CTSU
Sociedade de Advogados
A Deloitte Legal practice

Doing business in Portugal

A comparative guide

May 2022

A guide to doing business in Portugal

Deloitte Legal compiled this guide for Legal 500, providing an overview of the laws and regulations on doing business in a variety of jurisdictions. The following country chapter contains the relevant information on the systems of law, the legal forms through which people carry out business, capital requirements, how entities are operated and managed, expansion possibilities, corporate governance, employment law and more.

No.	Question
A. Legal system and landscape	
1	**Is the system of law in your jurisdiction based on civil law, common law or something else?**
	Similar to other European countries, the legal system in Portugal is a civil law system based on the Roman law tradition and written law. It is combined by codification of several laws as per follows: i. Constitutional laws, which include the Republic Constitution, the separate constitutional laws and the constitutional revision laws; ii. Rules and principles of general or common international law, rules contained in international conventions duly ratified or approved, rules issued by the competent bodies of international organizations of which Portugal is a member, the provisions of the treaties governing the European Union ("EU") and the rules issued by institutions in the exercise of their respective powers; iii. Ordinary laws, which include the laws issued by the National Parliament, the Government Decree-Laws and the Regional Legislative Decrees by the Legislative Parliament of the Autonomous Regions of Azores and Madeira; iv. Acts with equivalent force to laws, such as those approving international conventions, treaties or agreements, Constitutional Court decisions expressly representing that they are unconstitutional or illegal with generally binding force, collective labor agreements and other instruments for the collective regulation of labor; and v. Regulations, i.e., normative instruments of a lower grade than laws, which aim to detail and complement them in order to enable their application or execution. As member of European Union, Portugal has adopted several laws based on EU directives and law and international treaties.
B. Entity establishment	
2	**What are the different types of vehicle / legal forms through which people carry on business in your jurisdiction?**
	• Limited liability companies and branches are the most common vehicles through which people usually carry on business in Portugal. • Individuals or companies that intend to carry on a business activity in Portugal may acquire shares/quotas in a company already incorporated and that is operating, or may decide to incorporate a new company under one of the corporate structures legally foreseen. The most common and usual types of legal forms adopted to incorporate a company in Portugal are "sociedade anónima" ("S.A.") and "sociedade por quotas" ("Lda."), which are limited liability companies, with legal personality separate and autonomous from their shareholders/quota holders. The liability of the company towards its creditors is limited to the assets of the company. In the case of "sociedade por quotas", this is the rule unless otherwise is expressly foreseen in the articles of association. • "Sociedade por quotas" comprise a lighter corporate structure compared to "sociedade anónima", hence being more appropriate for short-term investments whilst "sociedade anónima" are usually recommended for enduring investments, namely represented by a large number of investors. In the case of "sociedade anónima", the share capital is represented by shares, having the liability of shareholders limited to their respective shares paid/acquired. • The share capital of these companies can be fully owned by a sole shareholder whenever specific requirements legally foreseen are met. In the case of "sociedade por quotas" whenever the quota representing the entire share capital is held by one sole quota holder, the reference to such nature – "sociedade unipessoa por quotas" – requires to be added to the corporate name of the company, by means of which any third party becomes aware that it is a private limited liability company having the entire share capital held by one sole quota holder. This type of company adopts a simpler corporate structure. With "sociedade anónima", the minimum number of shareholders legally foreseen for its incorporation is five, unless it is a legal person holding the entire shares representative of the company's share capital, being in such case incorporated with a sole shareholder. • There are other corporate structures foreseen under the Portuguese law for the incorporation of a new company such as *"sociedade em nome colectivo"* and *"sociedade em comandita"*, which are rarely used, and both of them imply unlimited liability for their shareholders. • Non-domestic companies may also carry on business activity in Portugal by setting up a branch. A branch shall be considered as an extension of the foreign entity, without having legal personality or autonomy; the parent company of a branch will be liable for its obligations and debts. • Another vehicle option as a joint venture with a business already operating in Portugal, but without implying the incorporation of a company, nor the acquisition of shares/quotas in a company already incorporated is the "*agrupamento complementar de empresas*" ("ACE"). Despite not having a separate legal personality from its members, the ACE is recommended usually to carry out specific projects. "Agrupamento de interesse económico" ("AEIE") is another joint venture option whenever the scope is to develop, improve or increase the economic activity of their members, or namely provide centralized services for a group of companies; the AEIE may involve entities from different EU countries.

	• As the above-mentioned scenarios are subject to registration before the Commercial Registry, its legal effectiveness before third parties depends on the conclusion of the commercial registration.
3	**Can non-domestic entities carry on business directly in your jurisdiction, i.e., without having to incorporate or register an entity?**
	• A non-domestic entity may intend to start promoting the business activity in the Portuguese market without setting up a legal structure by means of entering into commercial contracts such as agency, franchising or distribution contracts with a third party that already operates in Portugal. • Another vehicle option involving a joint venture with a business already operating in Portugal but without implying the incorporation of a company nor the acquisition of a shareholding is the "*agrupamento complementar de empresas*" ("ACE"). Despite not having a separate legal personality from its members, the ACE is recommended usually to carry out specific projects. "Agrupamento de interesse económico" ("AEIE") is another joint venture option whenever the scope is to develop, improve or increase the economic activity of their members, or namely provide centralized services for a group of companies; the AEIE may involve entities from at least two different EU countries. ACE and AEIE are also subject to commercial registration. • Pursuant to the applicable law, whenever non-domestic companies do not have their central management and control in Portugal and intend to carry on their business activity within the Portuguese territory for a period exceeding more than one year, they are required to set up a permanent representation/branch in Portugal and to comply with the legal provisions in force, namely and not limited, to commercial registration. A branch shall be considered as an extension of the foreign entity, without having legal personality or autonomy from the parent company that shall be liable for the branch's obligations and debts. • A non-domestic company may carry on business directly in Portugal through the acquisition of shares/quotas in the share capital of a Portuguese company, or by means of the incorporation of a new Portuguese company. • Without prejudice of any other applicable compliance rules, such as anti-money laundering and counter-terrorist financing regulations that are applicable to any company or individual, either domestic or non-domestic, carrying on business activity in Portugal, as a rule, there are no restrictions from corporate legal perspective on foreign shareholders. As principle, there is no discrimination of investment on the basis of nationality. Corporate rules are applicable for foreign and Portuguese shareholders. There is no legal provision demanding a mandatory minimum number of Portuguese residents to act as shareholders, but any shareholder requires to hold, in advance, a Portuguese registered taxpayer number. • Despite there being no restrictions for the acquisition of shares in Portuguese companies, nor for its threshold, the ultimate beneficial owner ("UBO") applicable rules demand additional obligations of disclosure of information in the Central Registry of Beneficial Owners ("*Registo Central do Beneficiário Efetivo*"). It is the case of shareholders holding, directly or indirectly, more than 25% of the share capital in a Portuguese company, qualified as beneficial owners of the company. • Depending on the nature of the business activity intended to be carried on, mandatory registration or authorizations may be additionally needed for specific business activities (licenses to operate or registrations/authorizations/notices under regulated activities).
4	**Are there are any capital requirements to consider when establishing different entity types?**
	• In the case of "*sociedade por quotas*", the share capital may be freely agreed by the quota holders under the articles of association, and it shall correspond to the total amount of the quotas of each quota holders. The minimum nominal amount of each quota is €1. Therefore, in the case of a private limited liability company with the share capital fully owned by a sole quota holder ("*sociedade unipessoal por quotas*") as per the legal provisions applicable, the share capital may have the minimum amount of €1. Unless otherwise expressly foreseen in the incorporation act regarding the deferred payment of initial contributions to be paid in cash, the total amount of the share capital must be fully paid up in cash on the signature date of the incorporation act. Nevertheless, the quota holders may expressly represent and undertake under the incorporation act that the entire payments in cash will be paid up until the end of the first financial year. • The minimum amount legally foreseen for the share capital of "*sociedade anónima*" is currently €50,000. The share capital is divided into shares (which should be nominative shares) and issued as certified on book entry shares. Regarding initial capital contributions paid in cash, the paying-in of 70% of the amount of shares may be deferred; the payment of the issue premium, when provision is made for one, cannot be deferred. Non-capital contributions must be fully paid up on the date of incorporation. • In any of the above situations, initial capital contributions represented by services are not permitted. All assets in-kind are subject to a prior report from an independent auditor.
5	**How are the different types of vehicle established in your jurisdiction? And which is the most common entity / branch for investors to utilize?**
	• The most common vehicles in our jurisdiction are limited liability companies – either "sociedade anónima" or "sociedade por quotas" – and branches.

	• The incorporation of a company and the setting up of a branch are subject to commercial registration. Transfer of quotas is also subject to commercial registration, whilst the transfer of shares is subject to registration in the company's shares registration book instead of registration before Commercial Registry. • The incorporation of a new company – either as "sociedade anónima" or "sociedade por quotas" – starts with the approval of its corporate name before the competent Portuguese authority ("Registo Nacional de Pessoas Coletivas"). All foreign shareholders and future non-resident directors require to obtain, in advance, a Portuguese registered taxpayer number. Furthermore, if any are resident in a non-EU/EEA country, they shall be required to appoint a tax representative who does hold a Portuguese taxpayer number. This rule is also applicable in the scenario of the acquisition of quotas/shares in the share capital of a company already incorporated, as non-resident investors require to obtain, in advance, a Portuguese registered taxpayer number. • The incorporation act shall be signed by quota holders/shareholders or by an attorney duly empowered for that purpose, holding a specific power of attorney that requires to fulfil with certain formalities too. The incorporation act is usually a private written document containing the company's articles of association (which rules the company), and is signed by the new company's quota holders/shareholders or their representatives (signatures required to be legalized/"authenticated"). It may be required to be executed as a public deed whenever the shareholders contributions involve the transfer of real estate assets to the company. There is also a simplified procedure to incorporate companies executed by competent authority, based upon pre-approved template documents. The incorporation of a company is subject to the conclusion of the registration before the Commercial Registry, followed by registration the Central Register of the Ultimate Beneficial Owner. Prior to the start of carrying on its business activity, it is required that the following has been concluded: the opening of a bank account, the enrollment with the Portuguese tax authority and Portuguese social security authority and, whenever applicable, the license/permits required for specific activities. Also, a licensed accountant is always required to be appointed. • A branch will have to carry on the same corporate activity of the parent company and adopt the same corporate name followed by the reference *"sucursal em Portugal"* (which means "branch in Portugal"). It is required to have a registered office address and a branch representative, without prejudice of having attorney-in-facts, empowered within the limits and extension of the respective power of attorney granted. For the setting up of the branch, it shall be required to conclude (i) the submission and registration at the Commercial Registry, (ii) the submission of the initial declaration at the Central Register of the Ultimate Beneficial Owner, (iii) the opening of a bank account, and (iv) the enrollment with the Portuguese tax authority and Portuguese social security authority. A licensed accountant is also required to be appointed.
6	**How is the entity operated and managed, i.e., directors, officers or others? And how do they make decisions?**
	• A "sociedade anónima" may have a board of directors or a sole director (whenever the company's share capital does not exceed €200,000), and may alternatively adopt a structure combining a board of directors with an audit committee and a statutory auditor or an executive board of directors, a general and supervisory board, and a statutory auditor. • The management of limited liability companies incorporated as "sociedade por quotas") may be executed by one or more appointed directors ("gerentes"). If no director is appointed – either in the incorporation act or later in a general meeting resolution – it shall be assumed that all quota holders intend to act as directors of the company, a supervisory body or a sole auditor (this depends on whether certain thresholds are met regarding the company's total balance sheet, total net turnover, and average number of employees). • The directors' resolutions are taken by the board of directors or by the management board, depending on whether it is a "sociedade anónima" or a "sociedade por quotas". However, certain decisions are mandatorily resolved by shareholders at a general meeting or by a written resolution. • In case of a branch, it is the branch's appointed representative who, under a power of attorney granted by the parent company, manages the daily activity.
7	**Are there general requirements or restrictions relating to the appointment of (a) authorized representatives / directors or (b) shareholders, such as a requirement for a certain number, or local residency or nationality?**
	• There are no specific restrictions on foreign managers. However, it should be noted that any director, representative, quota holder, shareholder or attorney of a Portuguese company is required to have, in advance, a Portuguese registered taxpayer number. • Whenever the director, representative, quota holder, shareholder or attorney to be appointed is a resident in a non-EU/EEA country, a tax representative holder of a Portuguese taxpayer number is required to be appointed. • In the case of "sociedade anónima" the minimum number of shareholders legally foreseen for its incorporation is five, unless it is a legal person holding the entire shares representative of the company's share capital, being in such case incorporated with a sole shareholder. There are no restrictions to the maximum or minimum number of directors to be appointed, which will be the number foreseen in the company´s articles of association. A sole director may be appointed, provided that the share capital of the company does not exceed €200,000. A company may execute the role of director and be appointed as such capacity, provided that it appoints an individual to act on their own behalf (rather than in the name of the originally appointed company).

	• The appointment of directors and branch representatives are subject to registration before the Commercial Registry, and for that purpose it is legally required to submit a signed declaration from the appointed directors or branch representative expressly confirming their acceptance to such appointment and to act in such capacity and that they are not aware of any circumstance that could prevent them from acting in such capacity nor from performing the duties as a company directors or branch representative, as it may be the case. • There are no restrictions to the appointment of authorized representatives, unless the articles of association foresee otherwise.
8	**Apart from the creation of an entity or establishment, what other possibilities are there for expanding business operations in your jurisdiction? Can one work with trade /commercial agents, resellers and are there any specific rules to be observed?**
	• From a corporate law perspective, there are no restrictions in expanding business operations in Portugal. Unless specifically foreseen in the articles of association, an entity or establishment is free to work with trade/commercial agents and resellers. However, it should be within the business activity carry on by the company and which is expressly foreseen in the articles of association. • Other alternatives for expanding business include entering into commercial contracts such as franchising agreements, agency agreements or distribution agreements, or to promote a joint venture under the ACE model.

C. Entity operation

C1. Governance

9	**Are there any corporate governance codes or equivalent for privately owned companies or groups of companies? If so, please provide a summary of the main provisions and how they apply.**
	The Corporate Governance Code revised in 2020 and published by the Portuguese Institute of Corporate Governance, is used as guidance and best practice by listed companies and privately owned companies, on several matters such as, transactions with related parties, conflicts of interest, non-executive management, monitoring and supervision, executive management, evaluation on performance, remuneration and appointment, risk management, financial statements and accounting.

C2. Capital

10	**What are the options available when looking to provide the entity with working capital? i.e., capital injection, loans etc.**
	The options available for company financing are, among others: i. Third parties/banking loans of different natures; ii. Share capital increase subject to legal requirements; iii. Capital contributions; iv. Shareholders loans; and v. Bond and equity issues.

C3. Return of proceeds

11	**What are the processes for returning proceeds from entities? i.e., dividends, returns of capital, loans etc.**
	Unless the articles of association or a general meeting resolution determines otherwise, half of the distributable profits of the financial year must be distributed to the shareholders/quota holders. Dividends cannot be distributed if necessary to cover losses or to comply with company reserves, mandatory by law and/or additional foreseen in the company articles of association. Any advance on the dividends must be foreseen in the articles of association, resolved by the management, and can only be paid in the second half of the financial year and the amounts to be allocated as advances shall not exceed half of those that would be distributable. Shareholders loans reimbursement depends on the contractual term (if any), otherwise may be reimbursed at any time. The shareholders loans are subordinated loans in case of company bankruptcy. Capital contributions ("*prestações suplementares*") reimbursement must be approved by a general meeting and may only occur if the financial situation of the company allows it (company net worth cannot be less than the sum of the share capital and the legal reserve). The share/quota must be fully paid. The capital contributions cannot be reimbursed after the company´s bankruptcy has been declared.

For all repayments and reimbursements to shareholders/quota holders the capital maintenance rule must complied with, company assets cannot be distributed to shareholders/quota holders if the equity of the company, including the net profit is less than the sum of the share capital and reserves.

C4. Shareholder rights

12 **Are specific voting requirements / percentages required for specific decisions?**

The law requires specific voting percentages/and requirements for the decision, among others, regarding amendments to the articles of association, including capital increase and decrease, merger, split-offs, company transformation, dissolution and liquidation.

Depending on the company type the majorities will be of two-thirds (company by shares) of the votes, or three-quarters (company by quotas) of the votes.

The majorities also depends on if the resolution is taken in a first or second call of the general meeting and specific percentages of shareholders must be present or represented.

13 **Are shareholders authorized to issue binding instructions to the management? Are these rules the same for all entities? What are the consequences and limitations?**

The management must comply with and execute shareholders/quota holders' resolutions.

Nonetheless, in a company by shares, the shareholders and management have specific competences and thus shareholders cannot take decisions in management matters, that would be considered null and void.

In a company by quotas, the quota holders may in some cases take resolutions in management matters.

C5. Employment

14 **What are the core employment law protection rules in your country (e.g., discrimination, minimum wage, dismissal etc.)?**

Right/Protection	Details
National minimum wage	All employees are guaranteed a minimum monthly wage, annually defined through specific legislation. For 2022, the national minimum wage is €705 gross per month. Higher minimum wages may be established by collective bargaining agreements.
Holiday	Every calendar year, employees are entitled to a period of 22 business days of paid holiday referred to the work rendered in the previous calendar year. In the admission year, the employee is entitled to two business days of holiday per each month of the labor contract's duration, with a limit of 20 days, which can be taken only after six months of work. Additional holiday may be established by collective bargaining agreements.
Working hours	The Portuguese Labor Code establishes a maximum of eight daily working hours and 40 weekly working hours. Labor law foreseen flexibility in daily or weekly working hours, through collective bargaining or by individual agreement between employer and employee. The limit of 12 hours per day or 60 hours per week may never be exceeded and employees are entitled to the corresponding additional rest periods.
Rest periods	Employees are guaranteed a minimum of 11 continuous hours of rest between two consecutive working days. However, there are activities (e.g., airports) where continuous service must be ensured. Such activities are subject to specific rules. Generally, the working day must be interrupted by a period of between one and two hours to avoid employees working for more than five consecutive hours. However, the collective bargaining agreement may allow employees to work for up to six consecutive hours or may lengthen, shorten or eliminate the rest break.
Pension rights	Social security is the sole responsible for the payment of mandatory pensions. Employers are allowed to implement complementary private pension plans.

Discrimination	Portuguese Labor Code establishes the principle of equal treatment regarding access to employment, professional training and working conditions. It is prohibited discrimination based on: • Lineage; • Age; • Gender; • Sexual orientation; • Gender identity; • Marital/civil status; • Pregnancy/maternity; • Family situation; • Education; • Social condition; • Genetic heritage; • Reduced working capacity; • Disability; • Chronic illness; • Nationality; • Ethnic origin or race; • Language; • Religion; • Political or ideological beliefs; and • Trade union membership. In order to reinforce the prevention on the practice of harassment at the workplace, companies with seven or more employees must adopt a code of conduct to prevent and avoid harassment at the workplace. Harassment is defined by Portuguese Labor law as an undesired behavior, based on discrimination factors, practiced during the provision of work or at work or professional training, with the purpose or causing the effect of disturbing or embarrassing the person, affecting their dignity or creating an intimidating, hostile, humiliating or destabilizing environment.
Maternity leave/pay	The working mother is entitled, by the birth of a child, to an initial parental leave of 120 or 150 consecutive days, which they may share and take after the childbirth. The working mother can enjoy up to 30 days of the initial parental leave before giving birth. The conditions applicable to adoption cases are very similar. Social security is the sole responsible for the payment of maternity leave. **Please refer to "Shared parental leave" below**
Paternity leave	The working father must enjoy a paternity leave of 20 working days, in a row or interpolated, in the six weeks following the birth of the child. Five of those days must be enjoyed in a row immediately after the birth. After the enjoyment of the leave referred to in the preceding paragraph, the working father has the right to an additional leave of five working days, in a row or interpolated, if enjoyed simultaneously with the enjoyment of the initial parental leave by the mother. Social security is the sole responsible for the payment of paternity leave.
Shared parental leave	**Please refer to "Maternity leave/pay" above** The first six weeks after the childbirth correspond to a period of compulsory leave enjoyed by the mother. After that period and up to the end of the 120 or 150 consecutive days of the initial parental leave, the leave might be shared by both parents. Social security is the sole responsible for the payment of shared parental leave.
Statutory sick pay	Sick leave may last up to three years. After three days of sick leave, the employee will be enrolled in the social security system for protection against illness. Social security is the sole responsible for the payment of sick leave.
Statutory notice periods	Prior notice applies in the following cases: • In case of non-renewal of fixed-term or when terminating an uncertain term employment contract; • When an employment contract terminates during the trial period; or • In case of a collective dismissal or dismissal due to extinction of workplace, the employer must observe notice periods which vary in accordance with each employee's seniority. The mandatory duration of prior notice periods depends on the duration of the employment relation/seniority of the employee.

	Unfair dismissal	Portuguese Labor Code states that any dismissal must be grounded on objective or subjective reasons, whether they are related to the employee or to the employer. If a dismissal is considered unfair by the court, the employee will be entitled to receive all the wages regarding the period between the dismissal and the Court's decision plus a compensation for seniority. Alternatively, to the compensation for seniority, the employee may opt to be reinstated.
	Statutory redundancy payment	The redundancy payment depends on the motive of the employment contract's termination: • In the event of expiration of a fixed-term contract due to an employer's decision, the employee is entitled to compensation of 18 days of salary per each year of work. • In the event of expiration of an uncertain-term contract due to an employers' decision, the employee is entitled to compensation, according to the following rules: - 18 days of salary per each year of work, for the first three years of the employment contract's duration; - 12 days' salary per each year of work, for the remaining years. • In the event of collective dismissal or dismissal due to extinction of the workplace, the employees are entitled to compensation. Such compensation should be calculated as follows: - One month's salary per each year of work rendered until 31 October 2012; - 20 days' salary per each year of work rendered between 1 November 2012 and 30 September 2013; and - 12 days of salary per each year of work rendered after 1 October 2013. • The compensation has the following maximum limits: - The salary to consider for the calculation may not exceed 20 times the national minimum wage; or - The global amount of compensation may not exceed 240 times the national minimum wage.
	Statement of particulars	In Portugal, hiring through the conclusion of permanent employment contracts is (at least in theory) the general rule. Fixed-term and uncertain-term employment contracts are only acceptable in exceptional circumstances, as specifically provided by law, e.g., temporary working needs, unemployment decrease policies or starting of a business or establishment with less than 250 employees. Permanent employment contracts do not have to meet formal requirements, while fixed-term and uncertain-term employment contracts (amongst others) must be made in writing. According to Article 106 of the Portuguese Labor Code, although permanent employment contracts do not have to meet formal requirements, the following information has to be provided in writing to every employee: • Employer's identification; • Employee's workplace; • Employee's occupational category; • Date of conclusion of the (oral or formal) employment contract and date of start of employment; • Vacations; • Notice periods for termination; • Employee's remuneration; • Working hours; • Applicable collective bargaining agreements, if any; • Number of the work accidents insurance policy and identification of the insurance company; and • Identification/mentioning of the Work Compensation Fund and of the Work Compensation Warranty Fund.
15	**On what basis can an employee be dismissed in your country, what process must be followed and what are the associated costs? Does this differ for collective dismissals and if so, how?**	
	Dismissal with just cause The employer can unilaterally terminate employment with just cause, i.e., when the employee willfully commits such a serious offense that the maintenance of the labor relationship is no longer possible. Portuguese legislation elaborates on what may constitute just cause, such as illegitimate disobedience to superior's order, violation of the employees' rights and guarantees, physical or verbal violence within the company, amongst others. Upon obtaining knowledge of the employee's offense, the employer must initiate the disciplinary procedure within 60 days. If necessary to reunite evidence and grounds for the accusation, the employer can, alternatively, initiate a previous inquiry. In this case, the previous inquiry must be implemented within 30 days after the employer obtains knowledge of the employee's offense. When proceeding firsthand with a previous inquiry, the employer has to notify the employee of the accusation within 30 days after the conclusion of the said previous inquiry.	

The employer can also determine, within the course of the disciplinary procedure, that the employee is suspended from providing their work, being certain that their remuneration must still be paid during the duration of the suspension.

If the employer intends to suspend the employee prior to the notification of the accusation, the employer is obliged to communicate the accusation to the employee within a maximum of 30 days counting from the said suspension.

When the employer notifies the employee of the accusation within the disciplinary procedure, it should send copies of the accusation to the employee's representative structures, if existent within the company.

After being notified of the accusation, the employee has 10 working days to consult the disciplinary procedure's file and to answer to the accusation, defending themself and requesting the production of evidence diligences. The employee can request the hearing of a maximum of 10 witnesses.

The employer must conduct the diligences requested by the employee, unless the employer finds them to be impertinent and manifestly delaying. In this case, the employer must fundament thoroughly the non-execution of the employee's requested diligences.

Once the evidence diligences are concluded, the employer must present the disciplinary procedure's file to the employees' representative structure, if existent, and this structure can present, within five working days, their opinion.

After concluding the evidence diligences and receiving the opinion, the employer has 30 days to issue the final decision, which must be made in writing and have thorough justification.

Upon receiving the final decision, the employment contract is immediately terminated, and the employee has 60 days to resort to judicial courts.

If a dismissal is considered unfair by the court, the employee will be entitled to receive all the wages regarding the period between the dismissal and the court's decision plus a compensation for seniority. Alternatively, to the compensation for seniority, the employee may opt to be reinstated.

Collective dismissal

A collective dismissal corresponds to the termination of several employment contracts by an employer simultaneously or within a period of three months (at least two employees, if the company has less than 50 employees/at least five employees, it the company has 50 or more employees), for market, structural or technological reasons.

Collective dismissals may only occur after following a procedure prescribed by law (specific legal formalities and timings shall be observed).

- The procedure for collective dismissal begins with a written communication addressed to the work council or, if there is no such council, to the company union or inter-union representative structure in the company. If none of these structures exist, the affected employees will be informed, in writing, of the intention to perform a collective dismissal and employees will be invited to nominate a representative committee (or up to five employees) that will act as representative structure for that purpose.
- At the same time, a copy of the communication and the annexed documents shall be sent to the competent department of the Portuguese Ministry of Employment.
- Within a five-day period following the initial communication, a phase of information and negotiation between the company and the employees' representatives must be initiated in order to try to reach an agreement on the dimension and effects of the measures taken. After a minimum of 15 days after the initial communication, the employer may send a written communication to each one of the dismissed employees, containing the dismissal decision, expressly indicating the motives and date of the dismissal, the amounts of the compensation and the labor credits, as well as the manner, moment and place of their payments.
- The employer must observe minimum notice periods which vary in accordance with each employee's seniority.

In the event of a collective dismissal, the employees are entitled to compensation. Such compensation should be calculated as follows:

- One month's salary per each year of work rendered until 31 October 2012;
- 20 days' salary per each year of work rendered between 1 November 2012 and 30 September 2013; and
- 12 days of salary per each year of work rendered after 1 October 2013.

The compensation has the following maximum limits:

- The salary to consider for the calculation may not exceed 20 times the national minimum wage; or
- The global amount of compensation may not exceed 240 times the national minimum wage.

16	**Does your jurisdiction have a system of employee representation / participation (e.g., works councils, co-determined supervisory boards, trade unions etc.)? Are there entities which are exempt from the corresponding regulations?**

	In theory, there are two channels of workplace representation of employees for most issues: workplace union representatives and works councils. The election of workplace union representatives and works councils is not mandatory and depends on the employees' initiative. When existing, workplace union representatives and works councils are subject to mandatory regulations.

C6. Anti-corruption / bribery / money laundering / supply chain

17	**Is there a system governing anti-bribery or anti-corruption or similar? Does this system extend to nondomestic constellations, i.e., have extraterritorial reach?**
	Bribery and corruption in the private and public sector are criminal offences as set forward in Article 372, 373 and 374 of the Portuguese Criminal Code ("PCC"). Furthermore, Law No. 20/2008 of 21 April, as amended, envisaged the criminalization of specific facts in respect to international trade and the private sector namely by introducing the crime of active corruption with prejudice to international trade, passive corruption in the private sector and active corruption in the private sector (Articles 7 to 9 of the aforementioned law). This regime provides for the criminal responsibility when: (i) the facts carried out by Portuguese citizens or by foreigners who are found in Portugal, irrespective of the place where they were committed, and (ii) irrespective of the place where the acts were committed, when the person giving, promising, requesting or accepting the advantage or promise is a national civil servant or holder of national political office or, being of Portuguese nationality, is an employee of an international organization. Portuguese law makers have also introduced legislation envisaging more methods for public authorities to investigate and prevent bribery, corruption, and related crimes more notably through Law No. 36/94 of 29 September, as amended, on measures to fight corruption and economic and financial crime. More recently, Decree Law No.109-E/2021 of 9 December was published, which approved the legal framework for the prevention of corruption. This regime provided for the creation of a new public entity responsible for the enforcement of the regime and a range of obligations which include drafting and implementing of (i) prevention of corruption risks plan, (ii) code of conduct and (iii) whistleblowing channel in accordance with Law No. 93/2021 of 20 December, which transposed to the Portuguese jurisdiction Directive 2019/1937/EU on the protection of persons who report breaches of EU law. This regime is applicable to, among other entities, companies registered in Portugal with 50 or more employees and branches in Portugal of foreign companies with 50 or more employees, and therefore its extension to nondomestic constellations is limited. In what concerns the potential extraterritorial reach of the criminal liability, as a general rule, Portuguese criminal law is applicable to facts (i) practiced in Portuguese territory, regardless of the agent's nationality, and (ii) on board of Portuguese ships and aircrafts. Notwithstanding, Article 5 of the PCC foresees specific situations under which this general rule may be waived.
18	**What, if any, are the laws relating to economic crime? If such laws exist, is there an obligation to report economic crimes to the relevant authorities?**
	Economic crimes are punishable under Portuguese law pursuant the PCC, Law No. 36/94 of 29 September, as amended, on measures to fight corruption and economic and financial crime, Law No. 28/84 of 20 January, as amended, on uneconomical offences and offences against the public health, and Law No. 20/2008 of 21 April, as amended, which sets forward the regime of criminal liability for corruption offences committed in international trade and private activity. Pursuant the anti-money laundering and terrorist financing ("AML/CFT") rules, (i.e., see point below) obliged entities, and in certain circumstances its legal representative or employees, must report to the Portuguese authorities, under penalty of administrative offences, whenever they suspect that certain funds or other property, irrespective of the amount or value involved, originate from criminal activities, or are related to terrorist financing. In this respect, to note Law No. 93/2021 of 20 December, which establishes protective measures for persons who report breaches to the authorities (or "whistleblowers").
19	**How is money laundering and terrorist financing regulated in your jurisdiction?**
	Money laundering and terrorism financing prevention ("AML/CFT") is regulated by Law No. 83/2017 of 18 August, as amended, which sets out the legal framework on the measures to combat money laundering and terrorism financing and which transposed to the Portuguese jurisdiction Directive 2015/849/EU and Directive 2016/2258/EU of the Parliament and Council.

	Moreover, Portuguese supervisory authorities of regulated sectors have implemented sets of rules in this matter having in mind the specific areas of activity and underlying AML/CFT risks, such as: Bank of Portugal Regulation No. 2/2018 for the banking sector, CMVM Regulation No. 2/2020 for investment firms, IMPIC Regulation No. 603/2021 for the real estate sector and ASAE Regulation No. 314/2018 for a wide range of economic operators. In broad terms, this legal framework envisages the preventive duties which the obliged entities must comply with, namely: (i) duty of control, (ii) due diligence duty, (iii) duty of communication and reporting to the authorities, (iv) duty to refrain from performing suspicious operations, (v) duty to refuse, (vi) duty to cooperate with the authorities, (vii) duty of audit trail maintenance, (viii) duty of exam, and (ix) duty of training. Furthermore, this regime establishes the administrative offences associated with the non-compliance of this framework. Also, to note Law No. 92/2017 of 22 August which puts forward the legal limitations on cash transactions. For this purpose, it is forbidden to pay or receive cash transactions of any nature involving amounts equal or higher than €3,000 or its equivalent in foreign currency. Notwithstanding, non-resident individuals in the Portuguese territory cannot pay and/or receive €10,000 or equivalent foreign currency in cash. Payments of invoices can only be made in cash up to €1,000 or its equivalent in foreign currency. Finally, payment in cash of taxes exceeding €500 is prohibited. The transactions which surpass this threshold must be carried out through a payment method which allows for the identification of the respective recipient, namely bank transfer, order cheque or direct debits.
20	**Are there rules regulating compliance in the supply chain (for example comparable to the UK Modern Slavery Act, the Dutch wet kinderarbeid, the French loi de vigilance)?**
	No. Notwithstanding, as a EU member state, Portugal, its institutions, and authorities follow closely the guidance issued by EU authorities, of relevance the EU guidance “On due diligence for EU businesses to address the risk of forced labor in their operations and supply chains”.

C7. Compliance

21	**Please describe the requirements to prepare, audit, approve and disclose annual accounts / annual financial statements in your jurisdiction.**
	Prior to the approval by the general meeting of the annual accounts: - The financial accounts shall be draft by the licensed accountant and approved by the management; - A management report shall be drafted and approved by the management; and - A report and a legal certification of accounts shall be drafted by the statutory auditor and approved by the management (unless the company is a company by quotas and does not exceed specific financial requirements). All the documents abovementioned shall be provided to the shareholders 15 days before the annual general meeting, and be approved by them, within three months of the closing date of each financial year, or within five months of that date in the case of companies that must present consolidated accounts or apply the equity method. After the annual accounts approval, the financial statements must be filed before the tax authorities by the licensed accountant or legal representative, by the 15th day of the seventh month following the end date of the financial year.
22	**Please detail any corporate / company secretarial annual compliance requirements?**
	All general meeting/management resolutions minutes, including those related to the approval of the annual financial statements, and their annexes, shall be signed/initialized and filed in the company's minute book.
23	**Is there a requirement for annual meetings of shareholders, or other stakeholders, to be held? If so, what matters need to be considered and approved at the annual shareholder meeting?**
	Yes. The annual general meeting of shareholders/quota holders must be held within three months of the closing date of the financial year or within five months of the same date in the case of companies that must present consolidated accounts or apply the equity method. The shareholders must resolve on: - The management report (if applicable) and the accounts of the last financial year; - The proposal for the allocation of results; and - The general appraisal of the company's management and supervision body; Also, and if applicable, the shareholders/quota holders must resolve on: - The appointment of the governing bodies; and - The acknowledge of the situation of loss of half of the company's share capital and on the measures to be adopted.

24	**Are there any reporting / notification / disclosure requirements on beneficial ownership / ultimate beneficial owners ("UBO") of entities? If yes, please briefly describe these requirements.**
	Yes. Entities subject to the UBO regime, namely commercial companies, are required to identify the natural person(s) who, directly or indirectly, hold more than 25% of the entity or have effective control over it. In certain cases, the Central Register Beneficial Owner (CRBO) platform also requires the identification of the directors. Changes and/or updates to the information contained in the CRBO must be registered in CRBO platform within 30 days from the date of the fact that determines the change. As a general rule, it is necessary to confirm annually the accuracy, sufficiency and update of the information on the UBO, through an annual declaration, until 31 December. However, this obligation will be waived in cases where an update of the information has occurred during the respective financial year and no fact has occurred in the meantime that determines a new amendment to the information. Companies usually confirm annually UBO information within the procedures of submission deposit and disclosure of their annual financial statements.

C8. Tax

25	**What main taxes are businesses subject to in your jurisdiction, and on what are they levied (usually profits), and at what rate?**
	Corporations and other entities with their head office or place of effective management in Portugal qualify as tax residents and are subject to corporate income tax on their worldwide income. Non-resident corporations and entities are subject to Portuguese corporate income tax for the profits attributable to a Portuguese permanent establishment or, in spite of that, for any income deemed to come from a Portuguese source. The current corporate income tax rate is of 21%, but for companies established in the Autonomous Regions of Madeira and Azores, the current rates are of 14.7% and 16.1% respectively. Also, for resident entities are subject to municipal and state surcharges. Municipal surcharges are defined by each municipality every year and can be levied up to a maximum of 1.5%. Levies of state surcharges vary under the following conditions: • 3% for a taxable income raging between €1.5 million to €7.5 million; • 5% for a taxable income raging between €7.5 million to €35 million; and • 9% for taxable income over €35 million.
26	**Are there any particular incentive regimes that make your jurisdiction attractive to businesses from a tax perspective (e.g. tax holidays, incentive regimes, employee schemes, or other?)**
	Dividends: Dividends paid by Portuguese entities to foreign entities can be exempt from withholding tax applies if all the following requirements are met: • The foreign shareholder is resident in another EU member state or EEA member state compliant with tax co-operation matters equivalent to those applicable in the EU, or in a state with which Portugal has signed a double taxation treaty in which tax co-operation matters are established. • The foreign shareholder is subject to, and not exempt from, a tax referred in the Parent-Subsidiary Directive or a similar tax levied at a rate that is at of 60% of the Portuguese corporate income tax rate. • The foreign corporate shareholder holds, direct or indirectly, a minimum of 10% of the share capital or voting rights of the entity that pays the dividends. This shareholding must be held uninterruptedly for one year before the distribution of dividends. Dividends received from foreign entities may be exempt from corporate income tax if all the following requirements are met: • The beneficiary holds (directly or indirectly) a minimum of 10% of the share capital or voting rights of the distributing company. • That stake was held uninterruptedly for one year before the distribution of dividends or, if held for less time, it is maintained for the required time to complete that period. • The distributing company is subject to, and not exempt from, a tax referred in the Parent-Subsidiary Directive or a similar tax levied at a rate that is at of 60% of the Portuguese corporate income tax rate.

	Interests and IP royalties: Interests and IP royalties paid by a Portuguese entity to a foreign shareholder may benefit from the exemption of corporate income tax apply if all the following requirements are met: • The Portuguese entity and the beneficiary are subject to, and not exempt from, an income tax mentioned in the Interest and Royalties Directive. • Both entities are incorporated under a corporate structure as defined in the Interest and Royalties Directive. • The beneficiary is a resident in an EU member state and is not considered a non-EU resident for tax purposes under a double taxation treaty. • The recipient is the beneficial owner of the interest. • A direct 25% shareholding must be held by one of the companies in the share capital of the other, or a third company must directly hold at least 25% of the capital of both companies and, in any case, the shareholding must be held uninterruptedly for at least two years. In the case of interests, if the parties have a special relationship under transfer pricing rules, the exemption does not apply to any excess interest that, in the absence of such relationship, would not have been agreed between the payer and the beneficial owner. Withholding tax may also be eliminated or reduced under an applicable double taxation treaty.
27	**Are there any impediments / tax charges that typically apply to the inflow or outflow of capital to and from your jurisdiction (e.g., withholding taxes, exchange controls, capital controls, etc.)?**
	Dividends paid by a Portuguese resident entity to foreign shareholders are subject to withholding tax at a rate of 25%. Also, dividends received by entities incorporated in Portugal are also subject to corporate income tax under the general tax rules. In the same way, interests paid by Portuguese resident companies to foreign corporate shareholders is subject to withholding tax at 25%. Under the Portuguese controlled foreign company (CFC) rules, income or profits obtained by non-resident companies subject to a clearly more favorable tax regime are allocated to Portuguese taxpayers who hold, directly or indirectly, even through a trustee, fiduciary or interposed person, at least 25% of the shares, voting rights or rights over the income or assets of those companies. The CFC rules provide that a company is considered to be subject to a clearly more favorable tax regime when any of the following applies: • It is resident in a jurisdiction listed in Portuguese regulations. • It is exempt from, or not subject to, a tax equivalent to the Portuguese corporate income tax. • The tax rate is less than 50% of the corporate income tax that would be due under Portuguese law.
28	**Are there any significant transfer taxes, stamp duties, etc. to be taken into consideration?**
	Stamp duty is levied on deeds, contracts, documents, titles, books, papers and financial operations. It is usually payable by the entity that has an economic interest in the operation. Exemptions may be applicable concerning certain financial operations, between companies structured under the same group, or in certain shareholder loans.

C9. M&A

29	**Are there any public takeover rules?**
	Yes. The framework governing public takeovers in Portugal comprises, among others ancillary regimes: • Portuguese Securities Code; Securities Market Commission Regulation No. 3/2006, which sets out the general rules, including the procedures and formalities required; and • Decree-law No. 52/2006, of 15 March, which regulates the prospectus to be published when securities are offered to the public or admitted to trading.

30	**Is there a merger control regime and is it mandatory / how does it broadly work?**
	Merger control is regulated by Law No. 19/2012 of 8 May (as amended). Concentration operations which meet one of the following criteria are subject to the obligation of prior notification to the Competition Authority: • As a result of its implementation, it acquires, creates or strengthens a share of 50% or more of the national market for a certain good or service, or for a substantial part thereof. • As a result of its implementation, it acquires, creates or strengthens a share equal to or greater than 30% and less than 50% in the domestic market of a certain good or service, or a substantial part thereof, provided that the turnover achieved individually in Portugal in the last financial year, by at least two of the undertakings involved in the concentration, is greater than €5 million, net of taxes directly related thereto. • All the undertakings involved in the concentration have generated in Portugal, in the preceding financial year, an aggregate combined turnover exceeding €100 million, net of taxes directly related thereto, provided that the turnover achieved individually in Portugal, by at least two of those undertakings, exceeds €5 million. Prior notification of mergers shall be submitted to the Competition Authority: (i) Jointly by the parties intervening in a merger over the whole or part of one or more or several companies; and (ii) Individually, by the party acquiring sole control of all or part of one or more companies. After being notified, the Competition Authority assesses potential obstacles to competition that may arise from the merger, and it may be necessary to conduct an in-depth investigation. If obstacles to competition are detected, the Competition Authority may require that commitments are made by those involved to eliminate the risks identified.
31	**Is there an obligation to negotiate in good faith?**
	Article 227 of the Portuguese Civil Code provides that "whoever negotiates with another party for the conclusion of a contract must, both in the preliminaries and in its formation, proceed according to the rules of good faith, under penalty of being liable for the damages wrongfully caused to the other party". This provision is transversal to all areas of law, applying to M&A operations, where the parties must be bound by good faith throughout the transaction, including in the preliminary phase and the negotiation and agreement conclusion.
32	**What protections do employees benefit from when their employer is being acquired, for example, are there employee and / or employee representatives' information and consultation or co-determination obligations, and what process must be followed? Do these obligations differ depending on whether an asset or share deal is undertaken?**
	I. TUPE According to the Portuguese Labor Code, the transfer of undertaking (TUPE) legislation applies in case of transmission, by any title, of the ownership of a company/ownership of business premises or a part of a company/part of business premises that constitutes an economic unit. As the TUPE institute intends to grant the employee's position in case of transfer of employer, it is pacific that TUPE legislation is not applicable to "pure share deals" (in which there is no change of employer but only change of employer's shareholding's structure). **II. Mandatory TUPE procedures** • **Transferor's side** Within a reasonable advance and at least 10 working days before the consultation procedure, the transferor must inform (i) the employees' representatives (employee committees, union associations, inter-union committees, union committees or union deputies) or, in their absence, (ii) the employees affected by the transfer, in writing, on the following: - Date and reasons of transfer; - Legal, economic and social implications of the transfer for the employees; - Projected measures for the employees; and - Content of the contract between transferor and transferee. In the absence of any sort of employee representatives, the employees affected by the transfer may elect, among themselves and within five working days from the reception of the above-mentioned information, a representative committee with: - Up to three members, if the transfer affects up to five employees; or - Up to five members, if the transfer affects over five employees.

Afterwards, the transferor must begin a consultation procedure with the employees' representatives or with the elected representative committee, in order to obtain an agreement regarding the measures to be applied to the affected employees after the transfer.
In the absence of a representative committee elected by the employees, the transferor must inform the employees affected by the transfer of the agreement reached with their representatives or that no agreement has been reached within the consultation.
If the transferor has 50 employees or more it must inform the Portuguese Labor Authority (ACT) regarding:

- The content of the contract between transferor and transferee; and
- If the transfer constitutes a transfer of an economic unit, all the elements that forms such unit.

- **Transferee's side**
  Within a reasonable advance and at least 10 working days before the consultation procedure, the transferee must inform (i) the employees' representatives (employee committees, union associations, inter-union committees, union committees or union deputies) or, in their absence, (ii) the employees, in writing, on the following:
  - Date and reasons of transfer;
  - Legal, economic and social implications of the transfer for the employees;
  - Projected measures for the employees; and
  - Content of the contract between transferor and transferee.

- **Governmental intervention**
  The services of the Portuguese Employment Ministry may participate in the consultation procedure at request of any of the parties involved in the TUPE.

- **Conclusion of the TUPE**
  The TUPE may only be concluded not earlier than seven working days after:
  - The termination of the period for the employees to appoint the representative committee, if no committee is appointed; or
  - The consultation procedure is finished with or without an agreement.

- **Employees' right of opposition and right of termination**
  Any employee affected by the transfer is entitled (i) to oppose to the transfer of the respective employment contract or (ii) to terminate the employment contract with just cause whenever the transfer may cause them serious loss, namely by the transferee's evident insolvency or difficult financial situation, or if the employee does not trust the transferee's policies regarding work organization.
  For the purposes of exercising the right of opposition, the employee must inform the employer, in writing, of its intention within five working days after:
  - The termination of the period for the employees to appoint the representative committee, if no committee is appointed; or
  - The consultation procedure is finished with or without an agreement.

  The employee's opposition to the transfer keeps the transferor as the respective employer.
  In case of termination of the employment contract with just cause, the employee will be entitled to severance compensation corresponding to 12 days of base salary and seniority allowances multiplied by their seniority, capped by 12 base salaries and seniority allowances or 240 times the national minimum wage.

- **Joint liability**
  Transferor and transferee will be jointly liable for all credits arising from the employment contracts, their breach and termination, as well as for the inherent social charges, for two years following the date of conclusion of the TUPE.

C10. Foreign direct investment

33	**Please detail any foreign direct investment restrictions, controls or requirements? For example, please detail any limitations, notifications and / or approvals required for corporate acquisitions.**
	As a general rule, there are no restrictions in Portugal with respect to foreign investment. The rules applicable to foreign investment are similar to those that rule domestic investment, such as mandatory registration obligations or compliance with regulatory obligations in specific activities.

	As such a foreign investor must obtain a Portuguese corporate number/taxpayer number (for EU/EEA residents, this taxpayer number may be obtained directly with the tax authorities; non-EU/EEA residents must appoint a Portuguese tax resident, as representative to handle matters with the tax authorities.) Portugal has also a mechanism for the screening of foreign investments over strategic assets. Under this regime, the Portuguese government can scrutinize any transaction resulting directly or indirectly in the acquisition of control, by an investor from a country outside the EU and the EEA, over strategic assets such as in the energy, transport and telecommunications sectors, and limit the transaction if considers it a real and serious risk, to the defense and national security and/or to the security of supply of services which are fundamental for the national interest.
34	**Does your jurisdiction have any exchange control requirements?**
	Foreign exchange operations are, in principle, intermediated by an entity authorized to carry out foreign exchange activities. However, residents may carry out directly or through any means of payment denominated in foreign currency, their payments/receipts to/from non-residents or net-off their obligations towards non-residents. Residents may also incur debts or grant loans among themselves in foreign currency or in units of account used in international payments and clearing. (Decree Law No. 295/2003 of 21 November, as amended) Notwithstanding, temporary restrictions may be imposed on the conduct of these operations on the grounds of serious political reasons or urgency. Residents and non-residents may open and operate bank accounts in Portugal, held in authorized institutions, denominated in euros, foreign currency, gold, or units of account. Residents in Portugal may also open and operate accounts with non-resident institutions Any natural person entering or leaving Portuguese territory, originating or terminating in a territory outside the EU, and carrying an amount of cash equal to or exceeding €10,000 must declare the said amount to the customs authorities. If these cash movements are carried out with EU member states, the said amount must be declared only if requested by the customs authorities. In what concerns the exchanges control systems put in place, the Portuguese jurisdiction envisages the mandatory periodic reporting to the Bank of Portugal, for statistical purposes, of end of period external positions (balances) on deposits loans and credits pursuant the regulations governing external and foreign exchange transactions between Portuguese residents and non-residents. Thus, banks and other entities settling transactions on behalf of customers must comply with the COL report (communication of settlement transactions) and any and all legal persons residing or pursuing their business in Portugal, conducting external economic or financial transactions or foreign exchange operations exceeding a total annual amount of €100,000 must comply with the COPE report (communication of external transactions and positions) (Article 44 of RGICSF, Decree-Law 295/2003, of 21 November, Decree-Law 61/2007 of 14 March and Bank of Portugal Instruction 27/2012, as amended from time to time).

D. Entity closure

35	**What are the most common ways to wind up / liquidate / dissolve an entity in your jurisdiction? Please provide a brief explanation of the process.**
	The most common way to wind up an entity in Portuguese jurisdiction is through the simplified liquidation procedure. The company must have no debts or liabilities, employees, agreements in force, litigations, or disputes. As such the company usually prepare prior to the dissolution and liquidation to that effect. In the simplified liquidation procedure, the company is dissolved and liquidated in one single step, by means of an extraordinary general meeting approving the final company accounts, resolving on the dissolution and liquidation, the assets distribution to the shareholders/quota holders (if any) and the appointment of a tax representative and depository of the books, documents and further information and data of the company. The resolution must be taken by the shareholders/quota holders and be registered with Commercial Registry Office. Another simplified procedure of dissolution and liquidation of the company is by means of a global transfer of assets and liabilities to one or more quota holder/shareholders with the express written agreement of all the creditors of the company. The resolution must be taken by all shareholders/quota holders that also approve the final company accounts and be registered with Commercial Registry Office. In the standard liquidation procedure, requires two steps (i) the approval of the dissolution and appointment of a liquidator and (ii) the liquidation resolution, both by the by means of a shareholders/quota general meeting. Between the two resolutions the liquidator is required to take the necessary steps to liquidate the company within a period of two to three years.

	Companies may also be dissolved by an administrative decision if, the company (i) has no activity for two consecutive years, (ii) carries out an activity that is not foreseen in its corporate object, (iii) the latter becomes impossible to pursue, or (iv) has not the minimum required quota holders/shareholders for a period exceeding one year.

Contacts

Pedro Breyner Ulrich
Partner
pulrich@ctsu.pt
+351 916600227

Sofia Barros Carvalhosa
Partner
scarvalhosa@ctsu.pt
+351 917112000

Susana Cirera Soutelinho
Partner
ssoutelinho@ctsu.pt
+351 969608918

Miguel Silva Cordeiro
Principal Associate
mcordeiro@ctsu.pt
+351 931837319

Carla Martins Barreto
Principal Associate
cmbarreto@ctsu.pt
+351 912330045

Maria Sarmento Campilho
Counsel Lawyer
macampilho@ctsu.pt
+351 918340762

CTSU
Sociedade de Advogados
A Deloitte Legal practice