

# COURTING CHANGE IN PORTUGAL - PBBR

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Pedro Pinto

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## **Courting change in Portugal**

El paquete de rescate a Portugal no está destinado simplemente a rebajar la deuda del país; la nueva normativa cambiará drásticamente el sistema judicial y agilizará los procedimientos de resolución de conflictos, dice Pedro Pinto, Socio Director de pbbr.

The Troika Memorandum is the landmark agreement signed this year between Portugal and the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF). It presents a detailed set of criteria intended to help reduce Portugal's multi-billion euro deficit. Pedro Pinto, Managing Partner of pbbr underlines that the Memorandum is much more than an austerity package.

"The key changes are the structural reforms through the enforcement of new regulations and laws

that will really help to redefine and develop the Portuguese public and private sectors and hopefully will keep law firms busy too," he says.

"Regulations and contracts regarding matters from employment to the housing market to state ownership in certain sectors will all need to be adapted."

He claims that the most important change is to the judicial system. Portugal has long been plagued by unfeasibly long delays, with commercial litigation often taking up to 10 years to reach a conclusion. The new court management system will speed up the process.

Changes will, for example, include the removal of the multiple appeal process and the submission of ungrounded appeals will be discouraged. There will be new laws to encourage alternative dispute resolution, arbitration and out of court settlements as well as, for the first time, two new courts exclusively focused on intellectual property (IP) and competition matters respectively – cases are presently heard in the normal Commercial Courts.

"Clients are sometimes reluctant to go to court because it takes such a long time," Pinto remarks.

"The new reforms will mean the Commercial Courts are not as congested and I anticipate that the next few years will see a significant increase in commercial litigation."

Portugal's bailout may seem geared towards restoring economic growth but, digging deeper, Lisbon's dispute resolution lawyers could see real long-term benefits too.