

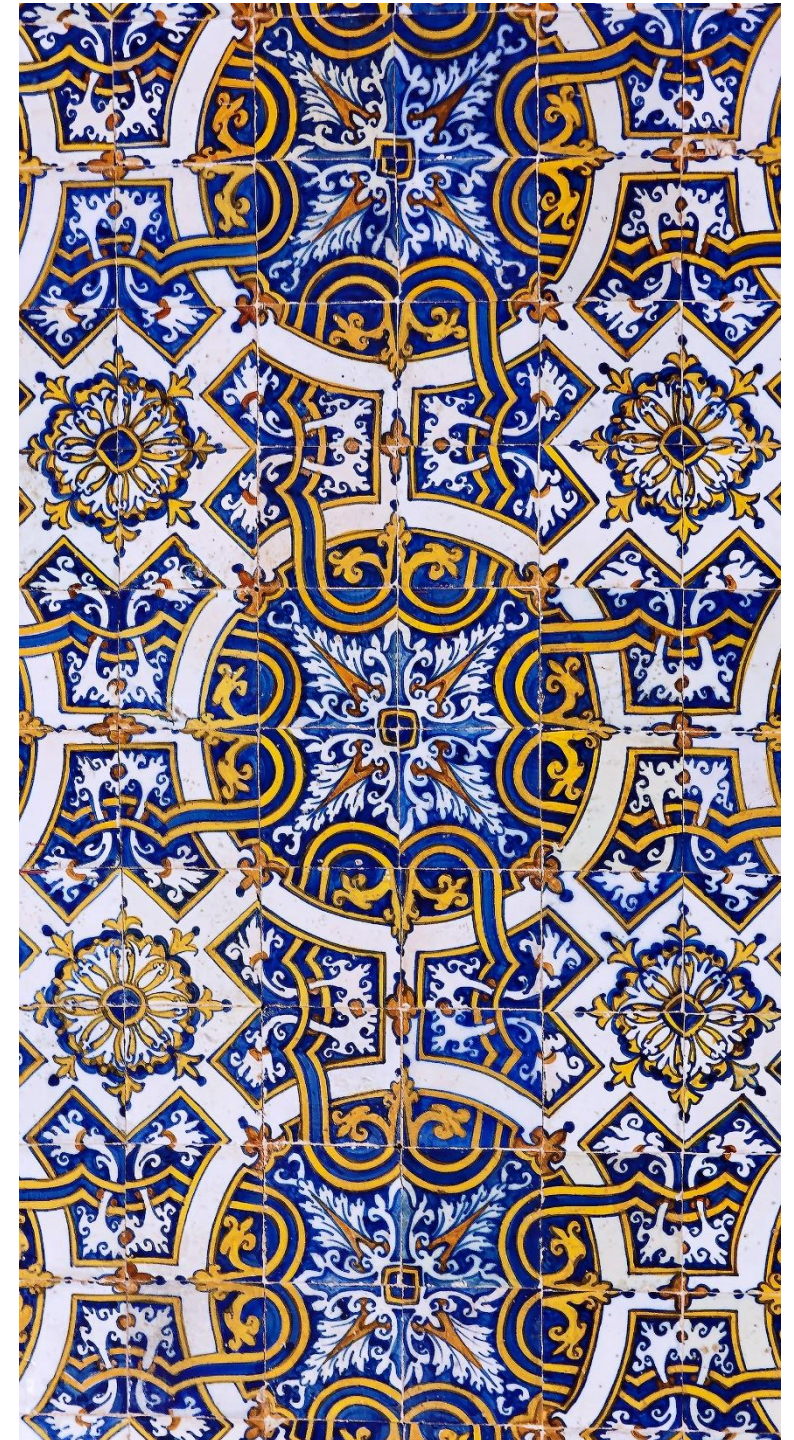


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What you need to know about banking in Portugal

Live and Invest In Portugal
Carvoeiro, Portugal
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www.gfdl.legal





Topics

- Portuguese Banking System
- Banking for Expats
- Banking for Investors & Companies
- Financing
- Questions & Answers



Portuguese Banking System





Overview

- Local and international banks.
- Largest bank – Caixa Geral de Depósitos (CGD).
- Largest Private Banks – Banco Comercial Português (BCP), Banco Santander Totta, and Novo Banco.
- Portuguese ATM network is considered one of the best in the world.
- Direct debit, debit/credit cards and bank transfers.
- Cheques (rarely used)



Guaranteed Funds

- Deposit Guarantee Fund:
 - Repayment of bank deposits
 - Reimbursement of capital and interest
 - 100,000.00 Euros per depositor



SEPA & SWIFT

- SEPA (Single Euro Payments Area)
- Transfers within EU will have the same cost (often €0) and transfer speed of domestic transfers.
- SWIFT:
 - Money transfers internationally;
 - Various currencies
- SEPA:
 - Payments within SEPA area only;
 - Transfers in Euro.
- Portuguese banks have access to both.



Banking for expats





Types of accounts

- Checking / Current account
 - allows withdrawals and deposits.
 - everyday transactions such as purchases, bills, and ATM withdrawals
 - most are free but some banks may charge fees
 - low to nil interest rates



Types of accounts

- Easy-access savings account
 - standard rates of interest
 - easy access to funds
 - saving money in the short-term
- Time-deposit savings account
 - higher rate of interest
 - minimum deposits and time periods that funds must stay in the account.
 - long-term savings



Multibanco/ATM & Cards

- Multibanco (ATM) system (1985) enables members of banks to use ATMs for:
 - paying bills, topping up cell phones, buying tickets, making inter-bank transfers, and paying tax and social security contributions.
- Portuguese Multibanco card - **debit or credit card** for transactions in shops, online and over the phone.
- The card can also be used to make international payments.
- Foreign cards normally incur in fees.



International money transfers

- There are no limits on sums of money transfer to or from Portugal.
- No FX controls.
- Transfers between Portuguese banks and banks within **EU, the EEA and Switzerland** cost no more than a domestic transfer, providing the money is paid in Euros and is less than EUR 50,00
- Outside the EU/EEA transfers will be subject to fees applied by Portuguese banks, which depend on the country.



Open a Bank Account

- Proof of ID (*e.g.* a passport)
- Proof of address (*e.g.* utilities bill – internet/phone bills not accepted)
- Proof of employment profession (*e.g.* pay slip – when applicable)
- Notarized documentation
- Proof of retirement, income, savings (when applicable)
- Source of funds – AML laws
- Portuguese taxpayer number



Banking for businesses





Documentation

- Proof of ID (*e.g.* a passport) – UBO and Manager
- Proof of address (*e.g.* utilities bill) – UBO and Manager
- Articles of Incorporation / Bylaws / Certificate of Incorporation
- Taxpayer number - Director and Company
- Documents attesting binding powers and resolution
- Verification by Compliance – AML/KYC
- Fiscal representation?



Financing





Loan rules

- Residents vs Non residents
- Debt/equity ratios or Loan to Value ratio
 - 65–75% sale price: non-residents;
 - 80–90% sale price: residents.
- Debt Service-to-Income – 50%
- Maturity
 - Younger than 30 years 40 years
 - Older than 30 years 37 years
 - Older than 35 years 35 years

Rates



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- Fixed rates (3,4%) vs Variable rates (+-3,5%)
- Spread + Euribor (3 – 6 – 12 months)





Loan documentation

- Photo ID (passport) | Proof of residency
- Proof of income (pay slips / investments /retirement)
- Bank statements
- Documentation regarding rental agreements, mortgage and debt obligations
- Proof of deposit
- Contract details – Promissory contract, Land registry certificate and Fiscal registration



Questions & Answers





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