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1 Overview

1.1 What are the main trends/significant developments in the lending markets in your jurisdiction?

Like in most countries, the Portuguese lending market (which was still adjusting to a post-pandemic market) has been impacted by the rise of interest rates and inflation and the uncertainties of the current economic and political context worldwide.

While bank lending continues to be the main source of funding for Portuguese borrowers, the latest Bank Lending Surveys conducted by the Bank of Portugal indicate a tightening of bank lending criteria for all borrower types, in particular, SMEs.

Market uncertainties and stricter credit criteria may contribute to the development of alternative sources of funding, in particular, debt issues, direct/credit fund lending and, on a smaller scale, crowdfunding.

Floating and mixed interest rates represent the majority of the Portuguese mortgage lending market and therefore specific legislation has been put in place to ease the pressure on certain borrower classes. Nevertheless, an increase of NPL levels in this segment may occur.

Particularly active areas within the lending market include real estate (commercial and hotel & leisure), student accommodation and co-living and energy.

ESG finance, either through debt issuances or traditional bank lending, continues to be a growing trend in the Portuguese market.

1.2 What are some significant lending transactions that have taken place in your jurisdiction in recent years?

More significant lending transactions in recent years in Portugal have included Real Estate, Asset, and M&A-related finance.

2 Guarantees

2.1 Can a company guarantee borrowings of one or more other members of its corporate group (see below for questions relating to fraudulent transfer/financial assistance)?

In most cases, yes.

The general rule set out in the Portuguese Companies Code is that a company may only guarantee borrowings of other companies (including group companies) provided that the company guaranteeing such borrowings has a justifiable own interest in providing such guarantee or is in a group or

controlling relationship with the company in question. Justifiable own interest is deemed to exist when providing guarantees to companies in a group relationship. The corporate resolution approving the granting of the guarantee should, in any case, justify the company's own interest in providing the guarantee, even if the companies in question are in a group relationship.

2.2 Are there enforceability or other concerns (such as director liability) if only a disproportionately small (or no) benefit to the guaranteeing/securing company can be shown?

If no (or only a disproportionately small) benefit to the guaranteeing/securing company can be shown, then there would likely be no justifiable own interest in providing the guarantee and therefore the provision of the guarantee could be considered null and void.

The granting of a guarantee without a justifiable own interest may give rise to director liability if the granting of the guarantee is not approved by means of a shareholder resolution.

2.3 Is lack of corporate power an issue?

Yes. Please see question 2.1 above.

2.4 Are any governmental or other consents or filings, or other formalities (such as shareholder approval), required?

As a general rule, no governmental or other consents, filings, or other formalities are required for the provision of guarantees, although articles of association may contain restrictions or impose specific approval requirements.

Board or shareholder approval (depending on the type of company) may be required for the provision of guarantees and is in all cases a standard market practice.

Governmental consents may be required in respect of certain state-owned and public sector companies or assets.

2.5 Are net worth, solvency or similar limitations imposed on the amount of a guarantee?

No such limitations do not exist. It is, however, common to set a figure for the maximum secured amount for the purposes of calculating stamp duty payable (please see question 3.9 below).

2.6 Are there any exchange control or similar obstacles to enforcement of a guarantee?

No exchange controls or similar obstacles apply to enforcement of a guarantee.

3 Collateral Security

3.1 What types of collateral are available to secure lending obligations?

The following types of collateral are available to secure lending obligations:

- (i) mortgage over real estate assets and movable assets subject to registration (typically vehicles);
- (ii) assignment of income in respect of the assets referred to in (i) above;
- (iii) pledge (commercial or civil) over movable assets not referred to in (i) above;
- (iv) pledge (commercial or civil) over rights, receivables or bank accounts;
- (v) financial pledge over bank accounts or securities in favour of financial institutions;
- (vi) banking pledge over a business (including inventory) in favour of credit institutions; and
- (vii) commercial pledge over a business (including inventory).

In addition, although not a type of collateral expressly foreseen in law, the assignment of credits by way of security is a type of security/quasi-security commonly used in the Portuguese market.

3.2 Is it possible to give asset security by means of a general security agreement or is an agreement required in relation to each type of asset? Briefly, what is the procedure?

As a general rule, it is not possible under Portuguese law to create a general security over the entirety of the assets (existing or future) of a company similar to a “floating charge”. Specific security over each type of asset must be created. It is possible in most cases, however, to create multiple security over various assets in a single security agreement.

Mortgages and assignments of income must be created under public instruments (typically deeds).

3.3 Can collateral security be taken over real property (land), plant, machinery and equipment? Briefly, what is the procedure?

Yes.

Collateral security over real estate assets are granted by means by means of a mortgage, to be created under a deed of mortgage.

A mortgage over a plant will include the real estate (land) and all the machinery and equipment thereof which is identified in a schedule to the deed.

Collateral security over machinery and equipment not included in a plant is created by means of a pledge to be created under a pledge agreement. Depending on the type of assets to be pledged and the type of parties, this pledge can take the form of a pledge (civil or commercial) over movable assets or a pledge (banking or commercial) over a business. In some cases, control of secured creditors over the pledged assets may be required.

If the machinery and equipment in question are movable assets subject to registration (typically vehicles), then collateral over such assets is created by means of a mortgage, to be created under a deed of mortgage.

3.4 Can collateral security be taken over receivables? Briefly, what is the procedure? Are debtors required to be notified of the security?

Yes.

Collateral security over receivables is created by means of a pledge. Depending on the parties, the pledge can take the form of a civil, commercial or financial pledge. Different formalities apply depending on the type of pledge to be created.

Debtor notification is required for the pledge to be effective. Debtor acknowledgment is recommended in most cases.

As an alternative to a pledge over receivables, it is possible to assign receivables by way of security (*cessão de créditos com escopo de garantia*). An assignment of receivables would be valid and effective between the assignee and the assignor upon execution of the agreement but would only be effective towards the debtor upon notification.

3.5 Can collateral security be taken over cash deposited in bank accounts? Briefly, what is the procedure?

Yes. collateral security over cash deposited in bank accounts is created by means of a pledge.

Depending on the parties, the pledge can take the form of a civil, commercial or financial pledge. Different formalities apply depending on the type of pledge to be created.

Bank account notification is required for the pledge to be effective. Bank account acknowledgment is recommended.

3.6 Can collateral security be taken over shares in companies incorporated in your jurisdiction? Are the shares in certificated form? Can such security validly be granted under a New York or English law-governed document? Briefly, what is the procedure?

Yes, collateral security over shares in companies incorporated in Portugal is created by means of a pledge.

Depending on the parties, the pledge can take the form of a civil, commercial or financial pledge. Different formalities apply depending on the type of pledge to be created.

For a public limited liability company (*sociedade anónima*), shares can either be in book-entry or in certificated form. For a private limited liability company (*sociedade por quotas*), shares (quotas) exist only as a public record at the commercial registry office.

The creation of a pledge over quotas requires a registration of the pledge at the commercial registry office.

The creation of a pledge over shares in book-entry form requires a registration of the pledge: (a) at the share registry of the company; and (b) at the securities account whether such shares are registered.

The creation of a pledge over shares in certificate form requires: (a) a registration of the pledge at the share registry of the company; (b) the inclusion of a pledge statement at the back of the share certificates; and (c) as a general rule, the delivery of the share certificates to the pledgee.

As a general rule, the creation of *in rem* security over assets located in Portugal or rights subject to Portuguese law must be created under Portuguese law and comply with Portuguese perfection and formalities requirements. While other provisions of a security agreement may be subject to foreign law, this is likely to create additional difficulties in an enforcement scenario to be assessed on a case-by-case basis. Market practice is therefore to have the security agreement covering Portuguese assets governed by Portuguese law.

3.7 Can security be taken over inventory? Briefly, what is the procedure?

Yes, collateral security over inventory is created by means of a pledge.

Depending on the parties, the pledge can take the form of commercial or banking. Different formalities apply depending on the type of pledge to be created.

The creation of a banking pledge over inventory requires the entry into a written agreement with a specific wording foreseen in the applicable law. In addition, the stock is usually placed under the joint control of a security agent/third party.

3.8 Can a company grant a security interest in order to secure its obligations (i) as a borrower under a credit facility, and (ii) as a guarantor of the obligations of other borrowers and/or guarantors of obligations under a credit facility (see below for questions relating to the giving of guarantees and financial assistance)?

Yes, with the restrictions identified in question 2.1 above, which also apply to any form of security granting.

3.9 What are the notarisation, registration, stamp duty and other fees (whether related to property value or otherwise) in relation to security over different types of assets?

The costs for the creation of security are, generally, as follows:

- (i) notarial fees: approximately EUR 1,000 per deed;
- (ii) property registration fees: EUR 225 per property;
- (iii) commercial registration fees (in case of a pledge over quotas): EUR 100; and
- (iv) stamp duty (please see below on the applicability of stamp duty):
 - (a) 0.04 per cent, per month over the secured amount, in the case of security granted for a period of less than one year;
 - (b) 0.5 per cent, over the secured amount for security granted for a period of one year or more and less than five years; and
 - (c) 0.6 per cent, over the secured amount for security granted for a period of five years or more.

3.10 Do the filing, notification or registration requirements in relation to security over different types of assets involve a significant amount of time or expense?

Filings, notifications and registrations of security usually take up to two weeks, however, the timing depends on the nature of the secured assets. As regards expenses, please see the answer to question 3.9 above.

3.11 Are any regulatory or similar consents required with respect to the creation of security?

No, with the exception of certain state-owned/public sector assets, which must be assessed on a case-by-case basis.

3.12 If the borrowings to be secured are under a revolving credit facility, are there any special priority or other concerns?

No, there are none.

3.13 Are there particular documentary or execution requirements (notarisation, execution under power of attorney, counterparts, deeds)?

Security over real estate and movable assets subject to registration is created by way of a mortgage to be created under a public agreement (typically under a deed of mortgage).

While all type of pledges requires the entry into a written agreement, the signatures on commercial pledge agreements must be certified.

In case of execution of a mortgage or pledge agreement before a notary, any powers of attorney to be used must be executed before a notary, and if the grantor is not a Portuguese entity, it must be carried out with the apostille of The Hague Convention.

Additionally, a Portuguese company identification number is required to allow for the registration of certain security interests as well as for execution of security agreements before a notary, and a Beneficial Owner Registration is required for the beneficiary of a mortgage.

4 Financial Assistance

4.1 Are there prohibitions or restrictions on the ability of a company to guarantee and/or give security to support borrowings incurred to finance or refinance the direct or indirect acquisition of: (a) shares of the company; (b) shares of any company that directly or indirectly owns shares in the company; or (c) shares in a sister subsidiary?

Yes. Under the Portuguese financial assistance rules (set out in article 322 of the Portuguese Companies Code), Portuguese companies are restricted from providing funds or any form of guarantee or security to secure any amount used by third parties to fund the acquisition or subscription of any shares or participations in such Portuguese companies. This rule is also deemed to be applicable to acquisition of shares in direct or indirect controlling companies. Security granted in breach of this rule is deemed null and void.

The above financial assistance rule would not, in principle, apply to the acquisition of shares in a sister company.

5 Syndicated Lending/Agency/Trustee/Transfers

5.1 Will your jurisdiction recognise the role of an agent or trustee and allow the agent or trustee (rather than each lender acting separately) to enforce the loan documentation and collateral security and to apply the proceeds from the collateral to the claims of all the lenders?

While the concept of “security agent” and/or “security trustee” is not expressly provided for under Portuguese law, it has been a commonly used feature in the market. It has been understood that such agent/trustee must, however, be one of the secured creditors and a registered creditor.

Typically, the security agent is a registered creditor, acting on behalf of the secured creditors, and is granted a specific representation mandate (*mandato de representação*) to act in an enforcement scenario.

5.2 If an agent or trustee is not recognised in your jurisdiction, is an alternative mechanism available to achieve the effect referred to above, which would allow one party to enforce claims on behalf of all the lenders so that individual lenders do not need to enforce their security separately?

This is not applicable.

5.3 Assume a loan is made to a company organised under the laws of your jurisdiction and guaranteed by a guarantor organised under the laws of your jurisdiction. If such loan is transferred by Lender A to Lender B, are there any special requirements necessary to make the loan and guarantee enforceable by Lender B?

A loan can be transferred either by way of an assignment of a contractual position (*cessão de posição contratual*) or by way of an assignment of credits (*cessão de créditos*).

The assignment of a contractual position requires consent of the counterparties. The assignment of credits requires a notice to the debtor and to the guarantor of the assigned credit.

Loan agreements typically provide for the consent of debtors to such transfers but it is sometimes the case that such consents are subject to certain conditions (transfers to investment grade banks, for example).

Additionally, it should be noted that there might be situations in which the guarantee may not be assigned such as, for example, if the guarantee has been provided *intuitu personae* (i.e. the nature of the guarantee is not separable from the person of the borrower).

6 Withholding, Stamp and Other Taxes; Notarial and Other Costs

6.1 Are there any requirements to deduct or withhold tax from (a) interest payable on loans made to domestic or foreign lenders, or (b) the proceeds of a claim under a guarantee or the proceeds of enforcing security?

Payments of interest by a Portuguese corporate to a foreign lender will be subject to withholding tax, currently at a rate of 25 per cent (or 35 per cent if the lender is resident in a blacklisted jurisdiction), or such other reduced withholding tax rate as determined in the applicable Double Tax Treaty. The proceeds of a claim under a guarantee or the proceeds of enforcing security are not subject to withholding tax.

6.2 What tax incentives or other incentives are provided preferentially to foreign lenders? What taxes apply to foreign lenders with respect to their loans, mortgages or other security documents, either for the purposes of effectiveness or registration?

In general, there are no tax incentives to foreign lenders in the context of bank lending transactions, in contrast to the general tax exemption applicable to foreign bondholders.

The Portuguese Law establishes an exemption from withholding tax to the interests paid to financial institutions that are located and subject to corporate taxes in Portugal (this

exemption is not applicable to foreign financial institutions). Despite the fact that the ECJ has already found this to be a breach of European Union law, the Portuguese law has not been changed, therefore we anticipate that claims to recover overpaid withholding tax may be presented.

Moreover, under the provisions of the Interest and Royalties Directive (2003/49/EC), a full tax exemption may be claimed provided the relevant formal and legal conditions are met.

Additionally, the following specific tax incentives may apply:

- (i) full or partial tax exemption in respect of interest paid by public sector entities to foreign lenders (for instance, Schudschein loans); and
- (ii) full tax exemption on interest paid by entities operating in the Madeira International Business Centre to foreign entities.

A loan to a Portuguese entity or a guarantee provided by a Portuguese entity will, in principle, attract stamp duty at the rates specified in question 3.9 above. However, please note that nonpayment of stamp duty will not have an impact of the effectiveness of the loan or security or the valid registration of security.

6.3 Will any income of a foreign lender become taxable in your jurisdiction solely because of a loan to, or guarantee and/or grant of, security from a company in your jurisdiction?

Unless there is an exemption applicable, the income of a foreign lender deriving from payments of interest will become taxable in Portugal by virtue of the borrower being considered a tax resident in Portugal. Please note that, as mentioned in question 6.1 above, there will be a withholding tax on the payments of interest in such situation.

6.4 Will there be any other significant costs that would be incurred by foreign lenders in the grant of such loan/guarantee/security, such as notarial fees, etc.?

Please see question 3.9 above.

6.5 Are there any adverse consequences for a company that is a borrower (such as under thin capitalisation principles) if some or all of the lenders are organised under the laws of a jurisdiction other than your own? Please disregard withholding tax concerns for the purposes of this question.

No, there are not.

7 Judicial Enforcement

7.1 Will the courts in your jurisdiction recognise a governing law in a contract that is the law of another jurisdiction (a "foreign governing law")? Will courts in your jurisdiction enforce a contract that has a foreign governing law?

As a general principle under the Portuguese Civil Code, parties to an agreement may elect the governing law of the agreement, provided that such election (a) corresponds to a serious interest of the parties or is the law of a jurisdiction which has a connection with the agreement, and (b) is a legitimate choice in the context of the principles of private international law. Additionally, under the Rome I Regulation (Regulation (EC) No. 593/2008 of 17

June), the choice of a foreign law is valid and will be recognised and enforceable in Portugal, unless there is a mandatory provision in the Rome I Regulation that determines the competence of Portuguese law or all elements of the contractual relationship are connected with a different jurisdiction.

7.2 Will the courts in your jurisdiction recognise and enforce a judgment given against a company in New York courts or English courts (a “foreign judgment”) without re-examination of the merits of the case?

A final judgment obtained in a competent jurisdiction in respect of any sums payable in connection with the agreements would be enforced by the courts of Portugal under the conditions set out in Regulation (EU) No. 1215/2012 of 20 December 2012 or the Lugano Convention of 16 September 1988 or, if and when such instruments are not applicable, would be enforced by the courts of Portugal without re-examination of the merits of the case provided that:

- (a) there are no doubts about the authenticity or substance of the document in which the judgment is given, and the judgment is final and conclusive;
- (b) any conditions imposed by the law of the country in which it was given, which are conditions to its enforcement in the Portuguese courts, have been complied with;
- (c) it was issued by a foreign court, the jurisdiction of which had not been claimed fraudulently and does not pertain to matters subject to the exclusive competence of the Portuguese courts;
- (d) it would not be adjudged *res judicata* by the Portuguese courts;
- (e) the defendant was duly served for the action in accordance with the law of the country in which the judgment was issued and that the principles of the right to a fair trial (*princípio do contraditório*) and equal treatment of the parties have been complied with; and
- (f) it does not contravene the principles of Portuguese public order.

7.3 Assuming a company is in payment default under a loan agreement or a guarantee agreement and has no legal defence to payment, approximately how long would it take for a foreign lender to (a) assuming the answer to question 7.1 is yes, file a suit against the company in a court in your jurisdiction, obtain a judgment, and enforce the judgment against the assets of the company, and (b) assuming the answer to question 7.2 is yes, enforce a foreign judgment in a court in your jurisdiction against the assets of the company?

Filing a suit in a court in Portugal, obtaining a judgment and enforcing such judgment would take, generally, between 12 to 30 months, on average. Enforcing a foreign judgment in Portugal against the assets of the company could take between nine to 12 months. In both cases, the timeframe for enforcement of the court decision will depend on how long it would take to identify the assets to be seized.

7.4 With respect to enforcing collateral security, are there any significant restrictions that may impact the timing and value of enforcement, such as (a) a requirement for a public auction, or (b) regulatory consents?

Timing of enforcement may be affected in the event that there is a public auction of the assets or in the event that such auctions

are not successful, if, for instance, no offers higher than the reserve amount are received. Similarly, regulatory consents may also impose a significant delay in the conclusion of the enforcement in the event that the sale of the enforced assets to the acquirer is subject to obtaining regulatory consents, in the context of competition laws or sectorial regulation.

7.5 Do restrictions apply to foreign lenders in the event of (a) filing suit against a company in your jurisdiction, or (b) foreclosure on collateral security?

As a general principle, no.

7.6 Do the bankruptcy, reorganisation or similar laws in your jurisdiction provide for any kind of moratorium on enforcement of lender claims? If so, does the moratorium apply to the enforcement of collateral security?

Yes, in accordance with the Portuguese Insolvency Code the commencement of insolvency proceedings or a *procedimento de revitalização* (similar to a Chapter 11 procedure) will imply a moratorium on the enforcement of collateral security.

7.7 Will the courts in your jurisdiction recognise and enforce an arbitral award given against the company without re-examination of the merits?

Portugal is a party to the New York Arbitration Convention and therefore any arbitral awards given in another contracting state will be recognised without re-examination of the merits of the claim. In relation to arbitral awards given in a state which is not a party to the New York Arbitration Convention, or any other convention to which Portugal is a party, the enforcement of an arbitral award in Portugal is subject to the recognition of such award by a court of competent jurisdiction in Portugal, irrespective of the nationality of the parties.

8 Bankruptcy Proceedings

8.1 How does a bankruptcy proceeding in respect of a company affect the ability of a lender to enforce its rights as a secured party over the collateral security?

Yes, in accordance with the Portuguese Insolvency Code, the commencement of an insolvency proceeding or a *procedimento de revitalização* (similar to a Chapter 11 procedure) will suspend all enforcement proceedings against the company.

8.2 Are there any preference periods, clawback rights or other preferential creditors’ rights (e.g., tax debts, employees’ claims) with respect to the security?

Under the Portuguese Insolvency Code there is a two-year suspect period during which any acts that are “prejudicial” to the insolvent entity and are carried out in bad faith will be set aside.

In addition, the Portuguese Insolvency Code sets out the specific situations in which certain acts may be set aside, including, *inter alia*:

- (i) acts carried out within two years prior to the commencement of the insolvency proceedings without there having been consideration thereof;
- (ii) the provision of security for existing obligations by the insolvent entity within six months prior to the commencement of the insolvency proceedings;

- (iii) the provision of guarantees by the insolvent entity in respect of debts of third parties within six months prior to the commencement of the insolvency proceedings where there is no benefit (vested interest) to the insolvent entity; and
- (iv) the provision of security by the insolvent entity in respect of new transactions within 60 days prior to the commencement of the insolvency proceedings.

Under the Portuguese Civil Code there is also a concept of *impugnação pauliana* pursuant to which an action could be brought by a creditor to set aside a transaction that results in the decrease of the bankrupt companies' assets, and in circumstances in which there was no consideration given, certain requirements are met. Preferential creditor's rights exist in Portuguese law, such as court fees, tax debts and employees' claims.

8.3 Are there any entities that are excluded from bankruptcy proceedings and, if so, what is the applicable legislation?

The Portuguese State and public sector entities do not benefit from sovereign immunity in civil/commercial litigation. The waiver of sovereign immunity by a foreign state would be legally valid and enforceable.

In any case, assets which are of public domain (*domínio público*) or used for the purpose of pursuing a public service may not be seized and the entity holding such assets may not waive immunity over the assets in question.

8.4 Are there any processes other than court proceedings that are available to a creditor to seize the assets of a company in an enforcement?

As a general rule, parties may agree that the enforcement of a pledge is conducted in an out-of-court proceeding.

9 Jurisdiction and Waiver of Immunity

9.1 Is a party's submission to a foreign jurisdiction legally binding and enforceable under the laws of your jurisdiction?

Provided that the choice of law is valid, such choice is legally binding and enforceable under Portuguese law.

9.2 Is a party's waiver of sovereign immunity legally binding and enforceable under the laws of your jurisdiction?

No. A waiver of the benefit of sovereign immunity will not be valid in accordance with Portuguese law.

10 Licensing

10.1 What are the licensing and other eligibility requirements in your jurisdiction for lenders to a company in your jurisdiction, if any? Are these licensing and eligibility requirements different for a "foreign" lender (i.e., a lender that is not located in your jurisdiction)? In connection with any such requirements, is a distinction made under the laws of your jurisdiction between a lender that is a bank *versus* a lender that is a non-bank? If there are such requirements in your jurisdiction, what are the consequences for a lender that

has not satisfied such requirements but has nonetheless made a loan to a company in your jurisdiction? What are the licensing and other eligibility requirements in your jurisdiction for an agent under a syndicated facility for lenders to a company in your jurisdiction?

Lending activity in Portugal is subject to an exclusivity principle set out in the General Framework of Credit Institutions and Financial Companies pursuant to which only duly authorised financial entities (including credit funds and crowdfunding platforms) can carry out lending activities in Portugal on a professional basis.

Duly passported entities under the Capital Requirements Directive passporting rules may carry out lending activities in Portugal.

Non-Portuguese lenders not passported into Portugal may be permitted to lend to Portuguese borrowers on limited circumstances only, to be assessed on a case-by-case basis.

No specific licensing requirements apply for bank agency. An agent bank must comply with the same licensing requirements for lenders in general.

11 LIBOR Replacement

11.1 Please provide a short summary of any regulatory rules and market practice in your jurisdiction with respect to transitioning loans from LIBOR pricing.

No regulatory rules and/or market practice, with respect to transitioning loans from LIBOR pricing, were issued by the competent regulatory entities in Portugal.

12 ESG Trends

12.1 Do you see environmental, social and governance (ESG) or sustainability-related debt products in your jurisdiction? If yes, please describe recent documentation trends and the types of debt products (e.g., green bonds, sustainability-linked loans, etc.).

ESG and sustainability-related debt products have been on the rise in recent years. Most commonly used products are green and sustainability-linked bonds (under ICMA Principles) and sustainability-linked facilities. While there are no Portuguese specific documentation trends, sustainability-linked facilities generally follow LMA standards.

12.2 Are there any ESG-related disclosure or diligence requirements in connection with debt transactions in your jurisdiction? If yes, please describe recent trends and any impact on loan documentation and process.

While there are no Portuguese specific ESG-related disclosure or diligence requirements in connection with debt transactions, the disclosures requirements set out in the Sustainable Finance Disclosure Regulation (SFDR) apply.

13 Other Matters

13.1 Are there any other material considerations that should be taken into account by lenders when participating in financings in your jurisdiction?

We believe that the answers above cover the main aspects lenders should consider when participating in financings in Portugal.

Nevertheless, as a more general comment, we would like to identify two points of particular interest to follow in 2024, being: (a) whether or not Portugal will create the conditions – namely implementing necessary changes in legislation – to allow for credit funds (Portuguese and international) to effectively operate in Portugal given that as of today's date the activity of credit funds has been very limited due to unclarities over its tax regime; and (b) the role to be played by Banco Português de

Fomento, the Portuguese Promotional Bank in the financing of the Portuguese economy (either through debt or equity/quasi-equity instruments), in particular to SME.

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