



## New rules for credit intermediaries

As of 1 January 2018, the activity of credit intermediaries and advisors in consumer credit agreements will be subject to the prior authorisation and the supervision of the Bank of Portugal.

### ✉ CONTACTS

André Dias  
adias@macedovitorino.com

The Portuguese Government approved Decree-Law 81-C/2017, which establishes the rules applicable to the intermediation and the provision of advisory services in consumer credit agreements.

Unlike most European Union countries, Portugal had failed to implement Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property (**Mortgage Credit Directive**) and had not yet regulated the activity of credit intermediaries.

Under the new rules, the Bank of Portugal will play a leading role and will be responsible for the prior authorisation and the supervision of credit intermediaries and advisors.

Among other powers, the Bank of Portugal will be responsible for (i) authorising the exercise of these activities, (ii) creating and updating the credit intermediaries' registry database, (iii) controlling compliance with the applicable rules, (iv) issuing regulations, (v) assessing consumer complaints and (vi) applying sanctions.

Under the contemplated authorisation procedure, the Bank of Portugal must take a decision within 90 days as of submission of the application. The deadline may be extended to 180 days if the Bank of Portugal requests additional information to the applicant.

Credit intermediaries will be divided into the following three categories taking into account their relationship with the creditors or the consumers and whether they carry out another activity:

- Tied credit intermediary;
- Non-tied credit intermediary; and
- Credit intermediary in an ancillary capacity.

Tied credit intermediaries and credit intermediaries in an ancillary capacity – which will include suppliers of goods and service providers – must enter an agreement with a creditor or a group of creditors, will act on their behalf and under their full responsibility and cannot receive any remuneration from consumers.

Non-tied credit intermediaries must enter into an intermediation agreement with the consumers and cannot receive any remuneration from the creditors.

The new rules will enter into force on 1 January 2018. Notwithstanding, any persons or entities that already carry out a credit intermediation activity on the date the new rules enter into force may continue exercising this activity, without an authorisation, for a period of 12 months. During this transitional period, the applicable conduct, information and assistance duties must be complied.

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

© Macedo Vitorino & Associados