Regulation of the Private Investment Law

Presidential Decree approving the Regulation of PIL was published

Following the entry into force of the Private Investment Law (PIL) in June of this year, Presidential Decree No. 250/18 of 30 October was recently published, which approved the Regulation of the Private Investment Law ("Regulation").

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The Regulation establishes the procedures for the registration of private investment proposals, the allocation of benefits and advantages, the monitoring, supervision and termination of rights granted under the PIL and formalises the Private Investment and Export Promotion Agency ("AIPEX") as the appropriate entity for the registration of investment projects and other procedures described therein.

Although the AIPEX was already receiving and registering investment projects under the PIL before the Regulation came into effect, the Regulation introduced greater legal certainty by implementing certain standards and introducing some important innovations.

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In this respect, the Regulation lists the documents required for the submission of a private investment project and establishes that AIPEX has five (5) business days to approve (through the delivery of the CRIP to the investor) or reject a proposal.

On the other hand, the Regulation reinforces the distinction introduced in the PIL between the Prior Declaration Regime, which is the default process, and the Special Regime. It sets out an extensive classification of the economic activities that fall within each of the priority sectors listed in the PIL, reiterating that only those projects that are to be developed in any of the priority sectors can benefit from the Special Regime.

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The Regulation also governs, with unprecedented precision, the reinvestment regime and details the investors' reporting obligations to AIPEX, either in the context of its supervisory function or during the implementation period of the

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investment, when the investor is required to submit quarterly reports.

Finally, the Regulation includes a list of fees applicable to the registration of investment projects, whereby vehicle companies of investment projects registered under the Special Regime are exempt from the payment of fees for a period of one (1) year.

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CONTACTS

João Robles
Partner
jmr@fcblegal.com

Cláudia Fernandes Veloso
Associate
cfv@fcblegal.com