

FOURTH INTERNATIONAL CONFERENCE

“SPECIFICS OF FINANCIAL CONSUMER PROTECTION CONSIDERING EPIDEMIOLOGICAL RESTRICTIONS”

PORTUGAL'S EFFORTS TO SUPPORT FINANCIAL CONSUMERS IN A PANDEMIC



ECONOMIA E TRANSIÇÃO DIGITAL



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Portugal's response to the COVID-19 crisis in the financial sector:

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CONSUMER DIRECTORATE GENERAL

Central Public Body | Ministry of Economy
Consumer Policy in Portugal



Some of our DUTIES:

- Legislation for consumer protection
- Information | Awareness campaigns
- Enforcement | Advertising Legislation
- Representation in the European Union
- Coordination of the "Consumer Protection System"



PUBLIC MORATORIUM

Decree-Law no. 10-J/2020, of March 26

DECREE-LAW NO. 10-J/2020, OF MARCH 26

Establishes exceptional support and protection measures for:

- Families;
- Companies;
- Private institutions of social solidarity;
- Non-profit associations;
- Other entities of the social economy.

Main objective - deferral of compliance with the beneficiaries' obligations.

The deadline for joining the public moratorium ended on September 30, 2020

SUPPORT MEASURES

Prohibition of revocation of credit lines contracted and loans granted, on the date of entry into force of this decree-law;

Extension, for a period equal to the term of this measure, of all credits with payment of capital at the end of the contract, including the associated elements, namely, interest and guarantees;

Suspension of payment of capital, rents and interest with expected maturity until the end of the measure. The payment plan is automatically extended for a period identical to the suspension.

! The extension of the payment term does not give rise to breach of contract or activation of early maturity clauses.

! Interest that arises during the moratorium period will be capitalized on the loan amount, unless the bank customer has requested that only capital repayments be suspended.

COVERED CREDIT OPERATIONS (NATURAL PERSONS)



Mortgage credit agreement, as well as financial leasing of housing properties.



Consumer credit agreements for educational purposes, including academic and professional training.

TO ACCESS THE MORATORIUM CONSUMERS MUST CUMULATIVELY MEET THE 3 FOLLOWING REQUIREMENTS

01

Find themselves, or someone in their household, in one of the following situations:

- In prophylactic or disease isolation or providing assistance to children or grandchildren;
- Reducing the normal working period or suspending the employment contract;
- In a situation of unemployment;
- Be a worker of entities whose establishment or activity has been object of a determined closure during the period of state of emergency;
- Have a temporary drop in income of at least 20% of the overall income of their household as a result of the COVID-19.



TO ACCESS THE MORATORIUM CONSUMERS MUST CUMULATIVELY MEET THE 3 FOLLOWING REQUIREMENTS

- 02 Not being, on March 18, 2020 (date of entry into force of the regime):
- In arrears or default of credit agreements for more than 90 days;
 - In a situation of insolvency or suspension or assignment of payments;
 - Subject to judicial execution by any institution with which they have credit agreements.

- 03 Have their situation regularized with the Tax and Customs Authority and Social Security.





INFORMATION REQUIREMENTS LEGAL REGIME

- Duty to **disclose and publicize** the measures relating to the moratorium, namely the terms and deadlines for accessing the moratorium, on the website and through the usual contacts with customers.
- Duty to **give full knowledge** of all measures prior to the formalization of any credit agreement, whenever the customer is a beneficiary entity.



DUTIES OF INFORMATION AND ASSISTANCE NOTICE NO. 2/2020, OF MAY 7

The diploma refers to Banco de Portugal the densification of the way information should be provided.

- Additional disclosure and information duties namely regarding mandatory places of disclosure as well as elements to include in the information regarding the moratorium agreement.
- General duty of assistance - providing specific channels to answer customer questions (website, telephone hotline or personalized chat).

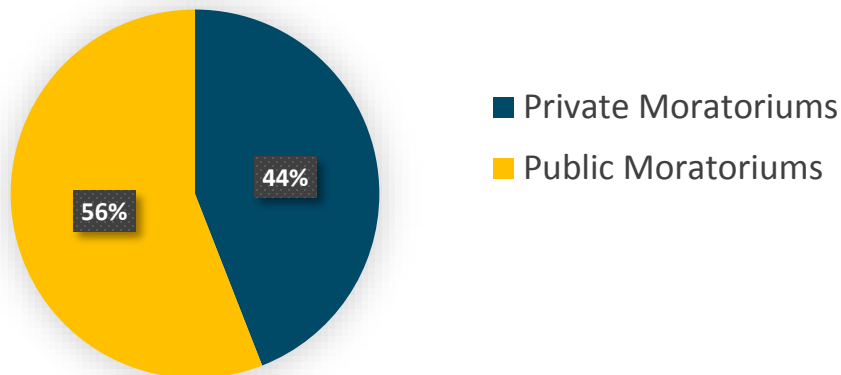


The moratorium had an initial deadline until September 30, 2020, subsequently, this deadline was extended until March 31, 2021.

Recently, the Portuguese government extended this measure until September 2021.

PRIVATE MORATORIUMS

These moratoriums were made available voluntarily by credit institutions to their clients and cover credit agreements that do not benefit from the public moratorium, such as personal credit agreements (with the exception of consumer credit agreements for education purposes), car loans and credit cards.

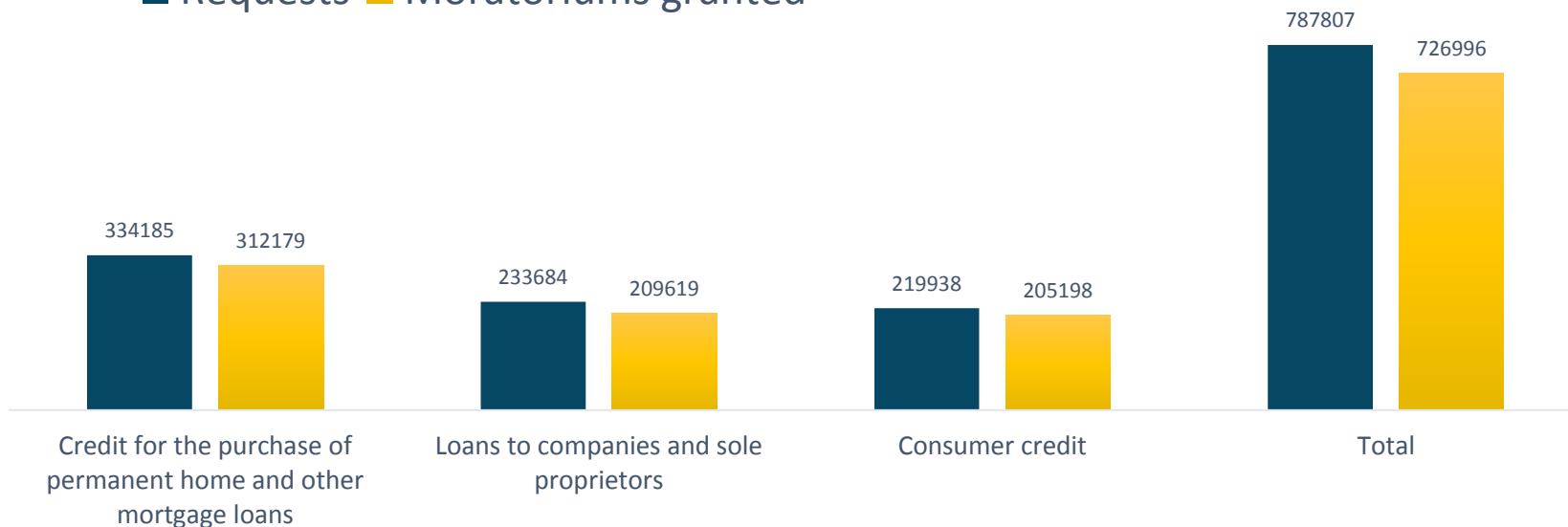


source: Banco de Portugal,
May 31 2020

BANCO DE PORTUGAL STATISTICAL DATA

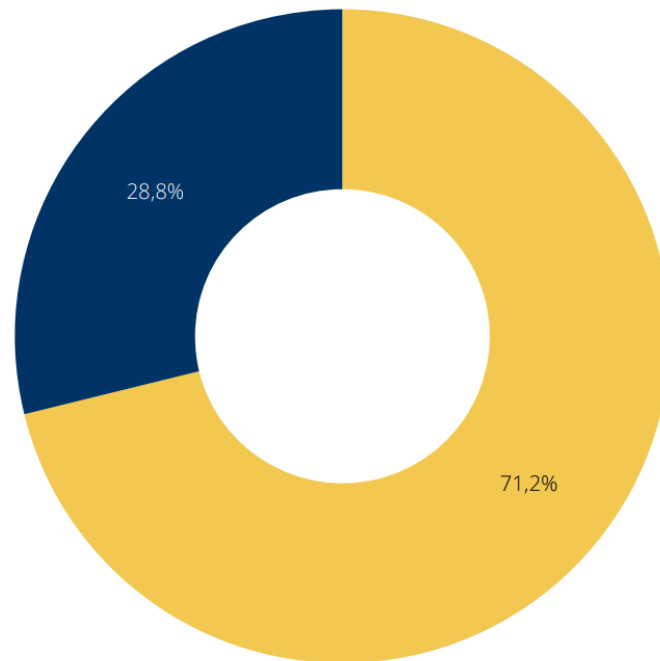
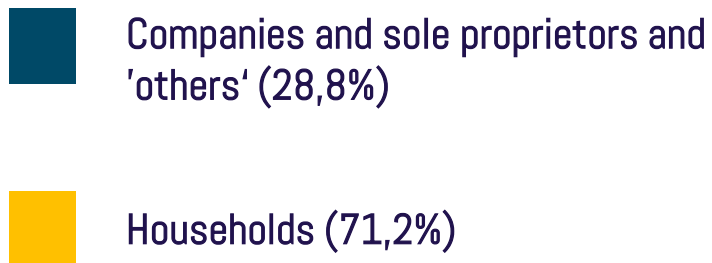
Between March 27 and August 2020

■ Requests ■ Moratoriums granted



source: Banco de Portugal,
August 31 2020

BANCO DE PORTUGAL STATISTICAL DATA

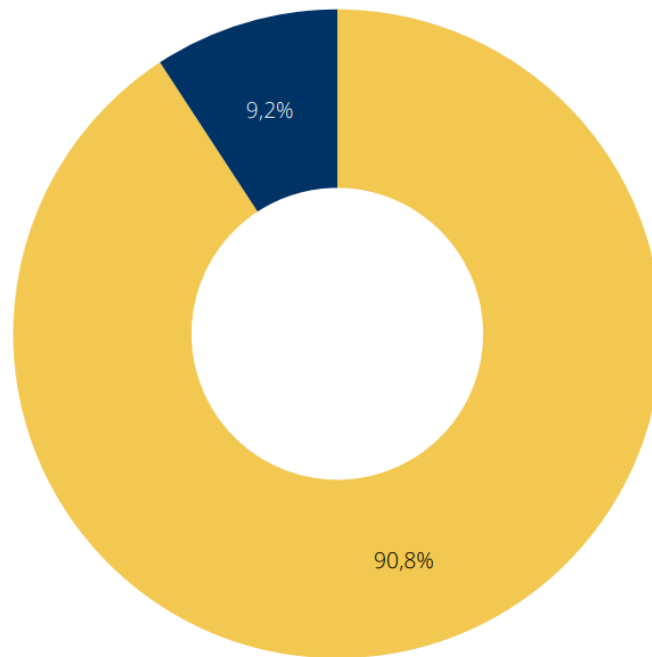


source: Banco de Portugal,
August 31 2020

BANCO DE PORTUGAL STATISTICAL DATA

 Suspension of payment of capital (9.2%)

 Suspension of payment of capital and interest (90.8%)



source: Banco de Portugal,
August 31 2020

BANKING FEES



Law No. 7/2020, of April 10

BANKING FEES

LAW NO. 7/2020, OF APRIL 10



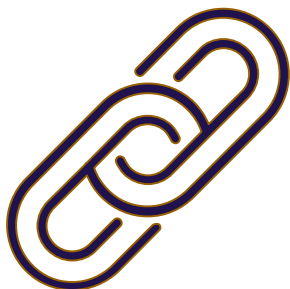
Established, until June 30, the suspension of the charge on commissions related to payment transactions through digital channels, namely in homebanking or payment applications.

The measure was applicable to users of payment services who had been affected by the pandemic, namely, if they were in prophylactic isolation, in reduction of the normal working period, in suspension of the employment contract, in a situation of unemployment, etc.

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INSURANCE SECTOR

Decree-Law no. 20-F/2020, of 12 May



INSURANCE SECTOR DECREE-LAW NO. 20-F/2020, OF 12 MAY

Establishes an exceptional and temporary regime, in the context of the COVID -19 disease pandemic, regarding the payment of the insurance fees and the effects of the temporary reduction of risk in insurance contracts resulting from a significant reduction or suspension of activity.

INSURANCE SECTOR

DECREE-LAW NO. 20-F / 2020, OF 12 MAY



The policyholder may agree with the insurer a more favorable regime, namely:

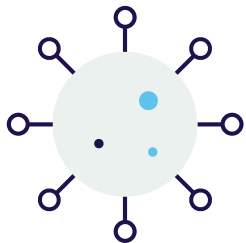
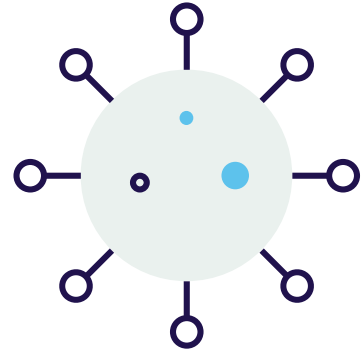
- The payment of the premium at a date after the beginning of the coverage of risks;
- The withdrawal of automatic resolution or non-extension in the event of non-payment;
- The fractioning of the premium;
- The extension of the insurance contract's validity;
- Temporary suspension of premium payment;
- The temporary reduction of the premium amount due to the temporary reduction of the risk.



Большое спасибо

Do you have any questions?

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