INFORMATIVE NOTE

THE SIMPLIFICATION OF THE PURCHASE AND SALE OF PROPERTIES
AND FURTHER REAL ESTATE REGISTRATION PROCEDURES

Within the scope of the *SIMPLEX* Program, **Decree-Law no. 116/2008, of 4 July** was published aiming the adoption of measures of simplification, dematerialisation and abolition of acts and procedures within real estate registration and related acts.

This new diploma decisively affects the daily life of both private individuals and corporate persons in what concerns transactions over properties subject to registration before the Real Estate Registry Offices.

Deep amendments have been introduced in several legal diplomas, in which are included the Real Estate Registration Code, the Civil Code, the Commercial Registration Code, the Legal Regime of Urbanisation and Construction (approved by Decree-Law no. 555/99 of 16 December) and the Notaries Code, which shall enter into force on **21 July 2008**, with the exception of some amendments which shall only enter into force from **1 January 2009**.

Thus, first of all, the "**One-Stop Service**" is incorporated which is exclusively aimed to provide services relating to acts over properties.

Simultaneously, a larger **flexibility in the performance of acts related to transactions of properties** subject to registration is introduced, enabling the majority of the same to be carried out through the recourse to the **services of Attorneys**, Chambers of Commerce and Industry and by Notaries and Solicitors, in "One-Stop Service" regime, being all of these responsible for the mandatory promotion of the registration of the acts in which they have intervened.

Amongst many other amendments, the following **four innovative measures** are particularly highlighted in our legal system:

1st.   The first measure aims to render **optional the public deeds** regarding various acts of our daily life.

Therefore, for the **purchase and sale** and **creation of mortgages over properties** (as well as for all further contracts with consideration pursuant to which the ownership over properties is transferred or charges are created over them), the performance of the act by means of a **certified private document** becomes sufficient.

The same is applicable, amongst other cases, to the **assignment of mortgage credits,** to the execution of a **loan contract of an amount higher than € 25,000.00,** to **property donations**, to the **titles of incorporation of horizontal property,** to the **disposal of inheritance** or of **hereditary share** and to the incorporation of **time sharing property right**, for which the public deed is also no longer required.
2nd.   The second measure consists of the deletion and simplification of registration acts and procedures with the **centralisation of the jurisdiction of the Real Estate Registry Offices**.

Thus, the territorial jurisdiction of the same disappears, enabling any user to perform real estate registration acts at any Real Estate Registry Office, regardless of the place of location of the properties.

A **centralised computer system** is also incorporated, which will enable any Registry Office to consult and verify information available within the registration sector, eliminating the need of submission before the registration services of certificates issued by the competent entities for such purposes.

This way, the mean of communication par excellence between the several bodies as well as between the bodies and the users (namely the "notices"), becomes the **electronic means**.

3rd.   Thirdly and in the way of the dematerialisation and computerisation of the registration system, **online services** shall be **made available**, in part similar to what already exists at the Commercial Registration level.

Therefore, the **promotion of real estate registration acts in the Internet** and the **online availability of permanent real estate registry certificates** become possible, being sufficient evidence for all purposes and before any public or private entity, the availability of the information included in the certificate in the site of the Internet.

4th.   The fourth and last measure consists in the adoption of a **mandatory real estate registration system**.

This system aims to increase the safety in the legal trade of properties, namely in order for the physical, substantive and registry reality to be duly and accurately showed in the real estate registrations.

In order to promote this purpose, a regime of **cost-free registrations** of acts performed prior to the publication of the said Decree-Law and which is aimed to be in force until **2 December 2011** is established, being also free, until such date, the **registrations of the first entry** and those resulting from the **justification of rights**.

Beyond the four main measures mentioned above, also a multiplicity of amendments have been introduced with a clear intent to enhance a more favourable investment environment, but simultaneously aiming to assure the legal safety and the legally legitimate rights and interests of the citizens.

Further to the above, we may state that the purchase of a house will never be the same again.

Lisbon, 8th of July 2008