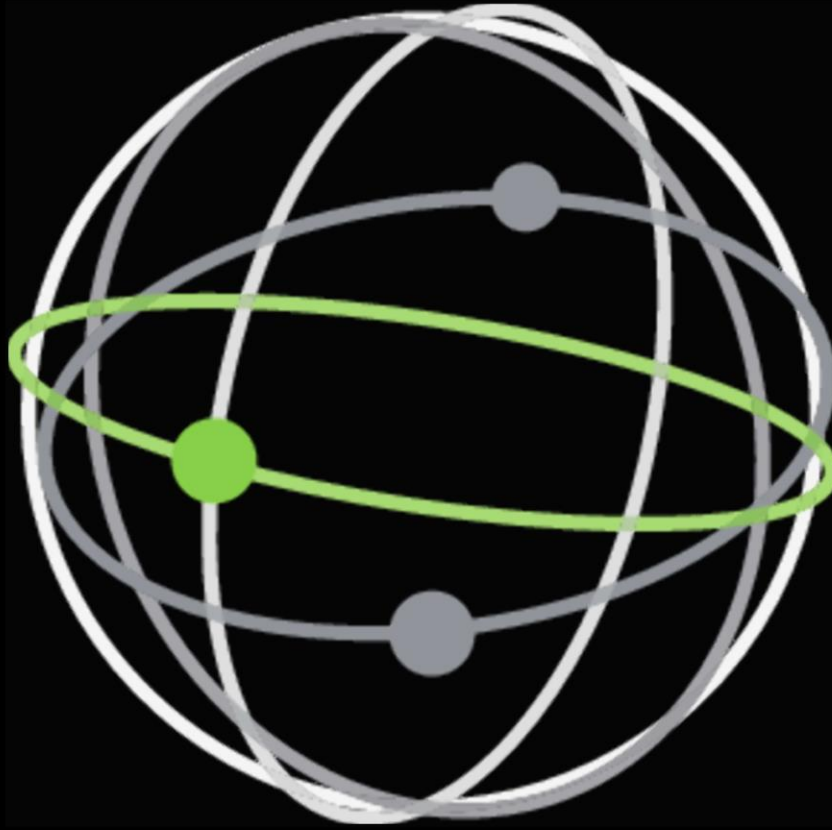


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COVID-19

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Amendment to exceptional measures for credit protection and State-granted guarantees

On 16 June, Decree-Law no. 26/2020, approving the second amendment to Decree-Law no. 10-J/2020, of 26 March, which establishes legislative moratoria on loan repayments applied in light of the COVID-19 crisis as well as a special framework for State-granted personal guarantees, was published in the Portuguese Official Gazette.

The first amendment brought upon by Decree-Law no. 26/2020 is the extension of the moratoria on loan repayments granted under Decree-Law no. 10-J/2020 until 31 March 2021. The new diploma establishes a general rule for the automatic extension of granted moratoria, under which it is up to the entities who do not wish to benefit from such extension to notify the lending institution of such a fact. At the same time, entities who have not yet benefit from moratoria are given the opportunity to adhere until 30 June 2020.

In addition, Decree-Law no. 26/2020 broadens (i) the eligibility criteria for natural persons, in order to include emigrant citizens and to take in consideration reductions in household income; as well as (ii) the range of eligible credit operations, including mortgage loans, the real estate leasing and consumer credit for educational purposes.

Lastly, Decree-Law No. 26/2020 amends the framework for State-granted personal guarantees, provided for in Decree-Law No. 10-J/2020, in order to cover credit insurance and adapt this mechanism towards situations in which guarantees are granted in the context of initiatives, programs or other support measures adopted within the framework of the European Union, either through European institutions or under European instruments or mechanisms.

To access the full text of Decree-Law no. 26/2020, of 16 June, please click [here](#).

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