PORTUGAL EDITION

What to expect from 2026?

Key points for companies

Brief executive summary of the main legal issues for 2026.

The purpose of this document is to provide an overview of these changes to make it easier for companies to anticipate and implement them.

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Arbitration and litigation

In 2026, civil and commercial litigation in Portugal should be marked by the consolidation and intensification of trends that were already evident in 2025. It will be a year of strategic continuity in litigation, requiring companies to have an increasingly integrated approach between prevention, compliance and active dispute management.

Class action suits will continue to gain ground, especially in the areas of competition law, data protection and consumption. Companies in the technology sector, as well as the banking, retail and ecommerce sectors, are likely to remain under particular pressure, seeing an increase in cases with crossborder aspects and involving multiple jurisdictions. The regime introduced by Decree-Law 114-A/2023 will continue to drive this phenomenon, and we expect to see important decisions taken on issues such as third-party financing and the legal standing of consumer associations, but still without representing fully stabilized caselaw.

We expect that the economic activity of recent years and the worsening of global geopolitical and economic instability will give rise to a significant volume of contractual, corporate and post-transaction disputes in real estate, M&A and energy, as well as litigation in the design and construction area, with an enhanced role for arbitration as a favored means of settling international disputes.

Artificial intelligence (“**AI**”) will play a progressively significant role in civil and commercial litigation, though still minor in the activity of the Portuguese courts.

We expect AI to evolve as a structural factor in the efficiency and sophistication of litigation, requiring all operators to adapt in a conscious, responsible and strategically informed manner.

Transparency regarding the use of AI and procedural, regulatory, ethical, and evidentiary aspects will tend to become more important.

Banking, finance and capital markets

Directive (EU) 2023/2225 has updated the **consumer credit regime for the digital age** and revokes Directive 2008/48/EC. Member States will have to apply the national legislation transposing this directive from November 2026. In Portugal, this will entail a review of **Decree-Law 133/2009** and Bank of Portugal regulations, with a crosscutting impact on credit institutions, credit intermediaries and fintechs.

The main new developments include the extension of the scope of application to include small loans, more stringent advertising rules, precontractual information obligations (including digital formats and presentation on mobile devices), and the improvement of the solvency assessment with proportionality and data protection criteria. Entities covered by this regime should prepare to map products, processes and channels; review commercial policies, documentation and information flows; and adapt procedures and systems to ensure compliance with the new requirements.

The **European package to combat money laundering and terrorist financing** includes a regulation with directly applicable rules, a new directive on the coordination of national systems, and the establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism ("**AMLA**").

In 2026, this is expected to be at an advanced implementation phase, including the full operationalization of AMLA, the adoption of technical standards and guidelines, and the updating of the lists and risk assessments. The aim is to prepare the sector for the phased application of the new AML Regulation, in accordance with the stipulated transition deadlines.

In Portugal, we can expect a review of Law 83/2017 to transpose the new directive, adjustments to the beneficial owner register, reinforcement of the penalty framework, and greater coordination between the Bank of Portugal, the Portuguese Securities Market Commission ("**CMVM**"), the Insurance and Pension Funds Supervisory Authority ("**ASF**"), and the Financial Intelligence Unit. From an operational perspective, priorities include reinforcing due diligence measures and risk management; recalibrating the risk classification of customers, products and geographies in light of the new European lists and guidelines; and updating policies, internal checks, training, and reporting, thereby ensuring alignment with the directly applicable requirements of the regulation and the technical specifications issued by AMLA.

In 2026, the AIFMD II will be transposed and is expected to bring greater investor protection, lower systemic risk, greater transparency, and a more regulated and complex environment for managers. UCITS VI will also be transposed, bringing greater investor protection, stricter delegation rules and more detailed reporting for fund managers, with a focus on liquidity management, conflicts of interest and alignment with the AIFMD.

Banking, finance and capital markets

At a European level, the reform of the **EU's Securitization Regulation** will continue, aimed at revitalizing the market through regulatory adjustments that reduce the administrative burden and facilitate access to financing, especially for SMEs, and include recalibrating the prudential requirements in the **Prudential Requirements Regulation**, flexibilizing the homogeneity requirements in STS (simple, transparent and standardized) securitizations for certain portfolios with SME loans, and broadening the definition of "public securitization".

In 2026, some of the most pertinent developments of the **Listing Act** will start to apply:

- **Prospectuses:** From March 5, the two new prospectus models—the EU Follow-on Prospectus and the EU Growth Issuance Prospectus—and, from June 5, the format, standardization, and transparency developments in the context of sustainability. See more
- **Public disclosure of inside information:** From June 5, the criteria for disclosure in "protracted processes" will change, as will the requirements enabling a delay in disclosure to be justified. See more

In the European context and as part of the strategy of the **Savings and Investments Union** (see more), the Commission presented the **Capital Markets Integration Package** in December 2025. This regulatory package, which will be developed throughout 2026, aims to remove barriers and unlock the full potential of the EU's single market for financial services.

Supplementary pension package: In 2026, we expect to see the development of the Supplementary Pensions Package, aimed at increasing the capacity of the EU's supplementary pensions sector to improve retirement incomes and provide long-term capital to the European economy. This package includes proposals that affect supplementary pensions, such as pension tracking systems, pension dashboards and auto-enrolment mechanisms. It also includes amendments to the Regulation on the Pan-European Personal Pension Product (PEPP) and the directive on the activities and supervision of institutions for occupational retirement provision (IORP II), aimed at strengthening the sector's regulatory framework. In 2026, legislative initiatives are expected to transpose these EU reforms and proposals into national law.

Banking, finance and capital markets

At the end of 2025, Law 70/2025 of December 22 was published, implementing in Portugal Regulation (EU) 2023/1113 on information accompanying transfers of funds and cryptoassets, and amending Law 83/2017 of August 18. Consequently, these issues are likely to be at the forefront throughout 2026.

For information about the **Omnibus** I reform, the transposition of the **CSRD** Directive and the **Stop-the-Clock** Directive, **SFDR 2.0**, and other matters related to **sustainable finance**, see the *Sustainability section*.

Compliance

According to information provided by the board of directors of the National Anti-Corruption Mechanism ("**MENAC**"), 11 administrative offense cases have been initiated since September 2025, targeting 10 state-owed entities and 1 private entity, with MENAC warning that the numbers are likely to rise significantly soon as work to inspect compliance with the General Regime on the Prevention of Corruption ("**RGPC**") is underway.

Therefore, even though the penalty regime started to take effect in June 2023 for large companies and in June 2024 for medium-sized companies, we expect that MENAC will play an increasingly more active role in 2026. Specifically, this will be through inspections and subsequent administrative offense proceedings brought under the RGPC and the General Regime on the Protection of Whistleblowers.

On December 12, 2025, Parliament approved **the lobbying regime** aimed at regulating the activity of legitimate representation of interests. The respective law is expected to be published in the Official Gazette of the Republic of Portugal in 2026.

For more information about the **European anti-money laundering and countering terrorist financing package**, see the *Banking, finance and capital markets* section.

Competition

In 2026, the Portuguese Competition Authority ("**PCA**") will continue to focus on ensuring the effective and rigorous application of competition law and promoting the existence of competitive markets.

We should expect a more holistic approach from the authorities: the new realities of the markets, driven by the digital sector and the development of AI, will require an integrated and complementary approach between public policies, including competition, industrial policy, international trade, foreign investment, and digital regulation.

Therefore, 2026 should see an improvement in inter-institutional dialogue and cooperation at the national and European levels. This is aimed at promoting a consistent and crosscutting application of competition law, while ensuring that strategic objectives such as security, economic resilience and open strategic autonomy are safeguarded. This could lead to the strengthening of cooperation mechanisms and exchange of information between authorities, requiring companies to take an equally global view and accept that jurisdictions are not watertight.

Lastly, in 2026, we expect to see significant developments in competition policy and caselaw with the EU, a trend that will also influence the PCA's actions.

Competition

The ongoing reviews and instruments include the reflection on Regulation (EC) 1/2003, the review of the European Commission Guidelines on exclusionary abuses of dominance and horizontal and non-horizontal mergers, and the progressively more consistent enforcement of the digital markets, digital services and foreign subsidies regimes.

Within this context, we expect that Portugal will also implement a regime to control foreign direct investment ("**FDI**") by third-party companies, as is the case in other EU countries. This will particularly be the case in strategic sectors, given considerations such as security, resilience and internal market functioning. This will lead to additional procedures alongside merger control processes at the PCA or the EC.

Within this framework, what we can expect for 2026 is:

- more extensive investigation of the most harmful anti-competitive practices, such as cartels and other horizontal practices, with the PCA having to optimize resources for detecting infringements, particularly in public contracts and labor markets;
- the PCA's attempt to shorten the deadlines for analyzing non-simplified mergers, which continue to be challenging for companies, with an impact on the structuring of M&A transactions.
- a stronger link between merger control and the foreign subsidies regime ("**FSR**" or "**Foreign Subsidies Regulation**") and FDI control mechanisms, ensuring regulatory consistency across the EU, with a particular impact for companies in obtaining clearance to conduct transactions;
- greater coordination and cooperation among authorities from different jurisdictions; and
- greater use of digital and AI tools to detect illegal practices and support investigations.

Consumption

Following the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, dated November 19, 2025, a **Proposal for a Digital Justice Regulation** is likely to be presented. This regulation is expected to include measures such as banning manipulation techniques on online platforms, introducing specific rules to protect minors from addictive digital designs, adopting clearer rules for digital influencers and companies, combating practices such as drip pricing, and introducing rules to make it easier to cancel online contracts and subscriptions.

For information about sustainability requirements and **labeling** for packaging throughout its lifecycle and **consumer empowerment within the context of the ecological transition**, see the ***Sustainability*** section.

Also, for more information about **class actions**, see the ***Arbitration and litigation*** section.

Corporate, M&A, private equity

Creation of a “fund of funds”

Last year, the Minister for the Economy and Territorial Cohesion announced the creation of a fund of funds aimed at channeling investment through capital management companies to Portuguese companies, as envisaged in the government program. It also added that the executive is working with *Banco Português de Fomento* on the model, sources of funding and mode of operation, with developments expected for 2026.

The creation of this fund of funds, under the management of *Banco Português de Fomento*, aims to promote the mobilization of private investment and empowerment of the venture capital sector. It can play a fundamental role in incentivizing the raising of capital to invest in Portuguese companies and increasing the dynamics of the activity of venture capital management companies in Portugal.

Company digital wallet

In 2026, several measures adopted by the government will enter into force, in line with the priorities for modernizing the state, including the launch of the digital company wallet. The company digital wallet enables all the essential documents for business activity to be kept in one place.

At an EU level, the transposition of the **Corporate Sustainability Reporting Directive** (“**CSRD**”) into national law is being awaited as the reform of the EU regulation on the disclosure of sustainability information and due diligence (**Omnibus I Reform**) has been completed. See the ***Sustainability*** section.

In the field of corporate law, the EU is also proposing a new **“28th regime”**—a single corporate framework for companies to operate in the EU with a single set of rules to facilitate the development of innovative projects and startups.

The scope of this regulation is still under debate, particularly as to whether, in addition to flexible bylaws, it should cover tax, labor or insolvency measures. Therefore, realistically, we do not expect it to enter into force until after the 2026–2027 period.

Criminal

In December 2025, a range of measures was approved by the Council of Ministers within the scope of the justice reform that is expected to have a significant impact in 2026, particularly as regards the following:

Swifter criminal proceedings: The aim is to amend the Code of Criminal Procedure and the Procedural Costs Regulation to expedite criminal proceedings, especially mega cases. Specifically, it provides for the creation of a duty of active case management for the judge and the Public Prosecutor's Office with the power to reject delaying tactics and the introduction of a fine if they are adopted, similar to the regime established in civil proceedings, as well as altering the system for judges to recuse themselves, so that cases non longer come to a standstill, as well as the extension of the special abbreviated procedure to crimes punishable by higher sentencing limits, while maintaining the defense guarantees.

Extended loss of assets: The approved Law Proposal (transposing Directive (EU) 2024/1260 of the European Parliament and of the Council of April 24, 2024) maintains the loss following a court conviction, but establishes three additional measures:

i. extended loss when there are strong indications of criminal origin without direct proof;

ii. loss linked to criminal activity generating a substantial benefit, even without a criminal conviction;

iii. loss in the event of termination of the proceedings (death, escape and statute of limitations) via a separate procedure, with a 10 or 15-year statute of limitations. The Portuguese Criminal Code will be amended and a new section created for the loss process, with the figure of the "affected person."

Online terrorist content: A specific administrative offense regime is to enter into force for platforms that fail to comply with the obligations to remove online terrorist content. This law has already been promulgated and is awaiting publication in the Official Gazette of the Republic of Portugal.

Data protection

From September 12, 2026, the obligations arising from Article 3.1 of Regulation (EU) 2023/2854 of the European Parliament and of the Council of December 13, 2023 (**"Data Regulation"**) will be applicable. Specifically, manufacturers of connected products and providers of related services will have to provide data on connected products and related services to users by default, easily, securely and free of charge, in a comprehensive, structured, commonly used and machine-readable format. See more

Developments are expected regarding the Proposal for a Regulation of the European Parliament and of the Council 2025/0130(COD) amending Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (**General Data Protection Regulation – "GDPR"**). This proposal is part of a range of measures introduced by the European Commission called "**Simplifying the Single Market**" and introduces amendments to Articles 30, 40 and 42 of the GDPR. See more

Digitalization and artificial intelligence

In November 2025, the European Commission presented a range of legislative initiatives known as the Digital Package to simplify the digital legal framework and strengthen the EU's competitiveness in line with the recommendations of the Draghi report. Work on this legislative package is expected to progress throughout 2026. The components of the Digital Package include the **proposed Omnibus Digital Regulation**, which provides for data and cybersecurity reforms. It also includes an **Omnibus Digital Regulation on AI**, which addresses the simplification of certain aspects of the AI Regulation ("**AI Act**"). It also proposes a **Data Union Strategy**, the publication of model contractual clauses within the scope of the Data Act, and a **Regulation on the establishment of European Business Wallets**.

In the field of **cybersecurity**, the Digital Omnibus proposes to simplify incident notification obligations (required in multiple regulations, such as NIS2, GDPR, DORA, and eIDAS) through a single entry point operated by the European Union Agency for Cybersecurity ("**ENISA**").

In Portugal, Decree-Law 125/2025 of December 4, transposing Directive (EU) 2022/2555 of the European Parliament and of the Council of December 14, 2022 ("**NIS2**"), will enter into force. See more.

Meanwhile, the vulnerability notification obligations and other requirements of the Cyber Resilience Regulation will also begin to apply in 2026, contributing to a framework that is more aligned with the Digital Omnibus proposals.

The Digital Omnibus enhances the **protection of trade secrets** in the Data Act—enabling access to data to be denied if there is a high risk of transfer to third countries with insufficient safeguards—and requires technical and contractual measures and risk assessments.

In addition to other amendments, the "Digital Omnibus on AI" establishes a **stay** on the enforceability of the AI Act obligations related to high-risk systems until the availability of technical standards and other elements to support compliance. In the AI Act, the application of the obligations regarding Annex III high-risk systems is scheduled for August 2, 2026, and for Annex I systems (those that fall within the harmonized product safety legislation), the scheduled date is August 2, 2027 (See more). However, the reform proposes that these obligations only start to apply after the Commission has confirmed that the standards and support measures are already available. The obligations would apply after 6 months for Annex III systems and after 12 months for Annex I systems. However, application cannot be postponed beyond December 2, 2027, for the first group; and beyond August 2, 2028, for the second.

Digitalization and artificial intelligence

The Omnibus AI reform mentioned above proposes to **eliminate the AI literacy obligation**, while maintaining the requirements regarding the competence of personnel operating high-risk systems.

Regarding the marking of AI-generated or manipulated content, it proposes to incorporate machine-readable signs and a six-month stay for systems introduced to the market before August 2, 2026. It also proposes to extend the reductions in regulatory charges established for SMEs to small and mid-cap companies.

Following the briefing published by the European Commission on May 15, 2025, regarding the initiative for a **New Digital Network Act**, a Proposal of the European Parliament and of the Council to this effect is expected to be presented in 2026.

Energy

In 2026, a competitive mechanism dedicated to large-scale battery energy storage (“**BESS**”) capacity is expected to start up. It is aimed at increasing security of supply, system flexibility and integration of renewables by contracting capacity or flexibility services in multi-annual windows. The expected typical design includes technical and financial prequalification criteria, availability requirements, location and grid connection rules, and penalties for non-availability and performance commitments. This is in line with the objectives of postponing investments in the grid and reducing demand peaks. Practical implementation should be coordinated with the transmission system operator and the grid development plans, ensuring compatibility with the European market framework and state aid rules.

Offshore wind

In 2026, the government is expected to implement the auction and contract framework for the first wave of offshore wind projects, coordinating the availability of areas, the rights allocation model (e.g., power CfDs, development criteria and local content) and the interfaces with port easements and logistics. Meanwhile, we expect more specific procedures to be launched in port areas to install a support industry for the offshore chain (manufacturing, preassembly and logistics). These procedures are aimed at preparing the national industrial ecosystem for executing projects and expediting the maturing of basic infrastructure.

National strategy for data centers

In 2026, the national strategy for data centers should go ahead, aimed at harnessing intensive investment in computing and AI, with an emphasis on speedy licensing, access to competitive and decarbonized energy, increased electric and hydroelectric capacity, energy efficiency (including heat reuse), and integration with renewable production and storage projects. We expect to see clarification of the public utility and national interest regimes for critical infrastructure, as well as coordination between energy planning, territorial planning and digital connectivity, with the aim of reducing project and connection times.

Low-voltage concession tenders

We expect 2026 to bring the phased launch of municipal tenders for low-voltage distribution concessions, with specifications that prize quality of service, asset modernization, loss reduction, operational efficiency, consumer literacy and protection, digitalization targets (remote metering and automation), and the integration of distributed energy resources. The tender model should also address data sharing, mandatory investment, performance indicators with incentives and penalties, and transition mechanisms between concessionaires to ensure continuity of service. We also expect to see the rules on transferring assets from previous concessionaires and the investment model that will be established, given the need to allow new players to enter the distribution grid market.

Energy

Pego tender - remaining capacity

In 2026, the remaining capacity associated with the Pego hub is expected to be mobilized, harnessing the existing electrical and logistical infrastructure for new renewable projects, storage and flexibility solutions. The initiative is expected to clarify the scope of eligible technologies, scheduling commitments, environmental and repowering requirements, and the access and connection terms to maximize the reuse of assets and minimize implementation periods consistently with grid programming and market mechanisms.

Transposition of Directive 2024/1711 (EU Electricity Market)

In 2026, after a public consultation period, the transposition of Directive 2024/1711 into national law should be completed, updating the market design rules to boost price resilience, promote long-term contracts (PPA and CfD), improve consumer protection, and incentivize flexibility and demand response. We expect that instruments will be expanded to enable stable investments in renewables and storage (including public contracts regimes and benefit-sharing rules) and clarify the powers of regulatory authorities and system operators in the new European framework.

Transposition of the Renewable Energy Directive ("RED III")

As regards RED III, 2026 should see consolidated transposition focused on increased targets for renewables, maximum licensing periods, renewables acceleration areas, integration of renewable heat and cold, and new rules for self-consumption, energy communities and renewable hydrogen. Likewise, there should be further development of procedural simplification, access to and sharing of energy data, and compatibility with environmental regimes, while ensuring regulatory stability for investment and compliance with national and EU targets—all under the terms of the proposed law already submitted for public consultation. See more

Electric mobility

The transitional period of the new electric mobility regime will run until December 31, 2026. Decree-Law 93/2025 of August 14 marks the end of the centralized and mono-grid model (with highly regulated activities and actors) that previously applied in Portugal, replacing it with a more flexible legal framework aligned with the AFIR Regulation. See more

During this transitional period, the charging network Mobi.E will maintain its data aggregation and transmission functions, and the operators of charging points and electricity suppliers for electric mobility can adapt their activities to the new rules. So far in 2026, the new ERSE regulations have already been published (see more) and the implementing ordinances are in the process of being published (see more); however, certain ordinances have yet to be published, including those related to civil liability insurance and fees.

Environment

Water

In 2026, implementation of the **government strategy "Water that Unites,"** which advocates integrated water management, will start. The aim is to:

- contribute to flexible and effective water governance;
- reduce vulnerability to water scarcity;
- enhance environmental sustainability; and
- promote territorial cohesion.

This strategy establishes approximately 300 measures and an investment of €5 billion by 2030. In 2026, it will support the review and drafting of various legal instruments, such as the review of the **National Water Plan** and the drafting of the **Irrigation Plan**. Also envisaged for 2026 is the creation of a **new state-owned company belonging to the *Águas de Portugal* Group**, which will be the entity responsible for operationalizing the projects of this national strategy ("**AdP Áqua**").

Tender for the Sines Desalination Plant: The tender will be launched for preparation of the technical solution preliminary study, the environmental impact study, and monitoring of the respective environmental impact assessment procedure, as well as the preparation of the tender documents for the design, construction and operation of the new Sines Desalination Plant. This project is part of the new model for integrated water management in the Sines Industrial and Logistics Zone, approved by the government in 2025. It is based on a new model of a single state operator for collecting and distributing water from various sources.

Water Services Tariff Regulation: We expect to see the new tariff regulation of the Portuguese Water and Waste Services Regulation Authority ("**ERSAR**")—the proposal for this regulation is under public consultation . This tariff regulation will establish the rules that will have to be applied by supply and sanitation services management companies, at high and low volume, regardless of their management model.

Emissions

Due to the amendment to the **Industrial Emissions Regime** made by Decree-Law 89/2025 of August 12, which imposed a review of environmental licenses every seven years, holders of environmental licenses issued or amended more than six years ago must apply for a review of these licenses by February 13, 2026, under penalty of expiry.

We expect to see the review of the **National Adaptation Strategy for Climate Change 2030** ("**ENAAC 2030**"), aimed at updating and strengthening the national response to climate risks, in line with European Union ("**EU**") and international commitments.

For more information about the **Border Carbon Adjustment Mechanism** and the **Voluntary Carbon Market**, see the **Sustainability Section**

Environment

Waste

The **Deposit-Refund System** for drinks bottles and cans up to 3L starts in Portugal from April 10, 2026, with a fixed deposit of 10 cents per package, which will be charged at the time of purchase and appear separately on the receipt. The measure is established in the new **Packaging Waste Regulation** at a time when Portugal's recycling levels are still far below the targets set at a European level for the end of the decade.

The government set the amount of the **Waste Management Fee** for 2026 to 2030, with an annual increase of €5 per metric ton. The decision is contained in Order 15554-A/2025, published in the Official Gazette of the Republic of Portugal on December 31, 2025, and has been in force since January 1, 2026.

The implementation of the **Earth - Efficient Transformation of Waste into Environmental Resources Action Plan** (2025–2030) will continue in 2026, with planned investments of €2.1 billion by 2030.

Intellectual and industrial property

The second application phase of the EU design system reform will start in 2026. The reform was carried out through Regulation 2024/2822, partially applicable since May 2025. The remaining legal provisions will apply from July 1, 2026. See more

The obligation to transpose the recast version of the directive on the legal protection of designs (Directive (EU) 2024/2823) will only arise in December 2027.

We also highlight the **public consultation** on the potential harmonization of the **Substantive Patent Law**, which will run until February 2, 2026.

As regards Portugal, work is still underway on the **review of the Industrial Property Code** (which regulates industrial designs and models).

Labor

Despite social protests, 2026 starts with the **Labor Code reform** on the horizon, with amendments targeting various areas, such as working time or the duration of term contracts, including amendments to dismissals, and new sectors that will be now be covered by minimum services in cases of strike.

The **new social security reporting model**, which entered into force on January 1, 2026, will be progressively implemented and become mandatory for all employers from January 1, 2027, so this will be a soft-landing year. See more

On December 31, 2026, the deadline for redeeming non-mobilized amounts related to the **Work Compensation and Guarantee Fund** will expire. Therefore, these mobilizations should be planned and expedited promptly. See more

This year will see the increase of the **national minimum wage**—to €920—and the Social Support Index ("**IAS**"), with an impact on various social benefits such as unemployment benefit. The **retirement age** also increased to 66 years and 9 months in 2026, and it will increase to 66 years and 11 months in 2027.

In June 2026, the deadline for transposing the **Remuneration Transparency Directive** expires; however, no steps have been taken to implement it in Portugal.

2026 promises more **ACT inspections**, specifically regarding the implementation of plans for assessing remuneration differences aimed at implementing clear and transparent salary policies (see more). Also, the launch of new campaigns throughout the year is to be expected.

For 2026, there is likely to be an increase in **labor restructuring**, particularly for technological reasons.

Due to the growing use of **algorithms** and **AI systems**, whether as a work or labor management tool, companies should map and regulate their use, complying, where applicable, with the algorithmic information duty. Companies should also prepare for the entry into force of the obligations related to the high-risk AI systems contained in Annex III to the AI Regulation, which include systems designed to be used in employment, employee management and access to self-employment. For more information about the AI Act, see the *Digitalization and artificial intelligence* section.

Life sciences

Among the main topics that will be on the agenda for 2026, we highlight the following at the national level:

- Law 71/2025 of December 22, which transposes into national law Regulation (EU) 2017/745 and Regulation (EU) 2017/746, particularly as regards matters concerning clinical research and performance study of **medical devices** for **in vitro diagnostics**. Therefore, this legislation, which has been in force since January 12, 2026, is a crucial step toward compliance with EU law.
- Decree-Law 23/2025 of March 19 enhanced the regulation of **cosmetic** products in Portugal, bringing national standards closer to the requirements established by EU law. The regime stipulates that all those operating in the manufacture, import or distribution of cosmetic products must comply with a range of special obligations. This decree-law also updates the penalty regime, first by increasing the penal framework for serious and very serious administrative offenses and, second, by introducing the possibility of Infarmed imposing additional penalties when justified by the seriousness of the infringement and the fault of the agent.

Therefore, the cosmetics sector is facing a period of adaptation to these new requirements.

At an EU level, we also highlight the following:

- The approval of the **"Pharma Package**," created to make a profound change to the EU's pharmaceutical legislation, implementing new rules that will improve patient access to medicines and make the EU's pharmaceutical sector fairer and more competitive, ensuring fair access to safe, effective and affordable medicines throughout the EU.

In short, the aim is to encourage innovation, improve patient access, prevent breakdowns, and reduce environmental impact, all while preserving the sector's competitiveness.

It also provides incentives with data and market protection for up to 11 years (including extensions for unfulfilled medical needs and additional indications), a one-year voucher for new antibiotics, and improved regimes for orphan drugs, with early regulatory guidance. Also, it aims to make the European Medical Association's processes more efficient, reduce regulatory burdens, accelerate approvals, and integrate patient representatives into the main scientific committee.

Public contracts

On January 1, 2026, the **new European directive thresholds for public contracts**, which apply to all public contract tenders starting on or after that date, entered into force. See more

We expect to see the **review of the Public Procurement Directives**, following the European Commission's initiative aimed at greater efficiency and transparency throughout the award process; lower administrative burdens for contracting authorities and companies; better access for SMEs to the opportunities of the single market; greater competitiveness and innovation through simplified tenders; and greater alignment with the EU's political priorities, including sustainability, strategic autonomy and economic security.

Real estate and urban planning

Law 73-B/2025 of December 31, which approves the Major Options 2025–2029 (“**Major Options Law 2025–2029**”), is based on four vectors for the real estate sector: (i) increasing supply by mobilizing state-owned assets, (ii) simplifying licensing and modernizing construction, (iii) creating new urban centralities, and (iv) reviewing the rental regime.

In regulatory and tax terms, the Major Options Law 2025–2029 advocates the creation of an exceptional and temporary regime that envisages, in certain cases, the possibility of applying **6% VAT** on new construction and rehabilitation works and services (in accordance with Law Proposal 47/XVII/1, approved at the general parliamentary stage on January 9, 2026, and which aims to authorize the government to approve tax relief measures to foster the supply of housing, as already mentioned in the **Tax** section). We stress that this law proposal could still be altered at the special stage. See more

The review of the **Urban Development Simplex** advocated in the Major Options Law 2025–2029, in line with the Build Portugal Program, is still at the parliamentary stage. On January 9, 2025, Law Proposal 48/XVII/1, authorizing the government to review the regime applicable to licensing urban development operations and amend the legal regime on urban planning and building, as well as the legal regime on urban rehabilitation, was approved at the general stage. Until the final approval and subsequent publication of the authorized decree-law, the version of the Legal Regime for Urbanization and Building (“**RJUE**”) resulting from Decree-Law 10/2024 will remain applicable - see Guide to the Urban Development Simplex.

As regards **rentals**, the Major Options Law 2025–2029 provides for a review of the urban rental regime, aimed at strengthening the owner’s rights in cases of non-payment, simplifying rental programs, and promoting build-to-rent investment contracts. Where there is no express stipulation or agreement, rents may be updated by 2.24% in 2026, under the terms of the legal coefficient established by Notice 23174/2025/2 of September 19. See more

The new regime on **rental investment contracts** to be signed by investors and the IHRU, as well as the **Simplified Affordable Rent Regime**, both provided for in Law Proposal 47/XVII/1, should also be considered. See more

For information about the **European Affordable Housing Plan**, which contemplates a **European Strategy for Housing Construction** and includes recommendations on the **New European Bauhaus** (“**NEB**”), see the **Sustainability** section.

For information about the transposition of the **Energy Performance of Buildings Directive** (Directive 2024/1275) and the **National Building Renovation Plan**, see the **Sustainability** section.

In 2026, the Portuguese real estate sector is expected to consolidate its position as a more select market geared toward specialized assets, with a marked tendency for promoting, particularly:

Real estate and urban planning

(i) urban and industrial **logistics**, which continues to see strong demand from institutional investors and operators, driven by ecommerce and the proximity to urban centers (as well as simplified land reclassification possibilities);

(ii) the **residential sector**, specifically in terms of build-to-rent investments, given the legislative initiatives mentioned above and the pressing need for social and affordable housing;

(iii) **premium offices** in renovated areas of Lisbon and Porto, which continue to attract occupants and investment;

(iv) **student residences**, a sector with strong growth potential supported by RRP funding;

(v) **tourism**, which remains on the radar of national and international investors (both from the perspective of business and second homes);

(vi) **mixed-use resorts**, bringing resilience and diversification of income; and

(vii) **data centers**, driven by AI and the growth of ecommerce, as well as by structural investments.

Restructuring and insolvency

After a year marked by a new record for company creation in Portugal, the **unpredictability of the international geopolitical context** recommends caution in approaching 2026, which may not bring equally favorable conditions for private enterprise.

In the post-pandemic period, Portugal has followed a similar path to countries like Italy, France and Belgium, recording successive records in the annual number of companies created. This increase was fueled by the **expansion of the gig economy**—based on apps that act as intermediaries between service providers and customers—and the rapid **maturity of AI solutions**. However, greater unconsolidated business expansion inevitably carries an added risk of insolvencies. Therefore, it is not surprising that warnings about the possible end of the "AI boom," with similar effects to those of the bursting of the dot-com bubble of the 1990s, when the novelty of the internet and the abundance of capital favored the creation of countless companies with fragile business models that failed to withstand the test of time, are gaining ground.

Also, the **constant change in consumer profiles**, favoring convenience and price over quality and differentiation, continues to have tangible impacts on traditional sectors of retail economic activity.

From a legislative perspective, expectations remain regarding the development of the **Proposal** for a Directive of the European Parliament and of the Council on the harmonization of European insolvency regimes, which promises significant changes in the business ecosystem. Among the expected innovations is the formalization of the so-called prepacks, which tend to favor rapid solutions for the transfer of assets and business continuity, preserving value and employment.

Sustainability

At the start of 2026, the European Council will have to validate the reform of the EU's information and due diligence rules approved by the parliament in December 2025 (**Omnibus I**). See more

Member States will have 12 months from its publication to transpose the reform into their national law. Our legislators should do so promptly to dispel the regulatory uncertainty resulting from the delay in transposing the **CSRD** and the **Stop-the-Clock Directive**.

At and EU level, regulations associated with the Omnibus I reform are expected to be approved in 2026, including (i) the simplification of the general European Sustainability Reporting Standards ("**ESRS**"), (ii) the delegated act on the limited verification of sustainability information, and (iii) the review of the climate taxonomy regulation.

The following standards and recommendations will begin to apply in 2026:

- Modification of the Regulation on **benchmark indices**, introducing new climate indices (January 1).
- European Banking Authority guidelines on **ESG risk management** (January 11).
- Review of the **European Deforestation Regulation** by the Commission by April 30, 2026, with a view to simplifying it (report and possible legislative proposal).
- Information obligations introduced in the reform of the **Listing Act** (June 5) – see the ***Banking, finance and capital markets*** section.
- Registration of external reviewers of **European Green Bonds** will become mandatory from June 21, 2026.
- Regulation on ESG rating providers (July 2).
- ESG rating providers and consolidated tape providers under direct ESMA supervision in 2026.
- Ecodesign regulation (July 19). See more
- The **SFDR** is expected to be amended following the **SFDR 2.0** proposed on November 20, 2025. See more
- The adoption of the revised ESRS is expected.

Nationally:

- We expect to see the **transposition of the CSRD Directive**. The CMVM already issued a statement back in December 2024 recommending that companies implement this directive.

Sustainability

In 2026, the new simplification package presented in December 2025, focusing on **environmental matters** (Omnibus VII), will be processed at an EU level. This new regulatory package aims to expedite the granting of licenses and simplify industrial and hazardous substance regulations.

Other pertinent Omnibus packages that will be processed this year include Omnibus III (common agricultural policy); Omnibus IV (digitalization and SMEs); Omnibus IV (chemical substances); and Omnibus X (food and feed safety).

Consumption and the circular economy

From August 12, 2026, Regulation (EU) 2025/40 of the European Parliament and of the Council of December 19, 2024, which establishes sustainability and labeling requirements for packaging throughout its lifecycle, will become applicable.

From September 27, 2026, Directive (EU) 2024/825 of the European Parliament and of the Council of February 28, 2024, as regards empowering consumers for the green transition through better protection against unfair practices and through better information, will become applicable.

Circular Economy Act: This European legislative act on the circular economy is currently being prepared by the European Commission, which expects it to be adopted in the fourth quarter of 2026. The aim is to increase circularity in the European single market. Although the idea of circularity already underpins instruments such as the Waste Framework Directive, the Ecodesign for Sustainable Products Regulation, or the Packaging Regulation, the Commission considers that these legislative instruments can only realize their potential if several barriers to circularity in the single market are eliminated and if there is a sufficient and effective supply of high-quality secondary raw materials. Therefore, the Circular Economy Act will aim to help create sufficient supply and demand for secondary raw materials (including critical materials) and a true single market for waste and secondary raw materials.

Decarbonization

We expect to see the start of the progressive application of the new **Border Carbon Adjustment Mechanism** provisions resulting from Regulation (EU) 2025/2083, which aimed to simplify and harmonize the reduction of administrative burdens for operators with environmental protection and the integrity of the system, consolidating the EU's commitment to the fight against carbon leakage and the reduction of global emissions. See more

Sustainability

2026 will be the first year of development of the **Voluntary Carbon Market**, with the first projects being submitted and validated on the electronic platform that started operating in October 2025.

This is a system where people or organizations can voluntarily buy and sell carbon credits, generating economic incentives to leverage the implementation of projects to reduce greenhouse gas emissions or carbon sequestration, along with environmental and socioeconomic benefits. See more

Real estate

The European Affordable Housing Plan envisages a **European Strategy for Housing Construction** and includes recommendations on the **New European Bauhaus** (NEB), which supports sustainable and affordable projects. The review of state aid rules aims to facilitate support for social housing at affordable prices.

The Commission will collaborate to simplify planning and licensing rules, and legislative initiatives on **short-term rentals in urban planning pressure areas** are planned at an EU level.

As regards sustainability, Portugal faces two key deadlines in 2026:

(i) the transposition of the Energy Performance of Buildings Directive (Directive 2024/1275) by May 29, 2026; and

(ii) the presentation of the National Building Renovation Plan to the European Commission by December 31, 2026.

Tax

Although the **State Budget for 2026** was marked by the absence of specific tax changes, several measures were recently approved that could have a significant impact on taxes. Other measures are also being discussed that, together with those already approved, aim to promote a fiscal shock in the Portuguese economy.

Therefore, at a national level, the progressive reduction of the corporate income tax ("**CIT**") rate was approved at the end of 2025 and should be set at 17% from 2028. Also, the Research and Development Tax Incentive regime ("**SIFIDE"**) was amended and extended for another year, and the possibility of obtaining this incentive by subscribing to investment funds was eliminated. In this context, a comprehensive review of SIFIDE was also announced, aimed at redesigning the research and development incentives in the future.

Also, following the presentation of the report of the Committee for the Review of Tax Proceedings and Taxpayers' Guarantees in May 2025, along with the extensive public discussion of its findings, we expect specific legislative proposals amending the **tax proceedings** rules to be released throughout 2026. Both the Committee and the government have signaled clear objectives: increasing the efficiency and speed of tax justice, preserving the bases of the system, correcting asymmetries, simplifying procedures, promoting the digitalization of cases, and enhancing taxpayers' rights and guarantees.

In the field of **taxation of renewable electricity production plants** (dams, wind farms and solar power plants), the government is finalizing a law proposal to clarify and establish the terms and assumptions for these entities to be subject to the municipal property tax ("**IMI**"), following the presentation in mid-2025 of the findings of the working group created for this purpose.

As regards **taxation of the real estate sector**, we expect to see the entry into force of the tax relief measures established in the government's Law Proposal 47/XVII/1, aimed at increasing the availability of homes on the market through new construction and rehabilitation, and making more real estate available for rental purposes. Specifically, we highlight the long-awaited reduction in VAT for housing construction, reducing the final cost of projects and speeding up their execution. In practical terms, the package is likely to focus on measures to increase housing supply and boost the real estate housing market. Also, a review of the regime on waiving the VAT exemption on real estate transactions is awaited. See more

Regarding **VAT** in general, we highlight Law 62/2025 of October 27, which introduced a VAT group regime and will take effect for tax periods starting from July 1, 2026. The new framework enables the consolidation of VAT balances calculated by companies within the same group, centralizing payments and refunds, with the potential to improve cash management and reduce administrative friction. See more

Tax

This is an important step in modernizing the tax system, even if the national option to continue to tax intragroup transactions diminishes part of the gains, especially in sectors where the right of deduction is limited.

In 2026, the personal income tax ("**PIT**") rate will ease again, with a reduction of 0.3 percentage points in the rates between the second and fifth brackets. The PIT brackets have been updated by 3.5%—above inflation—and the existence minimum has also been updated, ensuring that the national minimum wage is still not subject to PIT.

At a regional level, the **Budget of the Autonomous Region of Madeira for 2026** stipulates that a regional regulatory decree will set the codes for the Portuguese Classification of Professions ("**CPP**") and the sectors of the Portuguese Classification of Economic Activities ("**CAE**") eligible for access to the Tax Incentive for Scientific Research and Innovation ("**IFICI**") for taxpayers who become tax residents in Madeira from January 1, 2026, if they were not residents in Portugal in any of the previous five years. Those covered by this regional adaptation of the IFICI will be subject to paragraphs 2 to 5 and 10 to 12 of article 58-A of the Tax Benefits Statutes ("**EBF**"). In practical terms, this results in (i) the application of a special PIT rate of 20% on income from employed and self-employed work from eligible activities for a period of 10 consecutive years; and (ii) a tax exemption in Portugal on income from foreign sources, with the exceptions established by law, which are pensions and income paid by entities domiciled in jurisdictions with a clearly more favorable tax regime.

The tax adjustment provisions established in the **Autonomous Region of the Azores Budget for 2026** make no reference to the IFICI; therefore, its application in the Autonomous Region of the Azores in 2026 is unlikely.

Internationally, despite the turbulent geopolitical situation, 2026 is expected to bring significant new developments in the implementation of **Pillar 2** (the regime created to ensure a worldwide minimum level of taxation for multinational company groups), particularly as regards the extension of safeguarding clauses that could reduce the scope of application of the regime. Also, the review of certain double tax treaties is underway, meaning 2026 could o bring several changes in this area.

In light of the above, significant tax changes may be on the horizon in 2026, so it is important to closely monitor any changes implemented.

For further information regarding the contents of this document, you may send an email to our team of the Area of Knowledge and Innovation or contact your usual representative at Cuatrecasas.

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