

## Portugal

### COMPETITION LAW REFORM

*Competition law—supply agreements—possible reform to the regulation of parity clauses—detail presently unknown*

☞ Anti-competitive practices; Budgets; EU law; National competition authorities; Portugal; Purchase and supply agreements

#### **Expect the unexpected: 2021 State Budget grants the Government the power to amend the Portuguese Competition Act and the legal regime for individual restrictive trade practices**

It seems like 2021 is going to be certainly an eventful one for the Portuguese competition law community due to the State Budget for 2021, as surprising as it sounds. The draft State Budget contained two provisions authorising the Government to amend the competition rules and the legal regime for the individual restrictive trade practices, in a way which contradicts the European rules as well as the consolidated decisional practice of the European Commission, the PCA and of the courts. More specifically, the Portuguese Parliament authorises the Government to modify the Portuguese Competition Act by regulating parity clauses in contractual relations between suppliers and their intermediaries. However, the draft State Budget law did not contain any explanation as to why it included competition matters, nor why the competition watchdog was not consulted on the provisions in question. The PCA publicly stated it should have been consulted and it issued, before the final approval of the State Budget, its negative opinion (as the provisions at stake are likely, *inter alia*, to restrict competition, preventing operators from setting more attractive prices to consumers). Although the PCA expressed the view that the provisions should have been removed from the final draft of the Governments Budget Law, the Portuguese Parliament only made small immaterial tweaks to both of the (controversial) provisions. Will the Portuguese Competition Act be amended in the near future? Stay tuned for more developments.

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