

May 4, 2020

COVID 19

EXCEPTIONAL AND TEMPORARY MEASURES FOR THE TOURISM SECTOR

Decree-Law 17/2020 was published on the 23rd of April, and it established, exceptional and temporary measures regarding the tourism sector, in the context of the COVID-19 pandemic, to find a balance between the financial sustainability of the economic operators and the rights of consumers.

The decree-law establishes the following rules:

A. Trips organized by travel and tourism agencies

Any trips organized by travel and tourism agencies, whose date would take place between March the 13th and September the 30th of 2020, that are canceled or are not taken, due to a fact attributable to the COVID-19 disease pandemic, grant the right to travelers to, exceptionally and temporarily, choose one of the following options:

1. A voucher, issued by the entity, of equal value to the payment made by the traveler and valid until December 31st, 2021; or
2. The rescheduling of the trip, until December 31st, 2021.

The mentioned voucher:

- a. Is issued to the bearer and it is transmissible to others;
- b. Maintains the contracted insurance if it is used for the same trip, albeit in a different date.
- c. If it is not used until December the 31st of 2021, the traveler has the right to be refunded, within 14 days.

If the mentioned rescheduling is not made by December 31st, 2021 the traveler is entitled to a refund to be made within 14 days.

In the case of **senior graduation trips** or similar, the travelers can choose to receive either the voucher or the rescheduling, according to the above-mentioned rules.

If the tourism or travel agencies infringe the above-mentioned rules, travelers can trigger the travel and tourism guarantee fund¹.

Until September 30th, 2020, travelers who are in an **unemployment situation**, can request a refund of the entire amount spent on travel or tourism, to be made within 14 days.

B. Canceling reservations at tourist resorts and short-term lease establishments.^{2 3}

Reservation of accommodation services in tourist resorts and in short-term leases, located in Portugal - in the form of non-refundable paid amounts, directly made by the guest in the resort or through electronic platforms - in period from March the 13th 2020 to September 30th 2020, which are not carried out, or are canceled due to a fact related to the state of emergency declaration enacted in its country of origin or in Portugal, or even due to the closure of borders attributable to the outbreak of the COVID-19 disease pandemic, grant the guests the right to, exceptionally and temporarily, choose one of the following options:

1. A voucher of equal value to the payment made by the guest, and valid until December 31st, 2021, in the same above-mentioned conditions; or
2. Rescheduling the reserve of the lodging service until December 31st, 2021, though an agreement between the guest and the tourist resort or the short-term lease service.

The mentioned voucher:

- a. Is issued to the guest but it is transferable to others;
- b. Can be used by anyone who presents it as a beginning of payment of services of a higher value than those presented in the voucher, according to the availability of the resort or the establishment and under the conditions applicable in the new dates.
- c. If it is not used until the 31st of December 2021 the guest has the right to a refund to be made in 14 days.

¹ According to the rules established in decree-law 17/2018 of March the 8th.

² This applies to the booking of accommodation services in tourist resorts or short-term lease establishments in Portugal, made through travel and tourism agencies that are not covered in travel measures organized by travel and tourism agencies included in the previous point.

³ This is not applicable to refundable reservations, in which case, the rules for the cancellation of tourist resorts and short-term lease establishments should apply.

If the rescheduling is not made until December 31st, 2021, due to lack of agreement between the guest and the resort or the short-term lease establishments, the guest is entitled to be refunded for the amount that he paid with the cancelation of the reservation, within 14 days.

If the rescheduling is for a date on which the applicable tariff is below the value of the initial reservation, the difference must be used in other services of the tourist resort or short-term lease establishments and will not be returned to the guest if he does not use it.

Rescheduling can only be done directly with the tourist resort and short-term lease establishments.

Until September 30th, 2020, guests who are in an **unemployment situation**, can request a refund of the entire amount spent, to be made within 14 days.

C. Relationships between travel and tourism agencies, tourism entertainment operators and tourism resorts and short-term lease establishments.

Reservation of accommodation services in tourist resorts and in short-term lease establishments located in Portugal, regarding the period from March 13th, 2020 to September 30th, 2020, made by travel agents and tourism or tour operators, either Portuguese or international operating in Portugal, which are not carried out or which are canceled due to a fact related to the state of emergency declaration enacted in its country of origin or in Portugal, or even due to the closure of borders attributable to the outbreak of the COVID-19 disease pandemic, in the form of non-reimbursement of the amounts paid, grant, exceptionally and temporarily, to these operators the right to a credit, on the unused amount, towards the tourist resorts and short-term lease establishments.

This amount must be used to support the costs with any other reservation, in the same tourist resort or short-term lease establishment, in a date defined by the travel or tourism operators, according to the availability of lodging services until December the 31st 2021.

If the tourism resort or short-term lease establishment is not available for several of the selected dates by the travel and tourism operators, until December the 31st 2021, then, these entities may request the return of the credited amount, which should be made, within 14 days.

If the travel and tourism agency or tour operator is unable to book a new accommodation service in a tourist resort or in a short-term lease establishment in Portugal, by December 31, 2021, the deposit amount must be returned within 14 days of this date.

This information will be updated if new legislation changes it or complements it.

PARES | Advogados is able and willing to provide any information on the consequences of these exceptional and temporary measures in the tourism sector, in order to mitigate the consequences of Covid-19, that will suit the specific reality of each client.

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