



## New Rules on Financial Companies

In 2014, the Government amended the rules on financial companies set out in Decree-Law 298/92, of 31 December 1992 (**Banking Law**) and created a new type of financial company – the credit financial companies.

Decree-Law 100/2015, of 2 June 2015, approved the legal framework applicable to credit financial companies and adapted the legal framework applicable to the other financial companies, taking into account the amendments to the Portuguese Companies Code approved in 2015.

Credit financial companies may carry out any activities that are permitted to banks, save for:

- (a) Receiving deposits or other repayable funds from the public;
- (b) Payment services; and
- (c) Electronic money services.

The registered name of credit financial companies must contain the wording «*sociedade financeiras de crédito*».

Credit financial companies must assume the form of a public limited company (*sociedade anónima*). However, they will not be subject to the minimum equity/net assets ratio of 35% applicable to the issue of bonds by public limited liability companies, being authorised to issue bonds of any kind up to four times their shareholder's equity.

Pursuant to its legal framework, credit financial companies will also be authorised to issue commercial paper.

The legal frameworks of the other financial companies were also amended in order to extend the requirements regarding legal form and the issue of bonds to these companies, including:

- (a) Investment companies;
- (b) Leasing companies;
- (c) Factoring companies; and
- (d) Mutual guarantee companies.

Decree-Law 100/2015, of 2 June 2015, will enter into force on 7 June 2015.

© Macedo Vitorino & Associados

The new credit financial companies law lays down the banking operations these companies are allowed to carry out.

Credit financial companies will not be subject to the equity/net assets ratio of 35% and may issue bonds up to four times their shareholders' equity.

### ✉ CONTACTS

António de Macedo Vitorino  
avitorino@macedovitorino.com

André Dias  
adias@macedovitorino.com

*This information is provided for general purposes only and does not constitute professional advice.*