

OCTOBER 16TH, 2020

COVID-19
EXCEPTIONAL AND TEMPORARY MEASURES
EXTRAORDINARY PROTECTION REGIME OF THE TENANTS

Law no. 1-A/2020 of the 19th of March has established some temporary provisions regarding lease relations (and similar), to be taken into consideration.

As a result of the last few months evolution, the aforementioned Law has been successively amended and its scope extended.

This Newsletter is an update on the suspension regime of the effects of termination of lease agreements, based on the latest amendments made to Law no. 1-A/2020, by Law no. 58-A/2020.

Accordingly, with concern to the termination of lease agreements, the suspension of the following has been extended until 31.12.2020:

1. Of the effects of complaints of lease agreements promoted by the landlord;
2. Of the expiration of the lease agreements, unless the tenant does not oppose to the termination;
3. Of the revocation of the lease agreement and the opposition to the renewal made by the landlord;
4. Of the term indicated in Article 1053 of the Civil Code¹, if the expiration of such term occurs during the period within which the measures referred to are in force;

The rules mentioned above apply, indistinctly, to housing and non-housing leases and their application depends on the regular payment of the rent due in the given month (rents from October to December 2020), except if the tenants are subject to the regime provided for in article 8 of Law no. 4-C/2020 (applicable only to the default in the payment of rents in non-

¹ Article 1053^o of the Portuguese Civil Code foresees that in case of termination of lease contracts based on (i) the verification of the event to which parties conditioned the contract; (ii) the ending of the powers of representation based on which the contract was entered into; (iii) death or extinction of the tenant; (iv) loss of the leased premises; (v) compulsory purchases in the public interest; or (vi) termination of the services which determined the delivery of the leases premises, the restitution can only be demanded six months after the verification of the fact which determined the termination.

housing leases).

What seems to result from the approved provisions is the mere suspension of the effects of termination of the agreement and not the preclusion of termination or right to terminate the lease. The contractual effects (termination of the lease) that, under normal circumstances, would operate during the legally defined suspension period, will be produced (termination of the lease) after the deadline of the application of the suspension.

For a better overview and understanding of all the transitional rules applicable to lease relations, please consult our Newsletters of 25.03.2020, 08.04.2020, 27.04.2020, 03.06.2020, 05.06.2020 and 01.09.2020.

PARES | Advogados is available to provide information on the consequences for leasing from the exceptional and temporary measures adopted to mitigate the effects of Covid 19, in a more concrete and adequate measure to the reality of each client, being able to provide any and all necessary support in the matter of leasing.

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