



DISCLAIMER: The contents of this text do not constitute legal advice and are not meant to be complete or exhaustive. Although Warwick Legal Network tries to ensure the information is accurate and up-to-date, all users should seek legal advice before taking or refraining from taking any action. Neither Warwick Legal Network nor its members are liable or accept liability for any loss which may arise from possible errors in the text or from the reliance on information contained in this text.

### Fact Sheet Agency – PORTUGAL (March 2012)

<p>How is an agent defined under national law?</p>	<p>Decreto-Lei (Executive Law) N.º 178/86, 3 July 1986, modified by Decreto-Lei 118/93, 13 April 2004, which rules the “Agency Agreement” does not have a specific definition. But taking into account the definition of agency agreement, an agent can be defined as someone who undertakes the obligation to promote on behalf of other contracts, with autonomy and stability, receiving a payment, in a certain area or a certain circle of customers.</p>
<p>How is the normal duration of a contract normally defined?</p>	<p>There is not a minimum contract duration. If the parties have not agreed on a specific duration, it is presumed to be for an undetermined period of time. However, there also can be contracts with a fixed term with provision for termination on notice thereafter or a fixed term requiring positive extension.</p>
<p>How long is the notice of termination?</p>	<p>For agency agreements with an undetermined period of time, the notice of termination has to be communicated to the other party in writing, with at least the following notice: one month, if the agreement has lasted less than a year; two months if the agreement has already entered in the 2nd year; three months in other cases.</p>
<p>What rights does the agent have to compensation or indemnity upon termination?</p>	<p>Without prejudice to any other compensation that may have been settled between the parties, the agent is entitled, after the termination of the contract, to compensation called “indemnização de clientela / customers compensation” if the following cumulative requirements are fulfilled: a) The agent has brought new customers to the other party or increased substantially the volume of business with the existing clients; b) the other party will benefit considerably after the termination of the contract due to the agent activity; c) The agent ceases to receive any remuneration for the contracts negotiated or concluded, after termination of the contract with the customers referred to in paragraph a). Compensation is determined in accordance with equity, but cannot exceed a value equivalent to an annuity, calculated from the average annual salary received by the agent during the last five years. If the contract has lasted less time, it will be the average of the period that was in force.</p>



<p>Are there any laws or regulations relating to restraint of trade/restrictive covenants</p>	<p>A Non-compete clause can be inserted into the Agreement which establishes the obligation of the agent not to exercise, after the termination of the agency agreement, activities that are in competition with the other party, however the legislation dictates that the clause can only be effective for a maximum period of two years and confined to the zone or circle of clients entrusted to the agent.</p>
<p>Are any particular formalities required for an agency agreement to be legally valid and enforceable under national law?</p>	<p>Both parties have the right, which they cannot renounce, to require the other one to sign a document setting out the terms of the contract and any subsequent additions or modifications.</p>

Contact: José Vaz Serra de Moura, Vaz Serra e Associados - Sociedade de Advogados RI, Lisbon, [josevazserra@vsa-law.net](mailto:josevazserra@vsa-law.net)