



20 March 2014

### Circular-letter no. 24/2014/DSC of the Bank of Portugal

On 10 March 2014, the Bank of Portugal published Circular Letter no. 24/2014/DSC (“**Circular Letter**”), setting out best practice recommendations to be followed by credit institutions regarding the charging of fees to checking accounts.

In such Circular Letter, the Bank of Portugal recognizes the legitimacy of charging an account maintenance fee, as well as the possibility of exempting costumers of such fee, but considers inadequate the practice of varying such fee on the basis of the average balance of checking accounts.

The Bank of Portugal considers that credit institutions should offer a standardized checking account product and adopt a fee charging model that is straightforward, suitable to the services rendered and which ensures an easier understanding by its costumers.

Therefore, the Bank of Portugal recommends the following practices:

- > Credit institutions that accept deposits and have a relevant activity on retail banking products shall adhere to the minimum banking services access system (established by Decree-Law no. 27-C/2000, of 10 March), providing a checking account, designated as “basis account”, which shall comprise the following services:
  - > creation, maintenance, management and ownership of a checking account;
  - > ownership of a debit card;
  - > movement of account funds through ATMs, branches of credit institutions and homebanking service, for deposits, withdrawals, payments of goods and services, direct debits and national interbank transfers.
- > For the services connected to the basis account a single fee shall be charged, being designated as “basis account maintenance fee”;
- > Credit institutions may exempt customers from the basis account maintenance fee, but cannot link this fee to the average balance of the checking accounts;
- > Credit institutions may offer other checking accounts, different from the basis account, as well as the optional purchase of other financial products associated with these accounts, provided that such products do not involve the risk of loss of principal.

The Bank of Portugal considers that credit institutions shall make, as soon as possible, the necessary adjustments to implement these best practices.

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