



Aiming to enlarge the possibility for companies to get finance, the Decree-Law 49/2010, of 19 May, allows public limited liability companies to issue no par value shares. It also transposes the European rules on listed companies shareholders' rights to the Portuguese legal framework.

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Amendments to Portuguese corporate rules

Decree-Law 49/2010, published on 19 May, amends the Portuguese Companies Code (*Código das Sociedades Comerciais* – “CSC”) and the Portuguese Securities Code (*Código dos Valores Mobiliários* – “CVM”) introducing several significant amendments to the rights of shareholders of listed companies and allowing the issue of no par value shares, as it already happens in other countries such as Germany, Italy, the United States of America and Brazil.

1. No par value shares

As of the entrance into force of the new corporate rules, public limited liability companies may issue no par value shares, which are expressed by the quantity of issued shares and their issue value. It is important to refer that a public limited liability company is forbidden to have par value shares and no par value shares at the same time. Moreover, the issue value of no par value shares cannot be lower than 1 cent and they must represent the same part of the share capital.

The permission to issue no par value shares aims to facilitate companies' capital raising where those raising were not permitted as they would involve the issue of shares below par, which is not allowed, or the previous reduction of the capital's face value in order to adjust it to the corporate assets (the so-called “harmonium operations”). Therefore, a public limited liability company may issue no par value shares at a price similar to their real value and, as a result, more attractive to investors than other shares.

2. The strengthening of shareholders' rights

The Decree-Law sets out new rules on shareholders' rights of listed companies, transposing to the Portuguese legal framework Directive 2007/36/CE of the European Parliament and the Council, of 11 June, which eliminates significant barriers to the exercise of shareholders' full voting rights at listed companies.

Thus, it should be highlighted the following aspects (i) the new attorneyship rules at shareholders' meetings, according to which the articles of association cannot forbid any shareholder to be represented by another person during shareholders' meetings, which applies not only to listed companies but also to public limited liability companies, (ii) the possibility of appoint a different attorney for each share account owned by the shareholder, (iii) the possibility for financial intermediaries to vote in different ways according to the interest of each of their clients and (iv) the strengthening of the rights of shareholders on the information to be included on the notice of shareholders' meetings and on the clarification of the aspects to be included, particularly, on the agenda of those meetings.

3. Entry into force

Decree-Law 49/2010 entered into force on 24 May 2010.

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