

OCTOBER 8TH, 2020

COVID – 19

CHANGES TO THE EXCEPTIONAL AND TEMPORARY MEASURES

LOANS MORATORIUMS

Decree-Law no. 78-A/2020 was published on the 29th of September, amending the exceptional and temporary measures related to the COVID 19 disease pandemic. In this newsletter, we'll highlight the changes to the Loans Moratorium legal framework.

The main change to the legal framework is the creation of an extension to the loan moratorium, for every individual person or company that benefits from one in October the 1st 2020, under the exceptional rules of Decree-Law 10-J / 2020, of 26 March.

This extension operates automatically and for the duration of six months, between March 31, 2021 and September 30, 2021.

EFFECTS OF THE MORATORIUM

During the mentioned moratorium period, the following entities will continue to benefit from the suspension of capital, interest, commissions and other charges:

- Companies considered to belong to the sectors most affected by the pandemic¹, regarding all their loans that already benefit from a moratorium;
- Individuals, regarding their housing loans or consumer credit loans, that already benefit from a moratorium.

Companies considered to belong to the sectors most affected by the impact of the pandemic, will also benefit from an automatic extension of the maturity of their loans for an additional period of 12 months.

The remaining companies, in relation to loans in which they already benefit from a moratorium, will have, from April 1st, 2021 onward, only a suspension on the repayment of capital.

¹ Companies with the following Code of economic activities: (i) 45; (ii) 46492; (ii) 47610; (iv) 47620; (v) 47630; (vi) 491 a 494; (vii) 50; (viii) 51; (ix) 55; (x) 56; (xi) 581; (xii) 59; (xiii) 60; (xiv) 639; (xv) 731; (xv) 74; (xvi) 771; (xvii) 79; (xviii) 823; (xix) 85 a 88; (xx) 90; (xxi) 91; (xxii) 93; (xxiii) 94991; (xxiv) 96.

OTHER EFFECTS

Companies that benefit from these exceptional measures are not allowed to distribute profits, in any way, namely through the repayment of credits to shareholders, or even through the acquisition to shareholders of company shares / quotas.

In the event of profit distribution, the effects of the moratorium will cease immediately, without prejudice to liabilities and administrative and criminal offenses stated in the mentioned diploma.

PARES | Advogados is available to provide information on these and other matters in a more specific and adequate way, suited to the reality of each Client, and can help its clients in any issues regarding financing and loan renegotiation.

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