are in prophylactic isolation decreed by entities exercising the power of health authority;
- Follow-up of prophylactic isolation of children or other dependents, motivated by situations of serious risk to public health decreed by entities exercising the power of health authority;
- Situations of total stop and total and complete impediment to the exercise of professional activity or abnormal reduction of activity related to the epidemiological situation of COVID-19, meaning an abrupt and marked drop of at least 40 % of the income from the professional activity in the month preceding the period of the application.

The Regulation allows for the following measures:

- The deadline for payment of contributions for the months of April, May and June 2020 may be deferred, without any penalty, until, respectively, October, November and December 2020;
- In alternative to deferral of contributions, interested Beneficiaries may temporarily reduce a contribution bracket without the minimum limits set out in Article 80 n.º2 of the CPAS Regulation, taking effect in May and June 2020.

This Regulation entered into force on 17th April 2020.

XI. MEASURES ON CREDITS AND FINANCIAL SYSTEM

A. CREDIT PROTECTION MEASURES

The beneficiaries of the measures provided for in Decree-Law No. 10-J/2020 must comply with several requirements, depending on whether the moratorium is requested by private individuals or companies.

Companies must:

- have registered office and carry out its economic activity in Portugal;
- be classified as micro, small or medium sized enterprises in accordance with European Commission Recommendation 2003/361/EC of 6 May 2003;
- on March, 18th, 2020, was not in arrears or in default of cash benefits for more than 90 days with the institutions, or, in case it was, it does not meet the materiality criterion provided for in Banco de Portugal Notice No. 2/2019, and are not in situation insolvency, or suspension of payments, or on that date already in execution by any of the institutions;
- have the situation regularized with the Tax Authorities and Social Security, bringing up to April 30, 2020, for this purpose, the debts incurred in March 2020.

Private individuals in respect of permanent own housing credit shall:

- on March 18th, 2020, was not in arrears or in default of cash benefits for more than 90 days with the institutions;
- have a regularized situation with the AT and Social Security, in the same terms as above;
- provide assistance to children or grandchildren, as established in Decree-Law No. 10-A/2020;
- have been placed in a reduction in the normal working time or suspended from the employment contract due to a business crisis, or situation unemployment registered at IEFP;
- are eligible for extraordinary support for the reduction of the economic activity of self-employed workers; or
- are employees of entities whose premises or activity has been the subject of a determined closure during the state of emergency period.

In the case of **individual entrepreneurs**, as well as **private charities, non-profit associations**, other social economy entities and **other companies**, they should not be in default and have the regularized situation with the AT and Social Security.

B. CREDIT MORATORIUM

The support measures envisaged are:

- **Prohibition of the revocation**, in whole or in part, of contracted and in-date credit lines granted, during the period in which this measure is in force;
- **Extension**, for a period equal to the term of validity of the measure, **of all credits with payment of capital at the end of the contract**, in force at the date of entry into force of the Decree-Law, including interest and guarantees;
- **Suspension of the payment of capital, rents and interest** with expected maturity until the end of the period in which the exceptional measures are in force, and the contractual plan is automatically extended for a period identical to that of the suspension.

The extension of the period of payment of capital, rents, interest, commissions and other charges does not give rise to contractual default, activation of early maturity clauses, suspension of the maturity of interest due during the extension period, nor to the ineffectiveness or termination of the guarantees granted by the entities receiving the measures or by third parties.

C. EXTENSION OF COLLATERALS

The extension of collaterals, in particular insurance, bank warranties and/or back guarantees reflected in the preceding paragraphs does not require any formality and are fully effective and opposed to third parties, and their registration, where necessary, should be promoted by the institutions, without the need for the submission of any other document and with exemption from of the succession in title.

D. BANK OF PORTUGAL

Bank of Portugal has been closely following the situation of Covid-19 and its impact on financial and credit institutions.

Thus, on 16th March 2020, the Bank of Portugal published Circular Letter No CC/2020/00000017, which contains measures to relax regulatory and supervisory requirements given for the relief the contingency situation arising from the Covid-19 pandemic.

The main measures adopted by the Circular letter are as follows:

- **Capital and liquidity** reserves for particularly adverse situations may be used, allowing the BdP and the ECB to operate on a temporary basis, at a lower level than the recommendation of own funds, and with liquidity levels lower than those legally permitted, stressing that this flexibility can only serve to support the economy, and this cannot result in increases in the distributions of dividends or variable remunerations of Directors;
- **2020 effort tests** have been suspended for less significant institutions;
- The suspension or postponement of all **inspection actions** in the areas of behavioral, prudential and money laundering prevention supervision, except in more critical situations or where remote work can be developed;
- The **postponement of several reporting deadlines** to Bank of Portugal, including financing and capital plans, internal control reports, AML prevention report, among others;
- In relation to the response deadlines to Banco de Portugal, the extension of the deadline that institutions have to respond to their customers, from the current 20 days to 30 days; extension of the deadlines for responding to requests for information from the BdP to credit institutions, from the current 3 working days to 10 working days;
- The opening of bank accounts by videoconference and the acceptance of expired documents in accordance with Decree-Law n. ° 10-A/2020;
- The need to maintain contingency and business continuity plans.

XII. OTHER MEASURES

A. PENDING RESIDENT PERMITS (GOLDEN VISA)

One of the most relevant measures was the disclosure of Order no. 3863-B/2020, of March 27, which determines measures relating to applications for residence permits which are pending on March 18th, 2020, with this measures only being applicable to the permanence in national territory, and not to the entry in Portugal.

This measure encompasses all types of residence permits, the stay in Portugal being considered regular in case the application was received on or before of March 18th, 2020.

Proof of the pending status of the application is provided by the following documents, which are also valid for access to the National Health Service, access to social benefits and signing contracts:

- Expression of interest or request document issued by the registration platforms in use at SEF, in case of granting of the permit;
- Document proving the scheduling at the SEF or a receipt proving the request made, in the case of requests for renewal of the permit.

All **scheduled appointments and services** have been suspended and all the appointments scheduled until March 27th will be rescheduled as of July 1st, 2020 in chronological order.

B. EXPIRED DOCUMENTS, TACIT ACCEPTANCE AND GENERAL MEETINGS OF COMPANIES

The citizen's card, certificates and certificates issued by the civil registration services, the driving license, the residence permits, whose validity expires on or after 28th February 2020, are accepted until 30th June 2020.

Documents that may be renewed whose validity period expires or has expired from 28th February 2020 are accepted for all legal purposes – this will be the case, for example, of permanent company certificates, certificates of admissibility of firm and building certificates relating to real estate.

Relatively authorizations and licensing required by individuals, the time limits for which the tacit approval by the administration is due to be suspended. The time limits, resulting in tacit

approval, in respect of authorizations and licensing, by companies in relation to environmental impact assessments shall also be suspended.

C. EVENTS AND TRANSPORT

The Decree n. ° 3301-D/2020 provides for some additional measures of an exceptional nature, in particular of a social nature.

The following measures were therefore determined:

- Interdiction of events, meetings or gathering of people, regardless of reason and nature, of more than 100 people;
- Prohibition of consumption of alcoholic beverages in outdoor spaces;
- Suspension of regular and occasional services of international passenger transport, with the exception of nationals or residence permit holders wishing to return to Portugal;
- Suspension of driving teaching and tests and face-to-face training activities for professional certification.

These measures shall take effect until 2nd May 2020 and may subsequently be extended.

D. ACCESS TO PUBLIC SERVICES

The decree n. ° 3301-C/2020 determines the rules for access to public services, explaining the following rules:

- The purely informative service is provided exclusively by telephone and online;
- Face-to-face service for non-informative purposes is only done by pre-scheduling, only for services that cannot be done online;
- Payments in face-to-face services must be made electronically;
- The scheduling of public services is done through the website eportugal.gov.pt.

E. REPOSITION OF CONTROL OF PERSONS AT BORDERS

On March 16th, 2020, the Resolution of the Council of Ministers n.º 10-B/2020 was published in Diário da República, which determines several measures for the temporary replacement of documentary control of persons at the border.

That control was restored between 23:00 on 16th March 2020 and 00:00 on 15th April 2020, and the reposition of the control was substantiated by the Schengen Borders Code, approved by Regulation No 2016/399 of the European Parliament. The control shall be

carried out by the SEF and the control shall be adequate and proportionate in order to minimize its impact on the free movement of persons.

The Resolution also determines the following exceptional measures:

- All flights from all airlines, originating in Spain or destination to Spain, bound or departing from Portuguese airports, eat except for state aircraft, Armed Forces, flights to transport cargo and mail, flights of a humanitarian or medical emergency nature and technical stopovers for non-commercial purposes;
- Road traffic at land borders is prohibited, regardless of the type of vehicle, with the exception of international freight transport, transport of cross-border workers and movement of medical vehicles;
- Rail traffic is suspended, except for the transport of goods;
- River transport between Portugal and Spain is suspended;
- It is forbidden to moor recreational craft and to disembark people;
- The granting of permits to come to the land of crew members is suspended unless crews are exchanged or disembark able for return to their country of origin.

The measures described above are without prejudice to the right of entry of national citizens and holders of residence permits, the movement of diplomatic personnel and armed forces, movement for the purpose of family reunion of spouses or family members up to the 1st degree of the straight line, access to health units and the right of exit of citizens residing in another country.

The Resolution also determines which 9 geographical points, through which the entry / exit of Portugal will be made, being the GNR in charge of carrying out the surveillance.

Lisbon, 23 April 2020

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Chambers & Partners – Band 1 Tax “RFF Ranked Lawyer”, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and Band 1 “Private Wealth Law” - HNW “RFF Ranked Lawyer”, 2018
International Tax Review – “Best European Newcomer” (shortlisted) 2013 / “Tax Controversy Leaders”, 2014, 2015, 2016, 2017, 2018, 2019 / “Indirect Tax Leaders”, 2015, 2016, 2017, 2018, 2019 / “Women in Tax Leaders Guide”, 2015, 2016, 2017, 2018, 2019 / “European Best Newcomer”, 2016 / “Tax Firm of the Year”, “European Tax Disputes of the Year” and “European Indirect Tax Firm of the Year”, (shortlisted) 2017
Best Lawyers – “RFF Tax Lawyer of the Year”, 2014 / “Recommended Lawyers”, 2015, 2016, 2017, 2018
Who’s Who Legal – “RFF Corporate Tax Adviser of the Year”, 2013, 2015, 2016 / “RFF Corporate Tax Controversy Thought Leader”, 2017 “Corporate Tax: Advisory and Controversy”, 2017, 2018, 2019
Legal Week – RFF was the only Portuguese in the “250 Private Client Global Elite Lawyers” 2018
STEP Private Clients Awards - RFF “Advocate of the Year 2019” (shortlisted)
IBFD Tax Correspondent Angola, Mozambique and East-Timor, 2013, 2014, 2015, 2016, 2017, 2018, 2019

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