SIMPLIFYING THE LICENSING OF TOURISM PROJECTS - PBBR

Posted on 22/06/2017



Category: Uncategorized



A new ruling aimed at simplifying licensing procedures, and eliminating bureaucracy for tourism projects, was approved by the Portuguese Council of Ministers on 20 April 2017.

Under the modifications to the current legal framework in Portugal, the advance notice procedure ("comunicação prévia") is considered to be the method for setting up tourism projects – this reintroduces the possibility of such projects opening to the public soon after completion of works. This option had been eliminated in 2014.

Furthermore, there is a new procedure for requests for prior information from interested parties ("pedido de informação prévia" - "PIP") related to the feasibility of setting up a tourism project on rustic land ("solo rústico"). This is based on a joint evaluation mechanism, by way of a committee composed, inter alia, by the city council and other competent entities depending on the location of the tourism project under review.

In addition, there is a new and simpler mechanism for altering the use ("alteração de uso") of a building for setting up a tourism project, that is, whenever the adaptation works to be carried out are exempt from prior control.

Moreover, the intervention of Turismo de Portugal I.P. is no longer mandatory during the prior control stage of setting up a tourism project (that is, the assessment of the building project); instead, the only intervention is in the rating of tourism projects. There is an option in which the interested party may request the appraisal of the project by Turismo de Portugal I.P.

Lastly, the mandatory classification of tourism projects under a star rating system is expected to be reintroduced to the legal framework due to the lack of adherence to the model of classification – created in 2004 – which dropped star rating.

Though the new ruling has not yet been published and is still not in force, under the terms of the council of ministers' press release on this matter, the purpose of these legislative changes is to simplify the licensing of tourism projects. This will be done specifically through offering the possibility of opening after completion of construction work, reducing the number of entities involved in the process, reducing the number of documents and having an integrated process for locating tourist developments outside urban perimeters.

The amendments seem positive and we believe they will bring confidence to the tourism sector, by increasing development involving foreign investors.

The Portuguese tourism sector is highly dynamic, with worldwide recognition – the country's reputation as a top destination has led to strong growth in tourism.

Tourism is a priority for Portugal and therefore the government and businesses in the sector are committed to its development. In this context, investor's interaction with the public administration should be facilitated, increasing speed, eliminating bureaucracy and ensuring greater agility.

Isabel Brazão de Castro is an associate at PBBR. She can be contacted at <u>isabel.castro@pbbr.pt</u>