



Covid-19: Courts are no longer on standby mode

The Portuguese Parliament ends the suspension of the procedural time limits in urgent proceedings, e.g. insolvencies and precautionary measures.

Following the most recent extension of the state of emergency (up to 17 April), the Portuguese Parliament enacted new legislation ending the suspension of the procedural time limits in urgent proceedings as from today.

Law 4-A/2020, of 6 April 2020, amending previous measures on the functioning of the courts' activity during the emergency period, came into force today and ceases the suspension of procedural time limits for the performance of procedural acts and diligences before courts in urgent proceedings, namely, insolvency proceedings and precautionary measures.

The end of the suspension does not however affect the suspension period already elapsed in accordance with Law 1-A/2020 (now amended), that is, between 9 March and 6 April 2020.

In order to discourage companies from going into insolvency and to safeguard directors from any legal consequences that might result from failure to comply with this statutory duty during the emergency period, the legal deadline for filing for insolvency is suspended, even though pending insolvencies remain in progress. Acts performed within the scope of enforcement proceedings, namely the sale of assets and other acts of attachment of the debtor's assets, are also suspended to the extent that they do not cause serious damage to the creditor's survival.

In short:

- In cases of urgent proceedings, the procedural time limits are no longer on standby from 7 April 2020, but the suspension period between 9 March and 6 April 2020 is not counted for time limits purposes;
- In cases of non-urgent proceedings, the procedural time limits are suspended from 9 March 2020 and they will continue suspended until the end of the state of emergency.

Notwithstanding the suspension of time limits in non-urgent proceedings, the law clarifies that the current situation of state of emergency does not, however, hinder the carrying out of the proceedings and the performance of their relevant acts either face-to-face acts or using distance means when all the parties consider that they have the conditions to ensure their performance through online platforms. In non-urgent proceedings, courts may also render a final decision in cases in which they understand not to be required the performance of further actions.

On the same subject, you may also view our previous newsletter, available [here](#).

© Macedo Vitorino & Associados

Contacts

Cláudia Fernandes Martins
cmartins@macedovitorino.com

Lourenço de Sousa Botelho
lbotelho@macedovitorino.com

This information is of a generic nature and should not be considered as professional advice.