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NOTE ON THE REGULATION OF MINIMUM PERIODS FOR ELECTRONIC COMMUNICATION CONTRACTS

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I. MINIMUM CONTRACT PERIODS

The minimum contract period (during which the consumer cannot end or change the contract) **is only lawful** when it is accompanied by **an identified and quantifiable benefit for the consumer**.

II. MAIN RULES

I. Duties of information

Companies that offer public communication networks or electronic communication services accessible to the public are required to **provide their customers, upon request** by them or **at the indication of the National Regulatory Authority**, with information on:

- the **remaining duration of the contract**, whenever there are minimum contract periods,
- the **charges associated with early termination of the contract** at the customer's initiative.

Companies must:

- **if the contract is made by telephone, keep the recording of the telephone conversations** during the whole period the contract remains in force (plus any corresponding limitation and prescription period);
- in the case of **face-to-face sales**, ensure (by any **written means**) that the consumer is properly informed about any applicable minimum contract periods.

The minimum contract period (during which the consumer cannot end or change the contract) is only lawful when it is accompanied by an identified and quantifiable benefit for the consumer.

When the contract is **made by telephone or by any other means of communication at a distance**, the consumer is only bound when he or she later signs the contractual proposal, except when the first telephone contact is made by the consumer him or herself.

Without this signed proposal, companies may not oppose the termination of the contract by the customer or impose any charges for failure to respect the contract period.

II. Content of the contracts

In contracts made with consumers, the minimum contract period may not exceed 24 months.

In exceptional cases, contract periods may be extended (up to a limit of a further 24 months) if the changes to the contract involve updating the equipment or technological infrastructure, or if the consumer expressly accepts the extension.

The companies must offer the possibility of entering into contracts without any type of minimum period.

The charge for terminating the contract at the initiative of the customer must be proportional to the advantage that the consumer has. This means that the charge cannot automatically correspond to the total of the instalments still to be paid.

If the National Regulatory Authority finds there is a clear lack of proportion between the practices and contracts in face of the services being provided, it may decide to immediately terminate the practices and contracts used by the company, or to adapt them. If not, the companies may be guilty of a very serious administrative offence.

III. Transitional provisions

This change to the law comes into force 30 days after it is published. Companies must ensure they comply with the new obligations within 60 days of the date of publication.

IV. What has changed?

Companies will have to provide information on the services they offer to anyone interested in signing a contract for provision of the services they provide.

When a company wishes to change the conditions of the contract, it must:

- communicate the proposal to the consumer; and
- inform the consumer of their right, if they disagree, to terminate the contract without additional charges.
under the old rules, companies were not bound by the second communication requirement if it was possible to identify "an objective advantage for the customer" in the proposal.

With the new law, companies will only be exempt from the second communication requirement if the proposal is exclusively and objectively for the benefit of the customers.

Without this signed proposal, companies may not oppose the termination of the contract by the customer or impose any charges for failure to respect the contract period.

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The Lawyer European Awards, 2015-2012

 Portuguese Law Firm of the Year
Who's Who Legal, 2016, 2015, 2011-2006
Chambers European Excellence Awards, 2014, 2012, 2009

 Top 5 - Game Changers of the last 10 years
Top 50 - Most Innovative Law Firm in Continental Europe
Financial Times - Innovative Lawyers Awards, 2014-2011