

**DISPUTE RESOLUTION AND REAL ESTATE AND TOURISM**

## Change in the frequency of mandatory communications to the IMPIC

Law 58/2020 of 31 August implemented Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 and Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 into Portuguese law. The new law entered into force on 1 September 2020 and introduced considerable changes to the existing rules in order to implement new measures to prevent and combat money laundering and terrorist financing in the Portuguese legal system. In particular, it amends Law 83/2017 of 18 August, the Law on Combating Money Laundering and Terrorist Financing ("LCMLTF").

Among the measures introduced, the most noteworthy in the real estate sector is the change in the frequency defined by the LCMLTF for the compulsory communications to the Institute of Public Markets, Real Estate and Construction (Instituto dos Mercados Públicos, do Imobiliário e da Construção, I. P. or "IMPIC") on real estate transactions. These communications previously had to be made every six months, but now they must be made quarterly.

The communications, which include i) the identification of the parties involved; ii) the overall value of the legal transaction and the value of each property bought or sold; iii) a statement of the respective representative securities; iv) identification of the means of payment used; v) identification of the property; and, where applicable, vi) the duration of the lease contract, are made through the IMPIC's Reserved Area and, from now on, on a quarterly basis.

**"The recent amendments to the Law on Combating Money Laundering and Terrorist Financing changes the rules on reporting real estate transactions to the IMPIC."**

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Previously, real estate transactions and lease agreements made in the first half of each year had to be reported by the following 31 August. Real estate transactions and lease agreements made in the second half of each year had to be reported by the end of February of the following year.

As provided for in the IMPIC Regulations, contracts made between 1 July 2020 and 31 August 2020 must be notified to the regulator by the end of February 2021.

We are currently awaiting the changes that will necessarily have to be made to Article 20 of Regulation 276/2019 of the IMPIC in order to define the deadline for the communications to be made. The change introduced will apply to all contracts entered into after 1 September 2020, the date on which Law 58/2020 of 31 August came into force.

In this context, the changes introduced to make the supervision of real estate entities more effective also establish that the Tax and Customs Authority will provide the IMPIC with the information it has on the dates on which real estate activities start and on the real estate operations carried out by the obliged entities. ■

**"The new measures adopted establish that the Tax and Customs Authority will now provide the IMPIC with the information it has on the dates on which real estate activities start and on the real estate operations carried out. The aim of this is to make the supervision."**