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PORTUGUESE ENFORCEMENT PROCEEDINGS

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INTRODUCTION

TO IMPOSE AN ENFORCEMENT PROCEDURE AGAINST THE DEBTOR, THE CREDITOR MUST HAVE AN ENFORCEMENT TITLE, IN WHICH ALL THE ESSENTIAL ELEMENTS OF THE DEBT ARE PRECISELY DEFINED: AMOUNT, DUE DATE, IDENTITY OF THE CREDITOR AND DEBTOR, AMONG OTHERS.

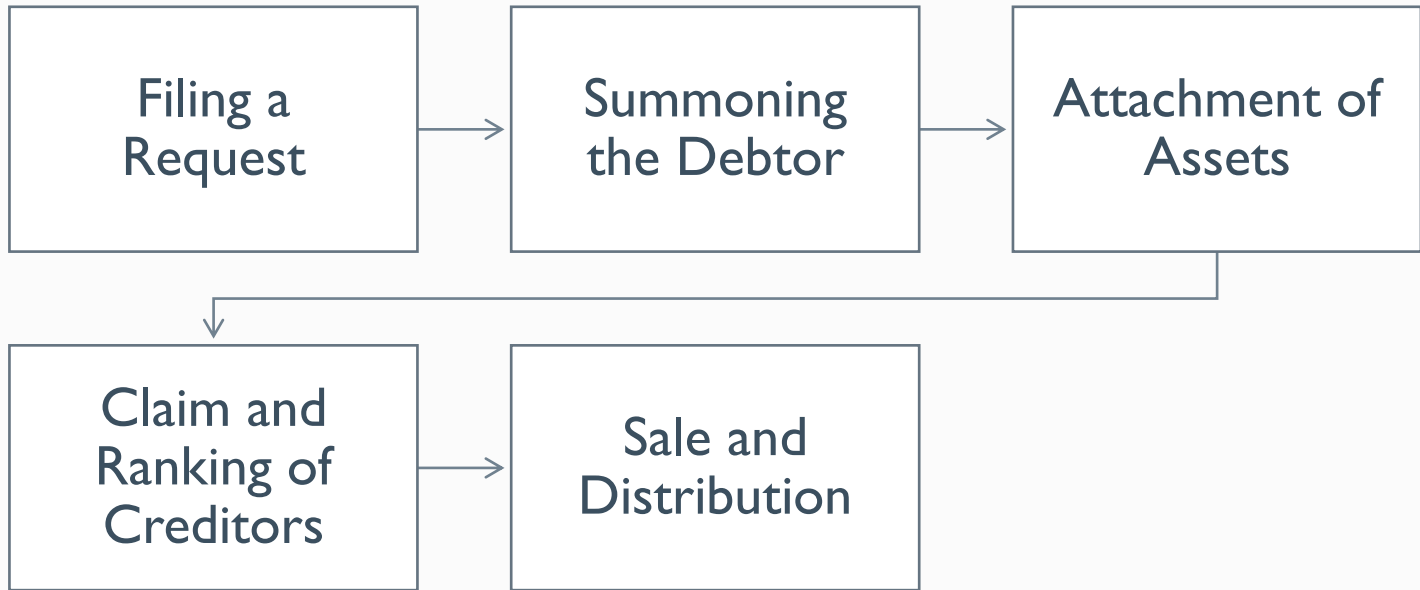
THE LAW PROVIDES VARIOUS TYPES OF ENFORCEMENT TITLES, INCLUDING:

- COURT DECISIONS ORDERING THE DEBTOR TO PAY A CERTAIN SUM;
- AUTHENTICATED DOCUMENTS ACKNOWLEDGING A DEBT;
- BILLS OF EXCHANGE.

THIS STUDY INTENDS TO BRIEFLY EXPLAIN THE VARIOUS STAGES OF THE ENFORCEMENT PROCEEDINGS IN PORTUGAL, WITH SPECIAL EMPHASIS ON THE ENFORCEMENT PROCEEDINGS FOR PAYMENT OF AN AMOUNT.

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MAIN PHASES OF THE ENFORCEMENT PROCEEDINGS



INITIAL REQUEST AND SUMMONING OF THE DEBTOR



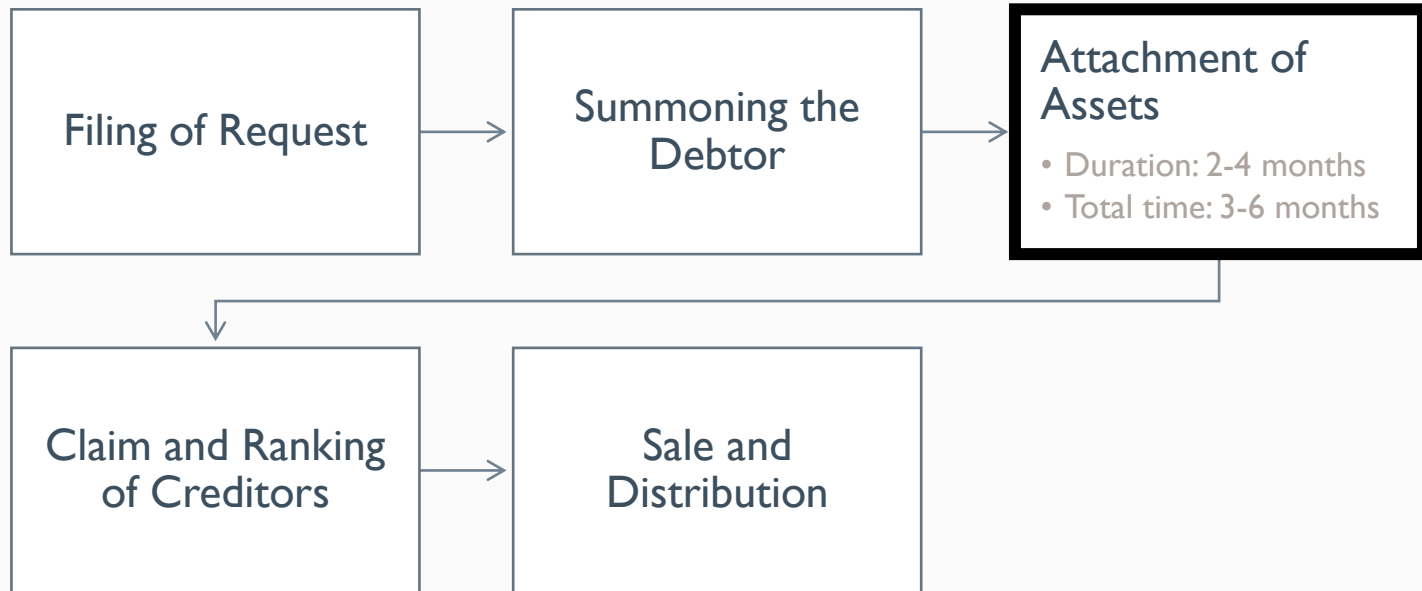
INITIAL REQUEST AND SUMMONING OF THE DEBTOR (CONT.)

- The enforcement proceeding starts with the filing of an “initial request” on “Citius”, an online platform accessible only to lawyers, courts and enforcement agents.
- The creditor’s initial request must include:
 - The identification of the debtor (name, address, tax ID number and, if possible, civil identification number and business address);
 - A brief description of the purpose of the proceedings;
 - A summary describing the facts that support the enforcement request;

INITIAL REQUEST AND SUMMONING OF THE DEBTOR (CONT.)

- The amount owed by the debtor (capital plus the interest occurred until the day the enforcement request is filed);
 - The debtor's assets and any liens on the debtor's assets (if possible);
 - An enforcement agent to be appointed by the court.
- After receiving the request, the court will appoint the enforcement agent;
 - In the common enforcement procedure, the debtor is summoned to oppose to the claim before the seizing of assets.
 - In the summary enforcement procedure, the enforcement agent seizes the debtor's assets immediately after the filing of the initial request. The debtor is only summoned after the seizure of the assets, to simultaneously oppose the claim and the seizure.

ATTACHMENT OF ASSETS



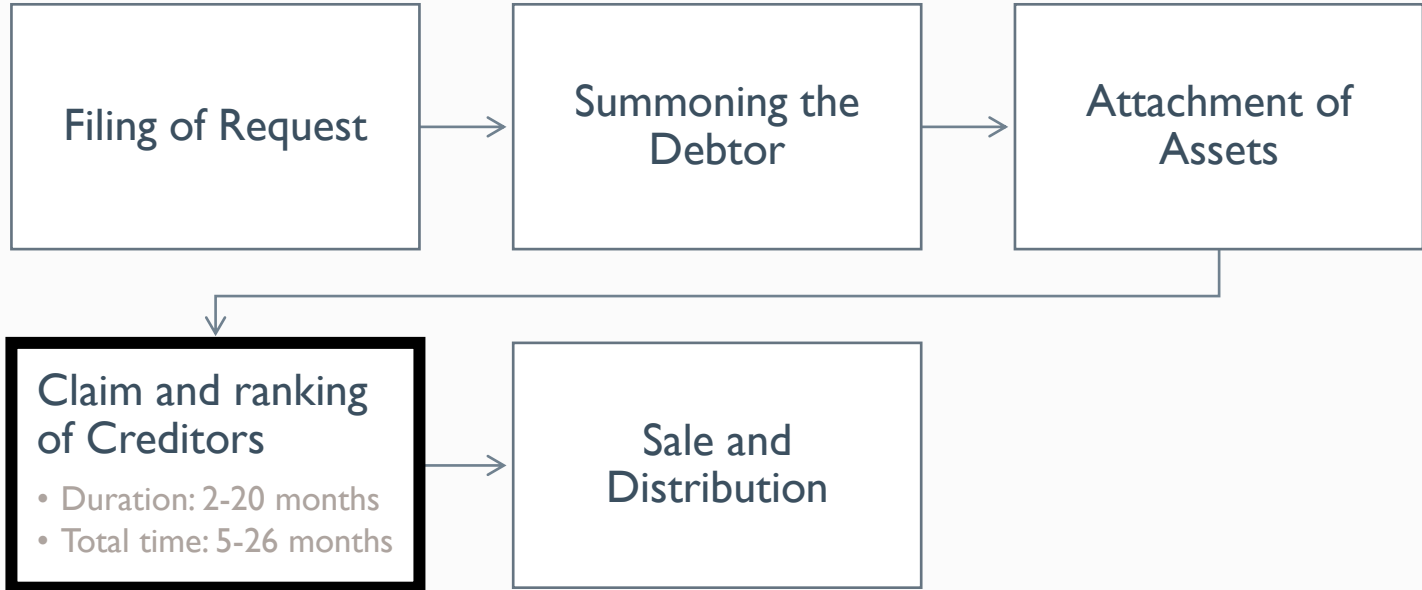
ATTACHMENT OF THE DEBTOR'S ASSETS

The attachment of the debtor's assets is the sole responsibility of the enforcement agent.

Object of the attachment - property and/or income, including:

- Salaries
- Movable and immovable property
- Bank accounts
- Inherited property
- Credits

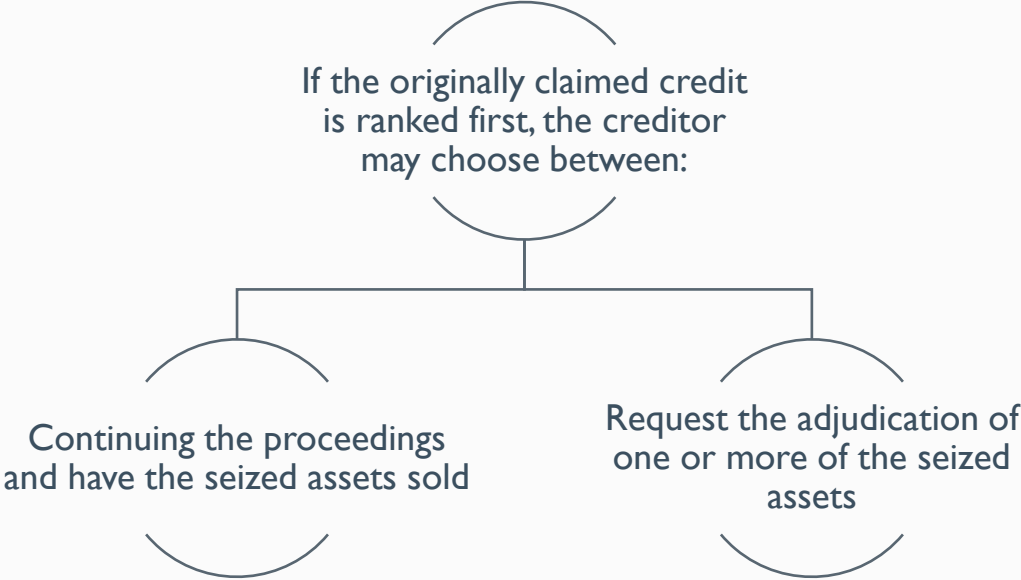
CLAIM AND RANKING OF CREDITORS



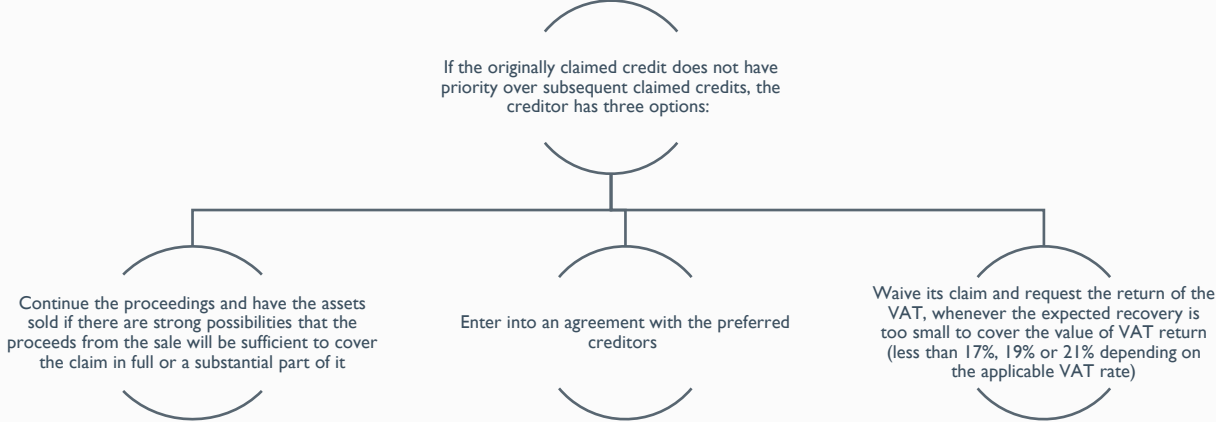
CLAIM AND RANKING OF CREDITORS(CONT.)

- After the attachment of the debtor's assets, the enforcement agent summons:
 - The debtor's spouse;
 - The debtor's creditors holding a guarantee in rem;
 - The Tax Authority and the Social Security.
- Within 15 days from the summon date, creditors holding a guarantee in rem on the seized assets, the Tax Authority and the Social Security may lodge their claims to the court.
- All the parties in the enforcement proceeding – initial and subsequent creditors and the debtor – may challenge all the claims presented in this phase.
- The court will then verify, admit or reject and rank the claims.

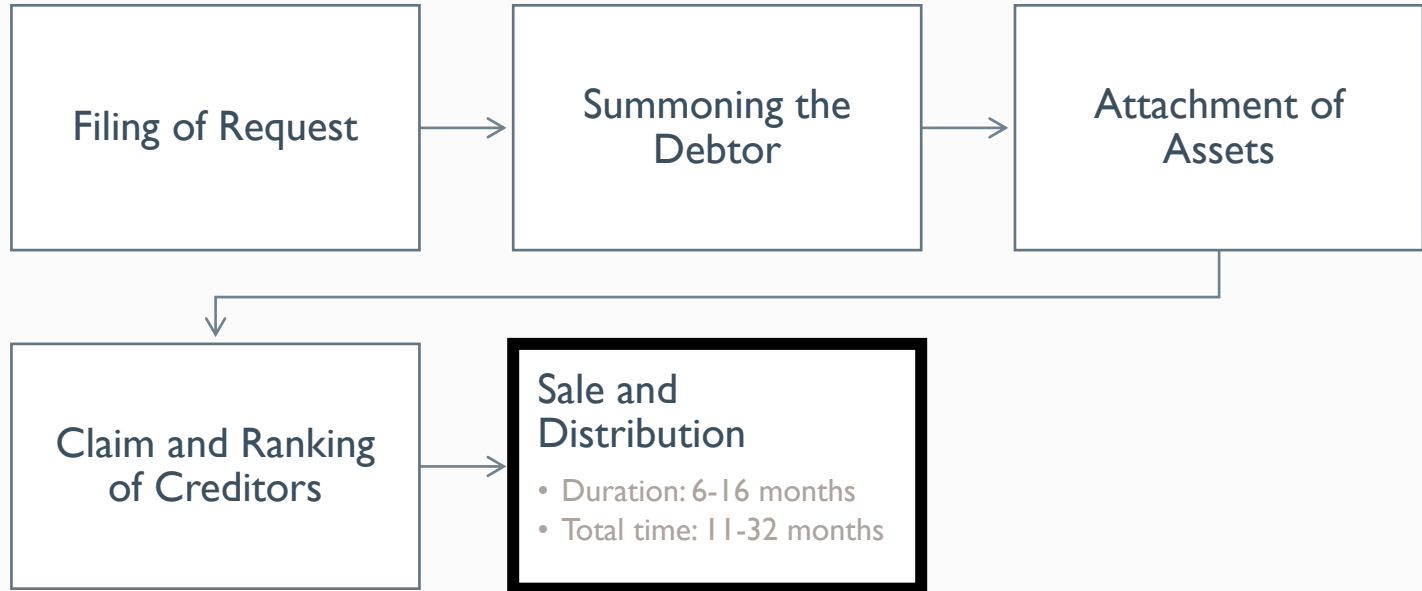
RANKING OF CREDITORS (CONT.)



RANKING OF CREDITORS (CONT.)



SALE AND DISTRIBUTION



SALE AND DISTRIBUTION (CONT.)

- The sale of the seized assets can happen in one of the following ways:
 - Presentation of proposals in closed letters
 - Direct sale to persons or entities with a right to acquire the assets
 - Sale by auction
 - Sale by private negotiation
 - Sale in a public depository or similar
 - Sale in regulated markets
- The enforcement agent will decide on the most appropriate form of sale after hearing the debtor, the claimant and other creditors with any security over the asset.

SALE AND DISTRIBUTION (CONT.)

- For each asset for sale, the enforcement agent may accept an offer of, at least, 85% of the asset's "base value".
- The "base value" shall be:
 - The "tax value" of the asset assessed in the last three years before the sale
 - Or, if there is no "tax value" of the relevant asset, its market value.
- Once the sale is completed, the creditors' claims will be paid in accordance with the ranking of creditors.

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COURT AND ENFORCEMENT AGENT'S FEES

THE ENFORCEMENT AGENT IS RESPONSIBLE FOR DIRECTING THE ENFORCEMENT PROCEEDINGS AND CARRYING OUT ALL ENFORCEMENT ACTIONS. ALTHOUGH HE IS NOT A REPRESENTATIVE OR AN AGENT OF THE CREDITOR, HE IS CHOSEN BY HIM FROM A LIST PROVIDED BY THE SOLICITORS AND ENFORCEMENT AGENTS NATIONAL ASSOCIATION.

COURT FEES

ENFORCEMENT AGENT'S FEES:

Phase I

- When filing the initial request, the creditor pays a court fee in the amount of € 204.00.
- The enforcement agent's maximum fees, which payment is phased, are the following:
 - Phase I (initial costs): € 76.50 regardless the number of debtors, for: (a) a preliminary analysis of the regularity of the enforcement title and of formal procedural requirements; (b) queries to official databases (Social Security, Tax Authority, land register, etc.) and communication of its results; (c) referral of the initial request to the judge (when required).

ENFORCEMENT AGENT'S FEES: Phases 2, 3 and 4

- Phase 2 (summoning the debtor): € 25.50 per debtor, including the summoning of the debtor prior to the seizure of assets or the summoning for indication of assets if none are found in phase 1.
- Phase 3 (attachment procedures and post-attachment summoning): € 51.00 per debtor, with a total limit of 6 summons and 2 external procedures.
- Phase 4 (sale, liquidations and payment): € 102.00, with a limit of 2 external actions. Costs of updated database consultations may be added, in the amount of € 15.30.

ENFORCEMENT AGENT'S FIXED FEE

If there is partial or total recovery of the credit, an amount of € 255.00 is due to the enforcement agent.

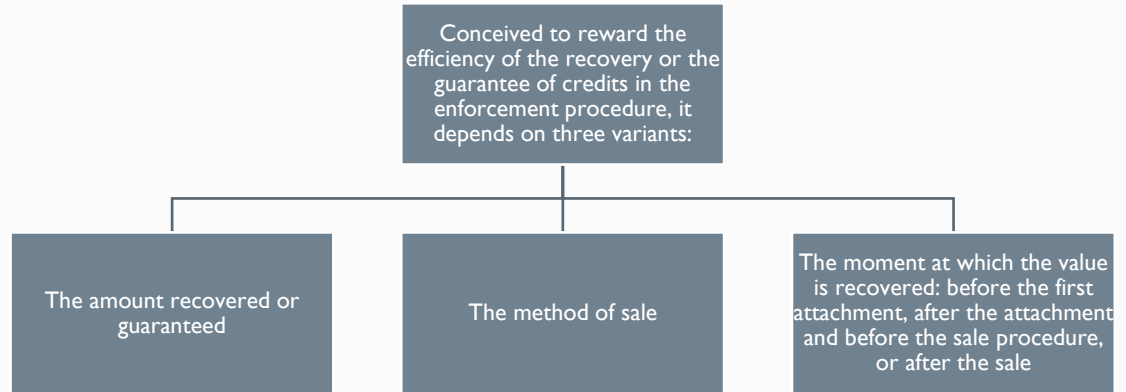


If there is no recovery of any amount, the processing of the case will cost € 153.00.



All these amounts are subject to the legal rate in force, and the enforcement agent may incur in additional costs during the process.

ENFORCEMENT AGENT'S ADDITIONAL RETURN



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THANK YOU

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