

NEW MEASURES ENTER BANKING & FINANCE SECTOR - CAIADO GUERREIRO

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The current crisis that Europe and Portugal are facing is not only the result of macroeconomic changes, but also a consequence of long time wrongful social and economic choices. The

Portuguese structural difficulties, mainly in terms of (re)gaining the trust of foreign investment, have been an obstacle to the country's growth and, consequently, its competitiveness.

As a consequence of the current state of affairs, and in view of the fact that households are the ones who have been stricken the most with this crisis, the latest legislative developments in banking and finance have been, inevitably, focused on the current financial situation of individuals and families. To this end, the Government published a package of laws (Law 57, 58, 59 and 60/2012 of November, 9th) amending the legal framework of housing credit.

According to Law 57/2012, which amended the legal framework of Retirement / Education Savings Schemes (PPR/E), the subscribers of said schemes may now demand the reimbursement of the value of the PPR/E in order to pay the instalments of the credit granted for the acquisition of a house. Furthermore, Law 58/2012 provides for a series of protective measures of the households dealing with serious economic circumstances, such as a Restructuring Plan of the debt arising from the housing credit.

Law 59/2012, which amended Decree-Law 349/98 of November 11th, in turn, establishes the legal framework of the granting of housing credit and also new safeguards to the credit borrowers.

Regarding financial institutions, the Government also approved Decree-law 227/2012 of October 25th.

This Decree-law, which entered into force on January 1st, 2013, establishes the principles and the rules to be observed by credit institutions in the monitoring and management of situations with a risk of non-compliance and in out-of-court settlement of situations of non-compliance with the obligations relating to credit agreements on the part of the costumers /consumers. Said Decree-law envisages that each credit institution shall create an Action Plan for the Risk of Non-Compliance (PARI), and an Out-of-Court Procedure of Regularisation of Situation of Non-Compliance (PERSI). In the latter, and in case the PERSI does not end with an agreement between both parties, the costumer may request the intervention of a credit mediator.

In what concerns the Securities Market, the Portuguese Securities Market Commission's Regulation No. 1/2013 of February 7th has provided for the establishment of money market funds and short-term money market funds in national law, as defined in the CESR's 'Guidelines on a common definition of European money market funds', which shall enable Portuguese funds to compete, on equal terms, and in a very competitive market segment, with other European funds.

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