



May 9, 2013

Decree-Law No. 58/2013, May 8

Decree-Law no. 58/2013 was published yesterday, which sets out detailed rules on the classification and counting of the maturity of credit operations, interest and its capitalisation and default interest. The law applies to credit institutions and other financial sector entities. We would highlight that:

Credits are classified as: short term (maturity does not exceed one year), medium term (maturity is more than one year but under five); and long term (maturity exceeds five years).

Accrued and unpaid interest cannot be capitalized for periods of less than one month.

Credit institutions may charge default interest, by applying a maximum annual rate of 3% on top of the applicable interest rate; default interest in excess of this amount will be reduced to this threshold.

The present decree-law will enter into force 90 days after the date of its publication.

LISBON

Av. Duarte Pacheco, 26
1070-110 Lisboa Portugal
lisboa@vda.pt

OPORTO

Av. da Boavista, 3433 - 8º
4100-138 Porto Portugal
porto@vda.pt

This is a limited distribution and should not be considered to constitute any kind of advertising. The reproduction or circulation thereof is prohibited. All information contained herein and all opinions expressed are of a general nature and are not intended to substitute recourse to expert legal advice for the resolution of real cases.