

Legal Update 4th Quarter 2024

Banking, Finance and Capital Markets Newsletter
Portugal





Contents

1. **Listing Act** and the changes made to (i) MiFID II, (ii) the Prospectus Regulation, (iii) the Market Abuse Regulation, (iv) MiFIR, and (v) multiple-vote shares
 2. **Legislation:** Banking and finance law
 3. **Legislation:** Insurance and pension funds law
 4. **Legislation:** Securities and capital markets law
 5. Selected caselaw
-



1.

Listing Act and changes made to (i) MiFID II, (ii) the Prospectus Regulation, (iii) the Market Abuse Regulation, (iv) MiFIR, and (v) multiple-vote shares

On November 14, 2024, the **Listing Act** was published, comprising a package of legislative measures aimed at simplifying access for companies to European Union (“EU”) capital markets and making it more attractive, especially for small and medium-sized enterprises (“SMEs”). Specifically, it makes changes to (i) **Directive 2014/65/EU (“MiFID II”)**, (ii) **Regulation (EU) 2017/1129 (the “Prospectus Regulation”)**, (iii) **Regulation (EU) 596/2014 (the “Market Abuse Regulation”)**, and (iv) **Regulation (EU) 600/2014. (“MiFIR”)**. It also introduces a new directive on multiple-vote shares.

The Listing Act comprises the following three pieces of legislation:

- **Directive (EU) 2024/2811** of the European Parliament and of the Council of October 23, 2024, **amending MiFID II and repealing Directive 2001/34/EC (“Directive (EU) 2024/2811”)**
- **Regulation (EU) 2024/2809** of the European Parliament and of the Council of October 23, 2024, **amending the Prospectus Regulation, the Market Abuse Regulation, and MiFIR (“Regulation (EU) 2024/2809”)**
- **Directive (EU) 2024/2810** of the European Parliament and of the Council of October 23, 2024, on **multiple-vote share structures** in companies that seek admission to trading of their shares on a multilateral trading facility (“**Directive (EU) 2024/2810**”).

The **Listing Act** entered into force on December 5, 2024. Some provisions of Regulation (EU) 2024/2809 apply immediately, while others will only apply from March 5, 2026, or June 5, 2026. Member States must transpose Directive (EU) 2024/2811 by June 5, 2026, and Directive (EU) 2024/2810 by December 5, 2026.

In this publication, we highlight the main changes made by the **Listing Act**. For detailed information on the three pieces of legislation, click on the following links:

- [LEGAL UPDATE | The EU Listing Act has been published](#)
- [LEGAL UPDATE | Listing Act: Changes to the Prospectus Regulation made by the Listing Act](#)
- [LEGAL UPDATE | Listing Act: new developments concerning market abuse](#)
- [LEGAL UPDATE | Multiple Voting Shares: The EU promotes minimum harmonization](#)



Directive (EU) 2024/2811 | Revoking Directive 2001/34/EC and amending MiFID II

Directive (EU) 2024/2811 revokes Directive 2001/34/EC and transfers the directive's rules on listing shares to MiFID II. It also makes several **changes to the conditions for listing shares**, particularly the requirements for (i) a minimum market capitalization of €1 million; and (ii) a minimum free float of 10% (instead of the previous 25%).

Regulation (EU) 2024/2809 | Changes to the Prospectus Regulation and the Market Abuse Regulation

To simplify and standardize the form and content of prospectuses, **Regulation (EU) 2024/2809** changes the **Prospectus Regulation** by (i) introducing new **exemptions from the obligation to publish** a prospectus and extending existing exemptions; (ii) introducing **changes to the EU Growth Prospectus regime**; (iii) **creating the Complementary EU Prospectus**, aimed at secondary issues of companies already listed on a regulated market or a growing SME market; and (iv) introducing new sustainability disclosure requirements.

The changes to the Prospectus Regulation will be implemented in stages, with some changes applying immediately from December 4, 2024, and others from March 5, 2026, and June 5, 2026. There are also transitional provisions for prospectuses approved by March 4, 2026, and June 4, 2026, respectively.

The changes made to the **Market Abuse Regulation** include (i) eliminating the requirement to disclose information on interim stages in ongoing processes, (ii) clarifying the conditions for delaying the disclosure of insider information, and (iii) raising the notification thresholds for managers' transactions.

The changes to the Market Abuse Regulation will be implemented in stages, with most of them applying immediately from December 4, 2024, and the changes to administrative measures and penalties from June 5, 2026.

Directive (EU) 2024/2810 | New directive on multiple-vote shares

Directive (EU) 2024/2810 requires Member States to ensure that a company whose shares are not yet listed on a growing regulated market or multilateral trading facility ("**MTF**") is entitled to adopt a multiple-vote share structure for listing its shares on an MTF.

Also, and to protect the interests of shareholders that do not hold additional voting rights, **Directive (EU) 2024/2810** establishes transparency requirements, safeguards, and obligations.



2.

Legislation: Banking and finance law

Portuguese law

Order 14941/2024 of December 18, 2024

Establishing the amounts of the overall unit route charges and exchange rates of the various national currencies against the euro for the application period starting on January 1, 2025.

Order 14916/2024 of December 18, 2024

Authorizing the granting of portfolio guarantees to credit institutions adhering to the protocol on the state's personal guarantee to credit institutions to make it viable to grant loans for owner-occupied homes.

Decree-Law 106/2024 of December 13, 2024

Amending Banco Português de Fomento, S. A.'s operating rules

Order 14699/2024 of December 12, 2024

Granting the guarantee by the Mutual Counter Guarantee Fund to mutual guarantee companies, as part of the line of credit with mutual guarantee—INVESTE RAM 2020 - RRP.

Ordinance 306-A/2024/1 of November 27, 2024

Approving the regulation of the incentive system for strategic sector investments.

Order 13588/2024 of November 18, 2024

Establishing the maximum guarantee amount to be granted by the state under article 8.1 of Ordinance 236-A/2024/1 of September 27.

Decree-Law 89/2024 of November 18, 2024

Making the first amendment to the asset management regime.

Decree-Law 82/2024 of October 31, 2024

Ensuring the implementation of Regulation (EU) 2018/1672 on the control of cash entering or leaving the EU through national territory.

Decree-Law 79/2024 of October 30, 2024

Reviewing the legal regime on savings certificates, aimed in particular at dematerializing the certificates, eliminating the figure of the dealer, and reviewing the time period for series A and B securities.

Decree-Law 72/2024 of October 16, 2024

Making the third amendment to Decree-Law 3/2010 of January 5, which prohibits charges for the provision of payment services and for ATM transactions.



EU law

Commission Implementing Regulation (EU) 2024/3172 of November 29, 2024, laying down implementing technical standards for the application of Regulation (EU) 575/2013 with regard to public disclosure by institutions of the information referred to in Titles II and III of Part VIII of that Regulation and revoking Implementing Regulation (EU) 2021/637. OJEU (Series L) December 31, 2024.

Commission Implementing Regulation (EU) 2024/3117 of November 29, 2024, laying down implementing technical standards for the application of Regulation (EU) 575/2013 with regard to supervisory reporting of institutions and revoking Implementing Regulation (EU) 2021/451. OJEU (Series L) December 30, 2024.

Commission Implementing Regulation (EU) 2024/2956 of November 29, 2024, laying down implementing technical standards for the application of Regulation (EU) 2022/2554 with regard to standard templates for the reporting of information. OJEU (Series L) December 27, 2024.

Regulation (EU) 2024/3005 of the European Parliament and of the Council of November 27, 2024, on the transparency and integrity of environmental, social and governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859. OJEU (Series L) December 12, 2024.

Directive (EU) 2024/2994 of the European Parliament and of the Council of November 27, 2024, amending Directives 2009/65/EC, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk arising from exposures towards central counterparties and of counterparty risk in centrally cleared derivative transactions. OJEU (Series L) December 4, 2024.

Regulation (EU) 2024/2987 of the European Parliament and of the Council of November 27, 2024, amending Regulations (EU) 648/2012, (EU) 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets. OJEU (Series L) December 4, 2024.

Commission Implementing Regulation (EU) 2024/2984 of November 29, 2024, laying down implementing technical standards for the application of Regulation (EU) 2023/1114 with regard to forms, formats and templates for the crypto-asset white papers. OJEU (Series L) December 3, 2024.

Commission Implementing Regulation (EU) 2024/2902 of November 20, 2024, laying down implementing technical standards for the application of Regulation (EU) 2023/1114 with regard to reporting related to asset-referenced tokens and to e-money tokens denominated in a currency that is not an official currency of a Member State. OJEU (Series L) November 28, 2024.

Commission Implementing Regulation (EU) 2024/2883 of November 18, 2024, laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from September 30, 2024, until December 30, 2024, in accordance with Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance. OJEU (Series L) November 19, 2024.



Regulation (EU) 2024/2809 of the European Parliament and of the Council of October 23, 2024, amending Regulations (EU) 2017/1129, (EU) 596/2014 and (EU) 600/2014 to make capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises. OJEU (Series L) November 14, 2024.

Directive (EU) 2024/2811 of the European Parliament and of the Council of October 23, 2024, amending Directive 2014/65/EU to make capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and revoking Directive 2001/34/EC. OJEU (Series L) November 14, 2024.

Directive (EU) 2024/2810 of the European Parliament and of the Council of October 23, 2024, on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility. OJEU (Series L) November 14, 2024.

Guideline (EU) 2024/2798 of the European Central Bank (“ECB”) of October 10, 2024, amending Guideline (EU) 2021/831 on statistical information to be reported on financial intermediaries other than monetary financial institutions (ECB/2021/12) (ECB/2024/27). OJEU (Series L) November 4, 2024.

Bank of Portugal instructions

Instruction 18/2024 of December 16, 2024

Setting the basic rate for determining periodic contributions to the Resolution Fund in 2025 at 0.049%.

Instruction 17/2024 of December 16, 2024

Setting the basic contribution rate for determining each institution's rate at 0.0009%, as well as the amount of the minimum contribution to the deposit guarantee fund to be made by participating institutions (€600) in 2025. It stipulates that participating credit institutions cannot replace their annual contribution with irrevocable payment commitments.

Instruction 16/2024 of December 5, 2024

Disclosing the maximum rates to be applied to consumer credit agreements under Decree-Law 133/2009 of June 2 for the third quarter of 2025.

Bank of Portugal circulars

Circular CC/2024/00000053 of December 16, 2024

Disclosing the costs associated with the mobilization and management of collateral in Eurosystem credit operations. It replaces Circular 003/2015/DMR of July 15.

Circular CC/2024/00000052 of December 11, 2024

Recalling the requirements applicable to the update procedures established in article 40 of Law 83/2017 of August 18, and disseminating other aspects that help the supervised entities, for the purposes of preventing money laundering and terrorist financing, to define the conduct to be adopted in this context. This includes cases where updating the identification data of their clients, representatives and beneficial owners is not possible.

Circular CC/2024/00000051 of November 28, 2024

Disclosing the obligations for providing immediate transfers in euros.



Circular CC/2024/00000047 of November 28, 2024

Informing, following the release of the Financial Action Task Force (“FATF”) *communiqués* (plenary meeting of October 2024), on the adoption of countermeasures commensurate with a very high risk of money laundering and terrorist financing in relation to the Democratic People’s Republic of Korea (North Korea) and the Islamic Republic of Iran. It also highlights the continued suspension of the Russian Federation’s membership status.

Circular CC/2024/00000044 of November 5, 2024

Informing about the deadlines for notifying the amount of minimum reserves (monthly and quarterly reports), as well as the calendar of maintenance periods for 2025.

Circular CC/2024/00000043 of October 24, 2024

Disclosing guidelines on the restatement of historical data under the EBA reporting framework. (EBA/GL/2024/04).

Circular CC/2024/00000033 of October 17, 2024

Disclosing the views and good practices to be followed in preventing and regularizing loan contract defaults.

Circular CC/2024/00000032 of October 15, 2024

Clarifying the Bank of Portugal’s monitoring of housing loans with a personal state guarantee granted under Decree-Law 44/2024 of August 10.

Bank of Portugal notices

Notice 7/2024 of December 31, 2024

Establishing the countercyclical capital reserve percentage at 0.75% of the total amount of risk exposures in Portugal, calculated under article 92.3 of Regulation (EU) 575/2013, excluding the risk classes excepted in article 138-L.5 of the General Regime on Credit Institutions and Financial Companies, approved by Decree-Law 298/92 of December 31.

Notice 6/2024 of December 28, 2024

Regulating the provision of information to bank customers on the state’s personal guarantee regime on granting loans for owner-occupied housing to young people up to the age of 35, established in Decree-Law 44/2024 of July 10 and regulated by Ordinance 236-A/2024/1 of September 27.

Notice 5/2024 of December 4, 2024

Establishing the principles and rules that must be followed in advertising financial products and services subject to Bank of Portugal supervision, advertising the activity, and institutional advertising. It revokes Bank of Portugal Notice 10/2008 of December 22.

Notice 4/2024 of November 19, 2024

Establishing the obligation to identify the beneficial owner in transactions using payment references and direct debits.



European Banking Authority acts

The European Banking Authority (“EBA”) provided further guidance on reporting requirements under the Markets in Crypto-assets Regulation – December 18, 2024.

The EBA published final draft technical standards on the conditions for determining whether an instrument attracting residual risk acts as a hedge – December 17, 2024.

ESAs provided guidelines to facilitate consistency in the regulatory classification of crypto-assets by industry and supervisors – December 10, 2024.

EBA consulted on draft technical standards specifying material changes and extensions to the internal ratings-based approach – December 9, 2024.

Public consultation on the draft regulatory technical standards (“RTS”) which clarify and improve the conditions for assessing material changes to models (MMC) and extensions, following the review of the related delegated regulation.

EBA published final rules on specifying long and short positions under market and counterparty risk derogations – December 6, 2024.

EBA proposed criteria to appoint a central contact point for crypto-asset service providers to strengthen the fight against money laundering and terrorist financing in host Member States – December 4, 2024.

Public consultation on the draft RTS specifying the criteria according to which crypto-asset service providers (CASPs) must appoint a central point of contact to ensure compliance with host Member States’ local obligations regarding fighting money laundering and terrorist financing.

The European supervisory authorities (EBA, EIOPA, ESMA – ESA) published joint guidelines on the system for exchanging pertinent information for fitness and propriety assessments – November 20, 2024.

The EBA issued final guidelines on internal policies, procedures, and controls to ensure the implementation of Union and national restrictive measures – November 14, 2024.

Two sets of final guidelines were published that, for the first time, set common EU standards on the governance arrangements and the policies, procedures and controls financial institutions should have in place to comply with Union and national restrictive measures.

The EBA consulted on Guidelines on proportionate retail diversification methods – November 12, 2024.

Public consultation on the draft guidelines that will specify proportionate retail diversification methods to be eligible for the preferential risk weight under the standardized approach to credit risk.

The EBA consulted on draft technical standards for structural foreign exchange positions – October 28, 2024.

Public consultation on the draft RTS and implementing technical standards (“ITS”) on structural foreign exchange positions under the Capital Requirements Regulation (CRR).



The EBA consulted on draft technical standards to support centralized Pillar 3 data hub – October 11, 2024.

The EBA published guidelines on redemption plans under the Regulation on Markets in Crypto-assets – October 9, 2024.



3.

Legislation: Insurance and pension funds law

EU law

Commission Implementing Regulation (EU) 2024/2883 of November 18, 2024, laying down the technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from September 30, 2024, until 30 December 2024, in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance.

Directive of the European Parliament and of the Council of November 27, 2024, establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU, and (EU) 2017/1132 and Regulations (EU) 1094/2010, (EU) 648/2012, (EU) 806/2014 and (EU) 2017/1129.

Insurance and Pension Funds Supervisory Authority (“ASF”) regulatory standards

Regulatory Standard 10/2024-R of November 5

On preventing and combating money laundering and terrorist financing. The standard adapts the obligations established in the Portuguese and EU legislative framework to the specificities of the sectors supervised by the ASF, considering best practices and international guidelines, and establishing guidelines for establishing appropriate policies, procedures and controls, evaluating effectiveness, designating those responsible for regulatory compliance, design and marketing of products, payment means, use of information systems, identification and diligence obligations, training, and periodic reporting to the ASF, amending and revoking previous standards.

Regulatory Standard 11/2024-R of November 20

Disclosing information on commissions, yield, and risk in retirement savings plans (“PPRs”), revisiting and updating the system for disclosing information about PPR commissions and yields in the form of insurance contracts not linked to investment funds.

Regulatory Standard 12/2024 of December 17

On the right to be forgotten and the prohibition of discriminatory practices.



Regulatory Standard 13/2024-R of December 17

Amending Regulatory Standard 11/2007-R of July 26 and its subsequent amendments, including Regulatory Standard 1/2024-R of January 4, aimed at updating the occupational accident pension information system to provide the ASF with clearer and more detailed data on pensions, supplementary benefits for third-party assistance, and additional duodecimals, which are reimbursed by the Occupational Accident Fund (FAT).

European Insurance and Occupational Pensions Authority (“EIOPA”) acts

EIOPA Financial Stability Report of December 2024



4. Legislation: Securities and capital markets law

Portuguese law

Portuguese Securities Market Commission circulars

Circular 012/2024 - FATF - Preventing and Combating Money Laundering and Terrorist Financing – November 28, 2024

The FATF released the results of the plenary cycle, specifically regarding the so-called High-Risk Jurisdictions subject to a Call for Action and Jurisdictions subject to Increased Monitoring.

Circular 011/2024 - Auditors - Participation in public crimes - article 190 of the EOROC – October 22, 2024

The Portuguese Securities Market Commission (“CMVM”) sent a self-assessment questionnaire to statutory auditing firms and individual auditors operating in 2023 to obtain information on the procedures they implemented to comply with article 190 of the Statutes of the Portuguese Institute of Statutory Auditors. The CMVM has now issued this circular analyzing the replies received to the questionnaire.

European Securities and Markets Authority acts

The European Securities and Markets Authority (“ESMA”) published the feedback received regarding the proposal to revise the securitization disclosure models – December 20, 2024.

ESMA launched a consultation on the internal control framework for some of its supervised entities – December 19, 2024.

ESMA launched consultation on EU code of conduct for issuer-sponsored research – December 18, 2024.

ESA simulation exercise showed that the objective of reporting information records under the Digital Operational Resilience Act (“DORA”) in 2025 is within reach – December 17, 2024.



ESMA released the last package of final reports containing RTS and guidelines before the full entry into force of the Markets in Crypto-assets Regulation (MiCA) – December 17, 2024.

ESMA published its Final Report on bond trade transparency and reasonable commercial basis under the MiFIR Review – December 16, 2024.

ESMA published technical standards for consolidated tape providers (“CTPs”) and other data reporting services providers (DRSPs) – December 16, 2024.

ESMA published final report on equity transparency under MiFID II – December 16, 2024.

ESMA published consultation on proposals to digitalize sustainability and financial disclosures – December 13, 2024.

ESMA published Q&As on the practical application of the Guidelines on funds' names using ESG or sustainability-related terms – December 13, 2024.

ESMA published consultation on open-ended loan-originating alternative investment funds – December 12, 2024.

ESMA published consultation on the changes to the Market Abuse Regulation and MiFID II introduced by the Listing Act – December 12, 2024.

ESA published Guidelines to facilitate consistency in the regulatory classification of crypto-assets by industry and supervisors – December 10, 2024.

ESMA announced further guidance on exclusion criteria for the selection of CTPs – November 25, 2024.

ESMA replied to the European Commission’s consultation on Non-Bank Financial Intermediation (NBFII) – November 22, 2024.

ESAs published Joint Guidelines on the exchange of information relevant to fit and proper assessments – November 20, 2024

ESMA collected the first contributions under EMIR 3 - Active Account Requirement – November 20, 2024.

ESMA published its Final Report on Technical Advice to the European Commission on the Central Securities Depositories Regulation Penalty Mechanism – November 19, 2024.

The ESAs, together with the ECB, released the results of the EU’s Fit-For-55 climate stress test – November 19, 2024.

ESMA proposed to move to T+1 by October 2027 – November 18, 2024.

ESMA published its Final Report providing the assessment of the shortening of the settlement cycle in the EU.



ESAs announced timeline to collect information for the designation of critical ICT third-party service providers under the DORA – November 15, 2024.

ESMA published data for quarterly bond liquidity assessment and the systematic internalizer calculations for equity, equity-like instruments, bonds, and other non-equity instruments under MiFID II and MiFIR – October 31, 2024.

ESAs published 2024 joint report on principal adverse impact disclosures under the Sustainable Finance Disclosure Regulation (SFDR) – October 30, 2024.

ESAs published final report on the draft ITS to facilitate access to financial and sustainability information on the European Single Access Point (ESAP) – October 29, 2024.

ESMA launched public consultation on changes to MiFID II introduced by the Listing Act – October 28, 2024.

ESMA published report on the first application of IFRS 17 Insurance Contracts – October 25, 2024.

ESMA issued annual European Common European Enforcement Priorities (“ECEP”) Statement for 2024 corporate reporting – October 24, 2024.

ESMA updated guidance under the MiFIR review – October 16, 2024.

ESMA, ECB and EC announced next steps for the transition to T+1 governance – October 15, 2024.

ESMA published new Q&As on AIFMD, MiCA and MiFID II – October 11, 2024.

The ESA Joint Committee published its Work Program for 2025, placing particular emphasis on continued collaboration to tackle cross-sectoral risks, promoting sustainability in the EU financial system, and strengthening financial entities' digital resilience – October 7, 2024.

ESMA published its first annual report on EU Carbon Markets – October 7, 2024.

ESMA published its 2025 Work Program, which reaffirms ESMA's strategic orientation and commitment to safeguarding resilient, transparent, and sustainable European financial markets – October 1, 2024.



6. Selected caselaw

European caselaw

Judgment of the Court of Justice of October 4, 2024 (Case C 535/22 P)

This judgment concerns the appeal lodged by Aeris Invest Sàrl (“Aeris Invest”), a shareholder of Banco Popular Español S.A. (“Banco Popular”), against a decision of the General Court of the European Union (the “GCEU”) concerning the bank’s resolution program. Apart from Aeris Invest, the dispute involved the European Commission, the Single Resolution Board (the “SRB”), the Kingdom of Spain, the European Parliament, the Council of the European Union, and Banco Santander, S.A. (“Banco Santander”).

Aeris Invest argued that the resolution program, which culminated in the sale of Banco Popular to Banco Santander for €1.00, infringes several rights and principles enshrined in EU law, namely the right to property, the principle of proportionality, the duty of care, and the right to a fair hearing. It also claimed that the selling process was compromised due to irregularities.

The Court of Justice of the European Union (the “CJEU”) dismissed the appeal, confirming the GCEU’s decision. The CJEU ruled that the SRB and the European Commission acted within the margin of discretion granted to them by Regulation (EU) 806/2014 (the “SRM Regulation”) and Directive 2014/59/EU, concluding that the adopted measures are necessary, proportionate, substantiated, and aimed at ensuring the continuity of critical functions, protecting depositors, and preserving financial stability.

The CJEU also rejected claims of irregularities in the Banco Popular selling process, stressing that the SRB followed the appropriate procedures to maximize the value of the sale and avoid destroying value. The resolution was considered indispensable to protect the public interest, given the impact that the bank’s insolvency could have on the Spanish and European financial system.

To conclude, the CJEU validated the SRB’s decision, considering that all the requirements established in the SRM Regulation had been met, including conducting a prudent and independent assessment of Banco Popular’s assets and liabilities.

Portuguese caselaw

Judgment of the Supreme Court of Justice of October 17, 2024 (Case 13907/17.7T8LSB.L1.S1)

This judgment focused on interpreting (i) the contractual clauses of a group insurance policy, (ii) the application of contractual changes to previous members, and (iii) liability for the payment of compensation for incapacity. It concerned a dispute over a group life insurance contract entered into by Fidelidade - Companhia de Seguros, S.A. (the “Insurance Company”) and The Navigator Paper Company, S.A. (the “Policyholder”). The plaintiff, as an employee of the Policyholder, joined the group insurance contract in 1992 and, in 2013, the contract was amended.



The plaintiff was seeking compensation for permanent incapacity, claiming that this incapacity was covered by the insurance. For the plaintiff to be entitled to compensation, he had to prove total and permanent incapacity resulting in a reduction of two-thirds or more in his earning capacity. Also, the incapacity had to be supported by a medical certificate accepted by the insurance company.

The first instance court ruled in favor of the Insurance Company, considering that the plaintiff did not meet the contractual requirements since his incapacity did not reach the required 66.66%. The court of appeal confirmed the decision, but on different grounds.

The Supreme Court of Justice ruled that, at the time the plaintiff joined the insurance contract, he met the conditions that, according to the contract clauses, enabled him to receive the insured capital, equivalent to 42 times his basic salary at the time of the event. The court held that when an insurance contract is amended after the beneficiary joins, the amendments cannot apply to existing members but only to those who join the group insurance contract after the amendment date. Therefore, the insurance company was ordered to pay an equivalent amount of compensation to the plaintiff, plus late-payment interest. The claim against the Policyholder was dismissed.

For additional information on the contents of this document, please contact Cuatrecasas.

©2025 CUATRECASAS

All rights reserved.

This communication is a selection of the latest important legal and legislative developments in areas of interest and is not intended to be an exhaustive account of all the news for the period at issue. The information contained in this document does not constitute legal advice in any area of our professional activity.

The intellectual property rights to this document belong to Cuatrecasas. This document may only be fully or partially reproduced by any means, distributed, transferred or used in any other way if Cuatrecasas has given authority to do so.