

COMMERCIAL REGISTRY REFORM IN PORTUGAL

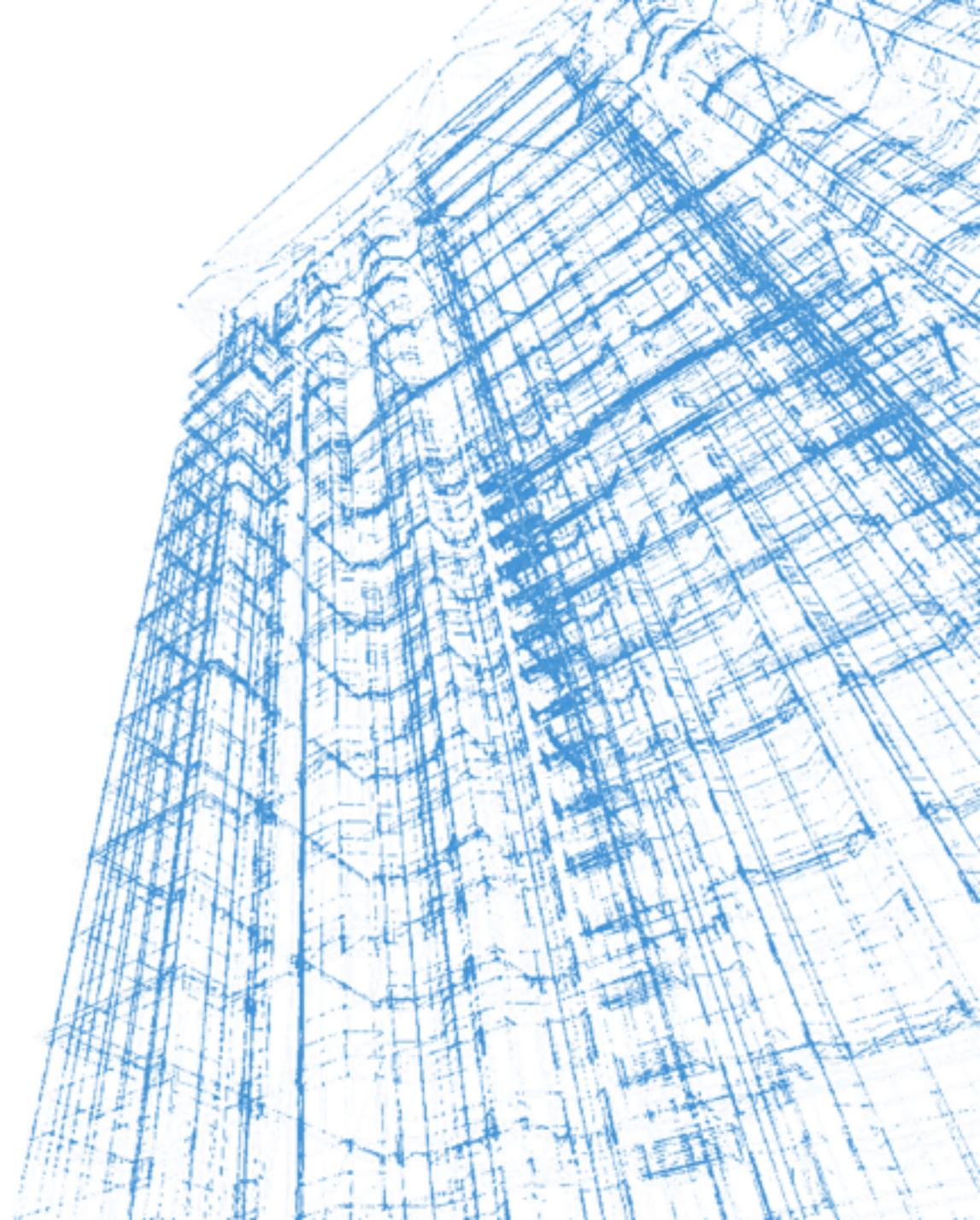
A paradigm shift...

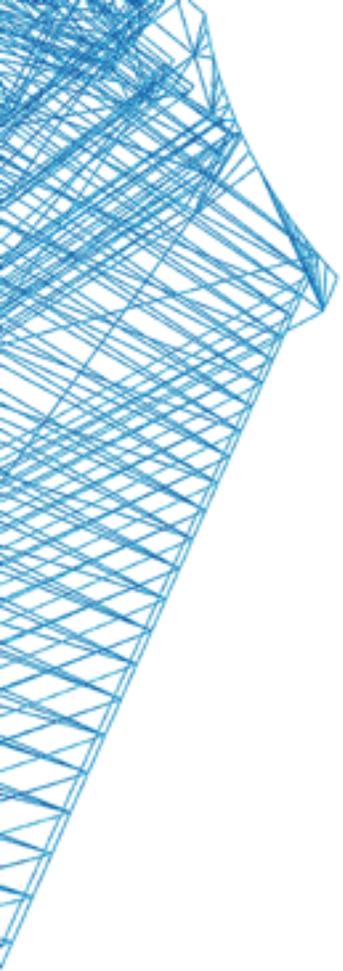


GOVERNO DE
PORTUGAL

MINISTÉRIO DA JUSTIÇA

IRN instituto dos
registos
e do notariado





AGENDA

- The reform of the commercial registry
 - Goals and key factors for success
- New single window services
- New online services

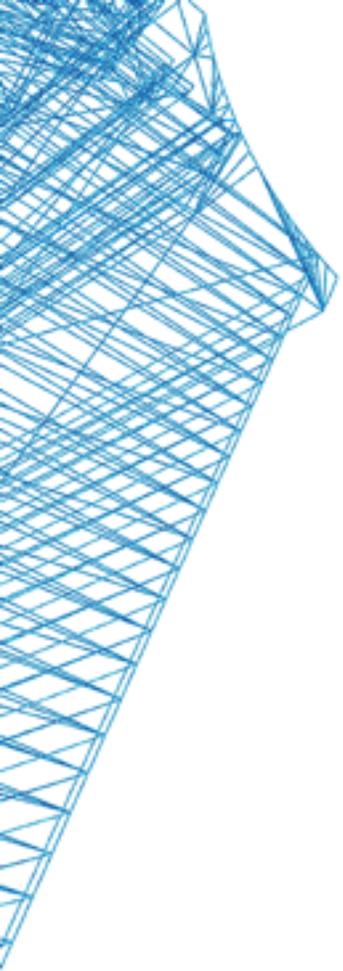


COMMERCIAL REGISTRY REFORM IN PORTUGAL

The reform of the commercial registry began in **2005**, with **3 major goals**:

- **Cutting red tape;**
- **Reducing costs;**
- **Improving competitiveness.**

All towards a favorable environment for entrepreneurship and economic development.



COMMERCIAL REGISTRY REFORM IN PORTUGAL

This reform was based on 3 factors:

1. Technological development;
2. Increasing human resources qualification
3. Process reengineering with consequent alteration of the legal framework

TECHNOLOGICAL DEVELOPMENT

➤ **SIRCOM** - Introduction of the «*Sistema Integrado do Registro Comercial*» (Commercial Registry Information System).

- The information of companies and equivalent entities was centralized in a **single national database**;
 - ✓ *Massive load of records in paper format, existing in commercial registry offices all over the country, resulting in the computerization of 550.000 entities; and*
 - ✓ *Registries are now exclusively performed electronically.*

TECHNOLOGICAL DEVELOPMENT

➤ **SIRCOM** - Introduction of the «*Sistema Integrado do Registro Comercial*» (Commercial Registry Information System).

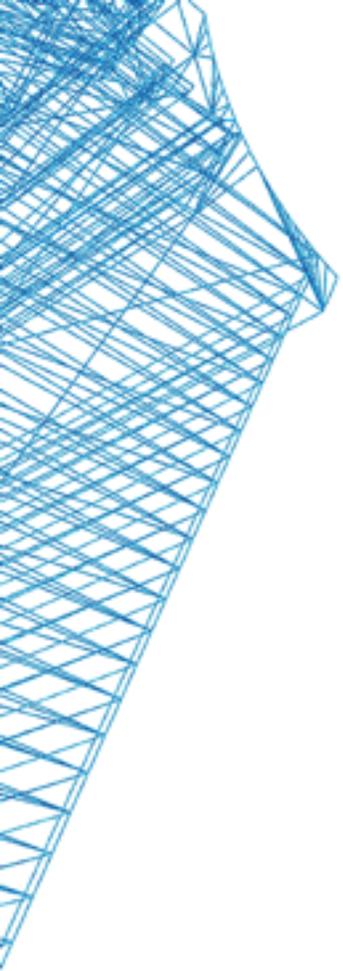
- **Decentralized access** to the database by all registry services, which are now network-connected, was possible.
- Enabled the **elimination of territorial jurisdiction**

TECHNOLOGICAL DEVELOPMENT

➤ This System aimed at:

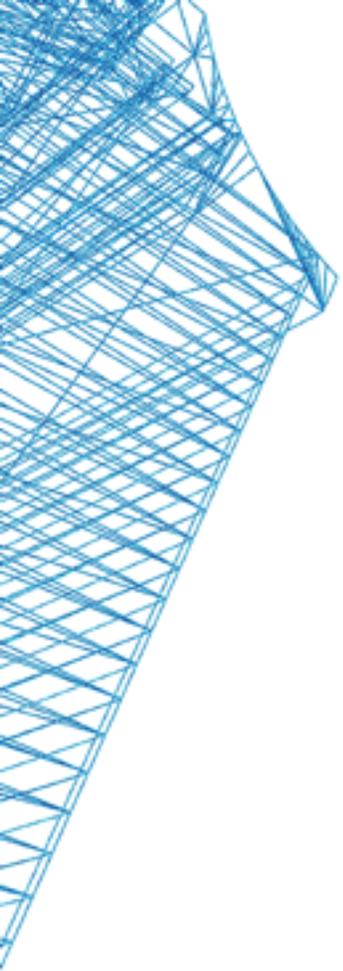
➤ Granting all **341** commercial registry offices with **workflow integrated computer software**, which up to this point was done manually,

- ✓ Starting with the **request** up to the respective **execution**,
- ✓ Including the **classification** and elaboration of the respective **account** and
- ✓ Ending with the **issuance of certificates**.



TECHNOLOGICAL DEVELOPMENT

- **Increase of information security** since it is possible to easily identify the person responsible for entering the data into the database.
- **Facilitates access to the data**
- **Reduce costs** related with the elaboration of the registries

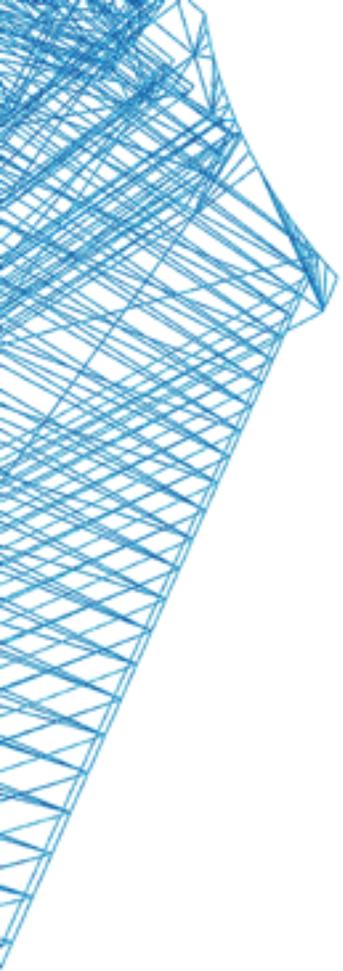


PROCESS REENGINEERING

a) Simplification

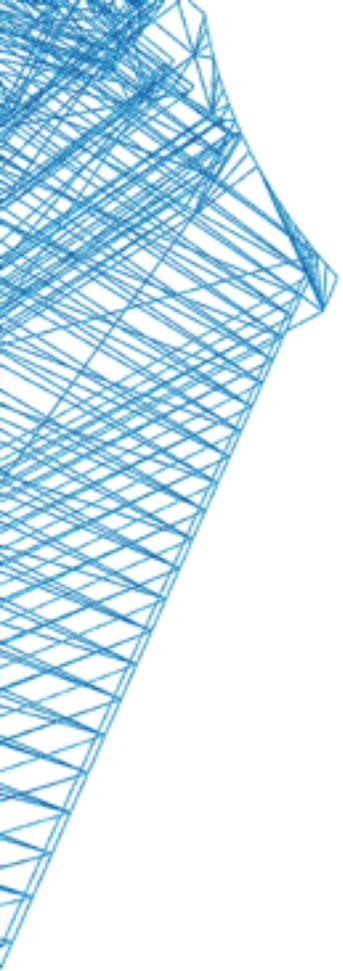
b) Single window services

c) Online registries



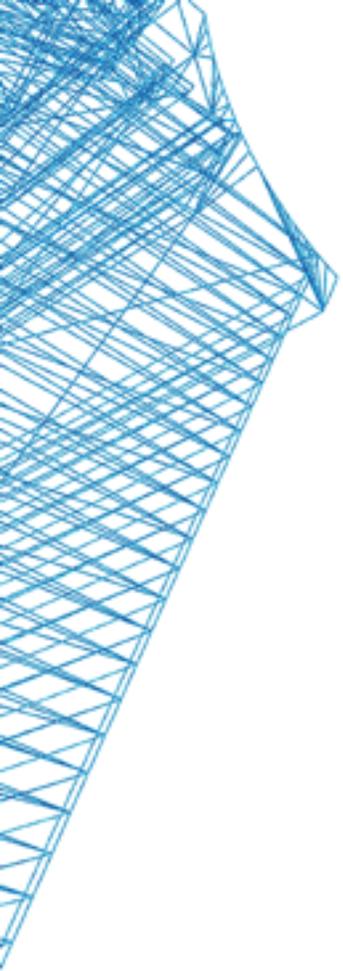
A) SIMPLIFICATION

- ✓ Public deeds are no longer mandatory;
- ✓ Book-keeping is no longer needed;
- ✓ Commercial registries can now be performed anywhere in the country, without territorial jurisdiction;
- ✓ Reduction of the maximum time spent on performing registries, from 15 to 10 days;



A) SIMPLIFICATION

- ✓ Simplified procedures were created regarding the various companies' acts, such as:
 - ✓ Incorporation
 - ✓ Merger and demerger
 - ✓ Submission of accounts
 - ✓ Cancellation
- ✓ Share of data, at two different levels:
 - ✓ Obtaining the information necessary to the registry by consulting the public entities' databases informally
 - ✓ Communicate informally and automatically, by electronic means, to **other Public Administration bodies** (for example, DGCI (Directorate-General of Taxes), IGT (General Labor Inspectorate), Social Security, Commercial Cadastre), the data contained in the registry database



B) *SINGLE WINDOW SERVICES*

One Stop Shop – In a single act and on the spot all the acts related to important events in the companies' lifecycle can be performed, by preparing the process, paying taxes, identifying the fact, performing its registry and forwarding the communications deemed necessary.

✓ On the Spot Firm

✓ On the Spot Branch

✓ On the Spot Association

✓ Simplified Corporate Information

✓ Special Registry Operations

ON THE SPOT FIRM

- Private and public limited companies can be incorporated, in **less than one hour**, in a single act and on the spot, all necessary procedures included.

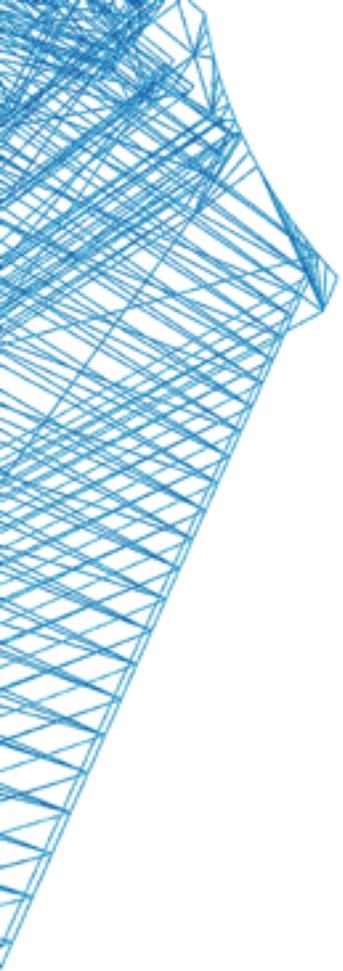


ON THE SPOT FIRM



Only three steps to form the On the Spot Firm:



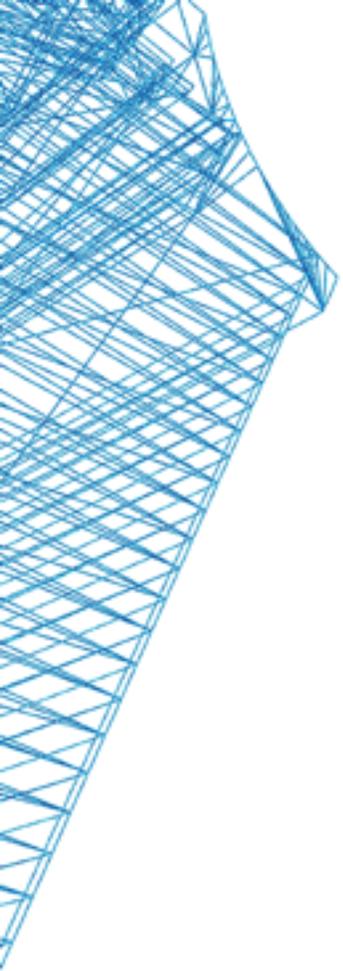


First, the interested parties choose a company

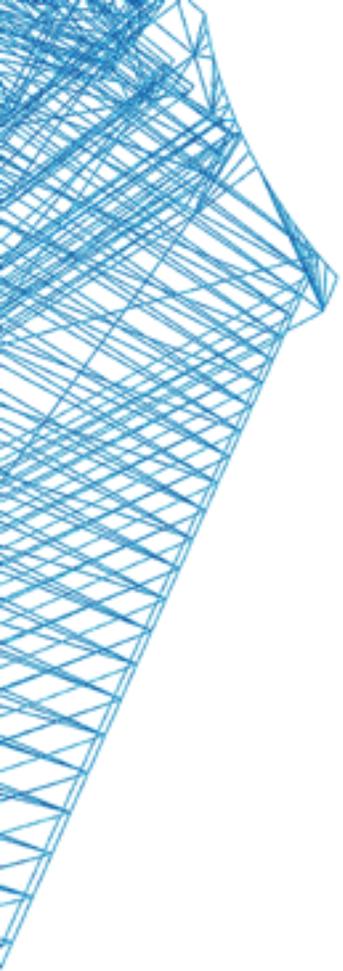
name.

The chosen company name as a number associated, which is simultaneously the registry number, the taxpayer identification number, enables the immediate issuance of the social security number.

- **Approve a**



Then, the interested parties **choose the bylaws** for



Finally, the
bylaw is signed
by the
interested

ON THE SPOT FIRM



- During the On the spot firm procedure, the data are available in a digital format:
- The start of activity is communicated to the Labour's conditions authority;
 - The company is informally registered in the Tax services;
 - The company is informally registered in the Social Security Services;
 - Informal registration in the cadaster of commercial establishments

ON THE SPOT FIRM



➤ Upon the incorporation of the On the Spot Firm you have additional services available, including:

- The “On the Spot Licensing” service.
- The “On the Spot Trademark” service.



ON THE SPOT FIRM



- The On the Spot Firm won the **European Enterprise Award 2006**, granted by the European Commission, in the category “red tape reduction”.
- With this Project, Portugal was considered a “**Top Reformer**”, by the World Bank, in the report Doing Business 2007.

B) SINGLE WINDOW SERVICES

✓ On the Spot Branch

Available since 17/04/2008, foreign companies can create permanent representations in Portugal in a single act and on the spot, in a process very similar to that of the On the Spot Firm.



Special Registry Operations

- **A single window service that ensures assistance to special registry operations:**
 - **for public or private collective persons, and**
 - **evolving registry acts which due to their number, complexity, nature, relations of dependency or connection, or economic relevance, justify a unitary treatment.**

Examples of special registry operations

- ✓ Mergers and transfer of assets subject to registry for incorporating companies or new companies;
- ✓ Registry of tourist facilities;
- ✓ Registry acts of certain investment projects supported by AICEP (International Business Development Agency), etc.

- ❑ With a **single request** it's possible to:
 - ✓ Perform **different types of registry**:
 - **Commercial;**
 - **Land;**
 - **Vehicle;**
 - **Industrial Property.**
 - ✓ Use **other single counters** at a single place:
 - **On the Spot House;**
 - **On the Spot Firm with possibility of acquiring simultaneously a registered trademark;**
 - **On the Spot Branch.**



C) ONLINE REGISTRIES

Several commercial registry services have been made available online:

- **Permanent Business Certificate**
- **Simplified Companies Information**
- **Online Company**
- **Online Commercial Registries**



PERMANENT CERTIFICATE

- Since 20th December 2006 a new service is available for companies: **the permanent certificate.**
- Permanent Certificate includes all the up to date companies' registered acts, as well as the mention of the pending registries requested at the commercial register office.
- The **delivery of the Permanent Certificate access code replaces, for all purposes, the presentation of a paper certificate.**

Permanent Certificate

Bilingual registry with a Permanent Certificate in English

- Since 17th April, the Portuguese commercial registry is available in Portuguese and English, through the Permanent Certificate.
- The Permanent Certificate in English:
 - Has the same legal status as a certificate in Portuguese;
 - Has the same price of a certificate in Portuguese
 - Is easily obtained as a permanent certificate in Portuguese: requested and consulted via Internet, in a completely dematerialized way.

Permanent Certificate

Permanent Certificate

Access Code: 2553-8354-5084

The delivery of this access code to any public or private entity doesn't require the presentation of the certificate in paper version (article 75, nº 5 of Código do Registo Comercial (Commercial Registry Code))

Registration

NIPC (Collective person/Registration identification number): 980391105

Company name: HYPOSWISS PRIVATE BANK GENÈVE SA - SUCURSAL EM PORTUGAL

Legal status: PERMANENT REPRESENTATION

Place of Representation: Av. da Liberdade, nº 190, 5º A

District: Lisbon Municipality: Lisbon Parish: Coração de Jesus

1250 147 Lisbon

Object: development of corporate, investment and private banking activities.

Capital employed: 18.500.000, 00 EUR

Main CAE (Statistical Classification of Economic Activities): 64921-Rev.3

Register office where documents are deposited: Conservatória do Registo Comercial de Lisboa

The elements of this registration do not dispense with the consultation of the records and their endorsements and annotations inasmuch as they define the legal position of the entity.

SIMPLIFIED COMPANY INFORMATION

- Mandatory submission of annual accounts, statistical and tax information, to be delivered by the companies can now be **electronically submitted, at a single moment.**
- It is also possible to request an **Online Certificate** of the company's accounts



SIMPLIFIED COMPANY INFORMATION



- Consists of a **single declaration** comprising several legal obligations
 - ✓ Delivering the annual declaration with the accounts' and tax information;
 - ✓ Registering the **submission of accounts**, within the terms foreseen in the commercial register legislation;
 - ✓ Providing the **statistical information to National Institute of Statistics (INE)**;
 - ✓ Providing **information from the annual accounts data for statistical purposes to the Bank of Portugal**, in agreement with the drafting of the respective organic law, including the one deriving from the participation of the Bank of Portugal in the European System of Central Banks.

ONLINE COMPANY

This service can be accessed through the website www.empresonline.pt by using a digital certificate valid for:

 Lawyers, Solicitors and notaries holding a digital certificate and citizens holding a citizen card, which contains a digital certificate enabling an authenticated digital signature



ONLINE COMPANY



- Since 30th June 2006 it is possible to form commercial companies through the Internet.
- The procedure is very similar to the On the Spot Firm, but performed via Internet, without going to any public service.

ONLINE COMPANY



The interested parties must:

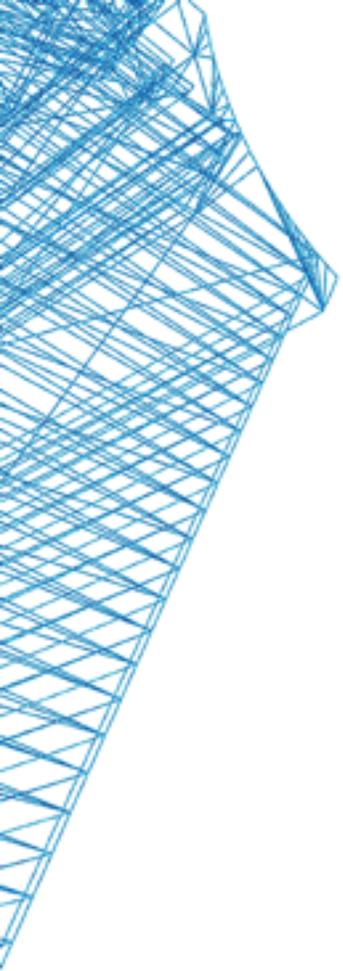
➤ Choose a company name:

- from the pre-approved list;
- certificate of admissibility;
 - **Online company name:** Approved names can be consulted online, with an access code, in a procedure very similar to the On-line Certificate's.
- the partner(s) personal names, automatically approved;

ONLINE COMPANY



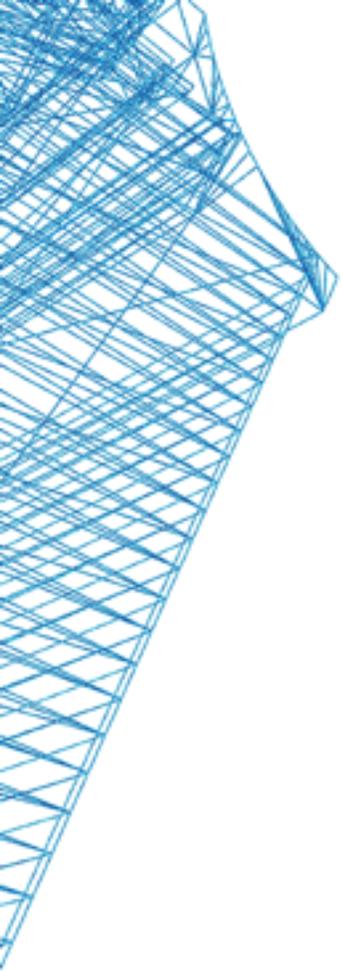
- A pre-approved standard memorandum and articles of association can be used, or one made by the interested parties which will be analysed at the register office.
- After entering and validating all the information about the company, an e-mail and an SMS is sent to the interested parties confirming the incorporation request and another one once the incorporation is successfully completed.



C) *ONLINE REGISTRIES*

Currently, all the acts subject to commercial registry can be requested online:

- Incorporation of the company
- Amendments to the incorporation deed, including share capital increases;
- Transfer of shares;
- Mergers, demergers
- Appointment of corporate bodies
- Dissolutions
- Etc.



IN CONCLUSION...

- With **the reform of the commercial registry**, that resulted in faster accomplishment in procedures of companies lives, avoiding, without prejudice of security, useless acts, redundancies and travels to a various number of places.
- There was a considerable **reduction of context costs**, and, therefore, a **more favorable environment for entrepreneurship and economic development.**

COMMERCIAL REGISTRY REFORM IN PORTUGAL

Thank you for your attention!

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