

13TH OF JANUARY 2021

COVID - 19 MODIFICATION OF EXCEPTIONAL CREDIT PROTECTION MEASURES

On the 31st of December 2020, Decree-Law no. 107/2020, which introduced changes to the exceptional credit protection measures for families, companies, private charitable institutions, and other social economy entities in the context of the Covid-19 disease pandemic, was published. This Decree-Law came into force on the 1st of January 2021, amending Decree-Law no. 10-J/2020, of the 26th of March¹.

Recognising the impacts of the second wave of the Covid-19 disease pandemic, the European Banking Authority has reactivated the banking moratoriums, **allowing further accessions until the 31st of March 2021** and for a moratorium period of up to nine months from the date of accession.

Entities that could benefit from exceptional credit protection measures for families, companies, private charitable institutions and other social economy entities in the context of the Covid-19 disease pandemic on the 1st of October 2020 and that are not covered by any of the support measures provided for under Decree-Law No 10-J/2020, of the 26th of March, may access the credit moratorium under the following terms:

1. The accession must be communicated by the **31st of March 2021**;
2. The period of application of the measures **may not exceed nine months from the date of communication of accession**;
3. On the 1st of January 2021, the entity should not have been delayed or in default for more than 90 days and should not be in a state of bankruptcy, suspension, cessation of payments or under an enforcement procedure;
4. The entity must have a settled situation with the Tax and Customs Authority and Social Security, being able to settle that situation by the date of accession.

¹ With the amendments resulting from Law No 8/2020 of the 10th of April, Decree-Law No 26/2020 of the 16th of June, Law No 27-A/2020 of the 24th of July and Decree-Law No 78-A/2020 of the 29th of September.

Beneficiary entities that have benefited from the support measures for a period of less than nine months may also access this regime.

A **PARES | Advogados** is available to provide information regarding the application of these new measures for the mitigation of the Covid-19 effects, in a more adequate and suitable way to the reality of each Client.

Tiago Gama

tag@paresadvogados.com

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