



LEGAL ALERT

THE NEW SIMPLIFIED LICENSING REGIME FOR THE EXERCISE OF ECONOMIC ACTIVITIES

On the 28th of July of 2017 the new Simplified Licensing Regime for the Exercise of Economic Activities entered into force, approved by Decree no. 39/2017, of 28 July 2017 (Act).

With the entry into force of the Act, the previous Simplified Licensing Regulation¹ was fully repealed as well as no. 1 of article 25 of the Industrial Licensing Regulation² and all legislation that is contrary to the Act.

Similarly to the previous regime, most of the procedures already in force for the licensing of economic activities have been transferred to the new regime without any major change. However, there are some important innovations, namely:

- the Act applies to activities that due to their nature do not cause any negative impact on the environment, public health, safety and the economy in general, but it also targets activities that may create some negative, insignificant and neglected impacts on the environment, which correspond to the Category C of the Environmental Impact Assessment, such as manufacture of products of wood and cork and manufacture of articles made of straw and plaiting materials, among others;
- creates the Certificate of Prior Communication. Through this communication, most of the activities of commerce and service no longer require a license but are only subject to the attainment of the Certificate of Prior Communication. This certificate is not subject to the payment of a fee and must be issued at the moment of submission of the application or within one day from it, maximum;
- the Act also establishes a 15-day suspension of the activities of those holding either a license or a certificate in case of non-compliance with the obligations established under

¹ Approved by Decree no. 5/2012, of 7 March.

² Approved by Decree no. 22/2014, of 16 May.



article 16 of the Act; and

- whilst the previous regime established that all license-holders that did not carry out the respective activities for a period longer than 12 months would have its licenses revoked, the Act has shortened such period now establishing that the revocation of the titles (be it a license or a certificate) may happen after six months of no activities.

Finally, we draw your attention to the fact that the Act determines that within one year from the entry into force of it, all economic agents carrying out activities subject to the simplified licensing procedure must request the regularization of the respective licenses, adopting the new template approved.

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