



Decree-Law No 133/2009 of 2 June, which transposed into national law Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, established a range of requirements regarding information to be supplied by credit institutions to consumers prior to the conclusion of the credit agreement, and a list of the information items to be compulsorily included in the mentioned credit agreements. In addition, credit institutions must henceforth inform their bank customers of any changes to the nominal rate occurring throughout the duration of the credit agreements for consumers, prior to their entry into force. Decree-Law No 133/2009 also established that credit institutions should supply specific information throughout the duration of credit agreements in the form of an overdraft facility and overrunning.

Decree-Law No 42-A/2013 of 28 March, in addition to transposing into national legislation Commission Directive 2011/90/EU of 14 November 2011, amending Part II of Annex I to Directive 2008/48/EC of the European Parliament and of the Council providing additional assumptions for the calculation of the annual percentage rate of charge, introduced other changes to the provisions of Decree-Law No 133/2009, including increased reporting requirements by credit institutions throughout the duration of credit agreements for consumers, through regular reporting of information. Banco de Portugal was expressly given the task of establishing the terms, frequency and medium for the provision of such information.

Increasing reporting requirements throughout the duration of the credit agreements for consumers is of key importance in the current context, enabling bank customers to monitor the development of the credit agreements they have concluded in a manner similar to housing loans or deposit accounts.

Therefore, this Notice lays down the regular requirements in terms of information that institutions must provide to their customers within the scope of their credit agreements for consumers. Without prejudice to the provisions of the law, it also establishes rules stipulating which complementary information shall be provided by institutions whenever specific circumstances occur, namely regarding default situations and the respective settlement by the bank customer, or in the case of early repayment of the credit agreement.

This Notice also applies to agreements concluded under Decree-Law No 359/91 of 21 September, as amended by Decree-Laws No 101/2000 of 2 June and No 82/2006 of 3 May, which are still in force. It is therefore ensured that irrespective of the date of conclusion of the credit agreement, consumer shall have access to regular information on the respective developments.

Considering, on the one hand, the amendments introduced in the Legal Framework of Credit Institutions and Financial Companies by Decree-Law No 157/2014 of 24 October and, on the other hand, that payment institutions and electronic money institutions may grant credit to consumers, under the conditions and within the ceiling set out in the legal framework of payment services and

electronic money, approved by Decree-Law No 317/2009 of 30 October, as amended by Decree-Law No 242/2012 of 7 November, this Notice applies not only to credit institutions, but also to financial companies, payment institutions and electronic money institutions.

Hence, in use of the powers conferred on it by Article 17 of its Organic Law, Article 14 (4) of Decree-Law No 133/2009, Article 76 (1), Article 77 (4), Article 117-A and Article 195 of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law No 298/92 of 31 December, as amended when necessary, Article 21 (1) of Decree-Law No 157/2014 of 24 October, and Article 6 (1) (c) of the legal framework of payment services and electronic money, approved by Decree-Law No 317/2009 of 30 October, as amended by Decree-Law No 242/2012 of 7 November, Banco de Portugal determines the following:

## Article 1

### Subject and scope

1 – This Notice lays down the minimum information requirements to be complied with by credit institutions and financial companies with head office or branch in the Portuguese territory, throughout the duration of the following credit agreements:

*a)* Credit agreements for consumers concluded under Decree-Law No 359/91 of 21 September, as amended by Decree-Laws No 101/2000 of 2 June and No 82/2006 of 3 May, except credit agreements in the form of an overdraft facility;

*b)* Credit agreements for consumers under Decree-Law No 133/2009 of 2 June, as amended by Decree-Laws No 72-A/2010 of 18 June and No 42-A/2013 of 28 March, except in the form of overrunning and credit agreements in the form of an overdraft facility.

2 – The reporting requirements set out in this Notice shall apply to credit agreements identified in paragraph *b)* of the foregoing number, concluded by payment institutions and electronic money institutions with head office or branch in the Portuguese territory, under the conditions and within the ceiling set out in the legal framework of payment services and electronic money, approved by Decree-Law No 317/2009 of 30 October, as amended by Decree-Law No 242/2012 of 7 November.

## Article 2

### Definitions

For the purposes of this Notice, the following definitions shall apply:

*a)* ‘Credit agreements’ shall mean agreements covered by the provisions of this Notice, under the terms set out in the foregoing Article;

*b)* ‘Bank customer’ shall mean the consumer within the meaning of Article 2 (1) of the Law on Consumer Protection, approved by Law No 24/96 of 31 July, as amended by Decree-Law No 67/2003 of 8 April, Law No 10/2013 of 28 January, and Law No 47/2014 of 28 June, intervening as borrower in the credit agreements covered by this Notice;

*c)* ‘Institutions’ shall mean credit institutions, financial companies, payment institutions and electronic money institutions;

d) 'Personal credit' shall mean a credit agreement with fixed timetable for repayment, amount and duration of the loan defined at the inception of the contract, except car loans, including the subcategories set out in No 3 (a) of Instruction of Banco de Portugal No 14/2013;

e) 'Car loans' shall mean a credit agreement for the purchase of cars or other vehicles, with fixed timetable for repayment, amount and duration of the loan defined at the inception of the contract, including the subcategories set out in No 3 (b) of Instruction of Banco de Portugal No 14/2013;

f) 'Credit card' shall mean a contract with no fixed term or with automatic renewal, without fixed timetable for repayment, in which an upper limit of credit is set and under which credit is taken up by means of a card, including the subcategories set out in No 3 (c) of Instruction of Banco de Portugal No 14/2013;

g) 'Credit line' shall mean a contract with no fixed term or with automatic renewal, with fixed timetable for repayment, in which an upper limit of credit is set;

h) 'Current account' shall mean a contract with fixed term, without fixed timetable for repayment, in which an upper limit of credit is set;

i) 'TAN' (Portuguese acronym for 'Nominal Annual Rate') shall mean a fixed or floating interest rate, expressed on an annual basis as a percentage of the amount of credit used;

j) 'Fees' shall mean the monetary sums payable by bank customers to institutions as compensation for the services provided by the latter or contracted to third parties;

k) 'Charges' shall mean any amounts borne by the institutions, payable to third parties, which the institutions may legitimately pass on to bank customers, such as payments to registries, notary offices or to the tax authorities;

l) 'Durable medium' shall mean any instrument which enables the bank customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

### Article 3

#### **Information requirements**

Throughout the duration of the credit agreement, institutions must provide to the bank customer comprehensive, true, current, clear, objective and understandable information.

### Article 4

#### **Information to be provided throughout the duration of the credit agreements**

1 – Without prejudice to compliance with the requirements specifically stipulated by law and by the regulations in force, institutions shall provide to the bank customer, throughout the duration of the credit card, credit line or current account agreement, a statement including, at least, the following information:

a) Period relating to the information reported, indicating the date of issue of both the previous

and the current statements;

*b)* Identification given by the institution to the credit agreement;

*c)* Trade name of the product;

*d)* Category of the credit that is the object of the agreement;

*e)* Identification of the deposit account indicated by the bank customer for debit of the amounts due within the scope of the credit agreement, where applicable;

*f)* Credit ceiling;

*g)* Outstanding balance as at the date of the previous statement;

*h)* TAN (Nominal Annual Rate) applicable, indicating the reference rate and spread, in the case of floating rate;

*i)* Description of the movements made by the bank customer during the period of the statement and the respective amounts, in the case of credit card agreements, as well as partial identification of the associated card number, where applicable;

*j)* Identification of the draw downs by the bank customer during the period of the statement and the respective amounts, in the case of credit line and current account agreements;

*k)* Date of receipt of the payment order or value date of the movements made by the bank customer, in the case of credit card agreements;

*l)* Date of the operation and value date of the draw downs by the bank customer, in the case of credit line and current account agreements;

*m)* Indication of the amount of interest payable by the bank customer during the period of the information, and, where appropriate, of the respective value date;

*n)* Identification of the fees and charges payable during the period of the information and indication of the respective amount;

*o)* Currency in which movements were made by the bank customer;

*p)* Exchange rate used by the institution and amount of the operation after the currency conversion, in the case of credit card agreements, where applicable;

*q)* Payments made by the bank customer during the period of the statement, with a view to recapitalisation under the provisions of the credit agreement, broken down into principal and interest and, where applicable, fees and charges;

*r)* Outstanding balance as at the date of the current statement;

*s)* Defined payment option;

*t)* Amount payable, according to the defined payment option;

*u)* Minimum amount payable, where applicable;

*v)* Payment due date;

*w)* Agreed form of payment; and

*x)* Other available forms of payment, where applicable.

2 – Throughout the duration of the personal credit and car loan agreements, institutions shall provide to the bank customer, prior to the maturity date of the subsequent instalment, a statement including, at least, the following information:

- a)* Date of the statement;
- b)* Identification given by the institution to the credit agreement;
- c)* Category of the credit that is the object of the agreement;
- d)* Identification of the deposit account indicated by the bank customer for debit of the amounts due within the scope of the credit agreement, where applicable;
- e)* Amount of matured principal and outstanding principal, as at the date of issue of the statement;
- f)* Number and maturity date of the instalment subsequent to the date of issue of the statement;
- g)* Amount of the instalment subsequent to the date of issue of the statement, broken down into the respective principal and interest;
- h)* TAN (Nominal Annual Rate) applicable to the instalment subsequent to the date of issue of the statement, with identification of its components, where applicable;
- i)* Identification of possible fees and charges, indicating the respective amounts, payable by the bank customer as at the maturity date of the instalment subsequent to the date of issue of the statement;
- j)* Total amount payable by the bank customer as at the maturity date of the instalment subsequent to the date of issue of the statement, as a result of the sum of the amounts identified in paragraphs *g)* and *i)* of this number.

## Article 5

### **Provision of complementary information**

1 – In addition to the information listed in the foregoing Article, institutions must provide specific information, through a statement or an autonomous document, regarding the following situations:

- a)* Non-compliance with the contractual obligations by the bank customer;
- b)* Settlement of default situations by the bank customer;
- c)* Early repayment of the credit agreement by the bank customer.

2 – In the situation provided for in paragraph *a)* of the foregoing number, institutions shall indicate:

- a)* The identification given to the credit agreement;
- b)* The maturity date of the obligations in arrears and the duration of the default, in number of days, as at the date of issue of the statement or autonomous document;
- c)* The total amount of the default as at the date of issue of the statement or autonomous document, with a detailed description of the amounts relating to principal overdue and unpaid, compensatory interest payments, fees and charges, and the respective maturity dates;

d) The identification of the rate, reserve base of the amount due as interest, and amount of the interest calculated as at the date of issue of the statement;

e) Contacts of the institution that the bank customer should use in order to obtain additional information and to negotiate possible alternatives to settle the default;

f) The existence of a support network for indebted consumers and the indication that any information about the network can be obtained on the "*Portal do Consumidor*" (Consumer Website), available at [www.consumidor.pt](http://www.consumidor.pt).

3 – In the cases where non-compliance with the contractual obligations by the bank customer is covered by the Out-of-Court Arrears Settlement Procedure, set out in Decree-Law No 227/2012 of 25 October, the provision of information provided for in the foregoing number only applies after the extinction of the abovementioned Settlement Procedure in compliance with the terms of Article 17 of that Decree-Law.

4 – For the purposes of the provisions of paragraph 1 (b), institutions shall inform the bank customer on:

a) The identification given by the institution to the credit agreement;

b) The amounts delivered within the scope of the settlement of payments in arrears;

c) The date of delivery of those amounts;

d) The allocation of the amounts to the debt payment;

e) In the case of partial settlement, the amount due after that settlement.

5 – In the cases provided for in paragraph 1 (c), institutions must inform the bank customer on:

a) The amounts delivered for the purpose of partial or total early repayment of the credit agreement;

b) The amount payable as early repayment fee, and possible charges, where applicable;

c) The date of the payments made by the bank customer, pursuant to the foregoing subparagraphs;

d) Capital outstanding after the repayment, in the case of partial early repayment.

## Article 6

### **Frequency of information provision**

1 – Information mentioned in Article 4 (1) shall be provided at least monthly, except when, in the month in question, no movements have been registered through the credit card, the credit available has not been used under the credit line or the current account, or no amounts are payable under those credit agreements. In any case, information shall be provided at least on an annual basis.

2 - Information mentioned in Article 4 (2) shall be provided with a frequency equivalent to that set out in the credit agreement for the payment of instalments or other amounts payable, and shall in any case be provided at least on an annual basis.

3 – Whenever information mentioned in Article 5 is not provided together with the statement, it

shall be provided to the bank customer within 15 days after the occurrence on any of the situations set out therein.

#### Article 7

##### **Compliance with information requirements**

1 – Institutions may comply with the information requirements laid down in this Notice by providing information on paper or on another durable medium, except if the bank customer expressly requests such information on paper.

2 – Institutions shall be responsible for providing to the bank customer the information laid down in this Notice.

3 – When providing the information set out in the foregoing Articles, institutions must use the terms and expressions used in this Notice, resorting to the definitions set out in the Annex which is attached to and forms part of this Notice, as well as the other conditions provided for therein.

#### Article 8

##### **Entry into force**

This Notice enters into force on 1 July 2015.

18 November 2014. – The Governor, CARLOS DA SILVA COSTA.

**Annex to Notice of Banco de Portugal No 10/2014**

1 – For the purposes of the provisions of Article 7 (3), the following definitions shall apply:

a) 'Trade name' shall mean the name given by the institution to the product traded within the scope of the credit agreement;

b) 'Category of the credit' shall mean the category where the credit agreement is included, according to the definitions of Article 2 (d), (e), (f), (g) and (h);

c) 'Credit ceiling' shall mean the upper limit of credit provided to the bank customer within the scope of the credit agreement;

d) 'Outstanding balance as at the date of the previous statement' shall mean the total amount payable by the bank customer within the scope of the credit agreement (capital, including, where applicable, principal overdue, interest and other charges) as at the date of issue of the statement previously sent;

e) 'Date of receipt of the payment order' shall mean the date on which the instruction given by the bank customer concerning a payment through credit card is deemed received by the institution;

f) 'Value-date' shall mean the reference date used by the institution to calculate interest;

g) 'Date of the operation' shall mean the date when the bank customer resorts to its authorised credit, in accordance with the contractual conditions established for credit lines and current accounts;

h) 'Outstanding balance as at the date of the current statement' shall mean the total amount payable by the bank customer within the scope of the credit agreement (capital, including, where applicable, principal overdue, interest and other charges) as at the date of issue of the statement;

i) 'Payment option' shall mean the type of repayment agreed between the institution and the bank customer, without prejudice to the bank customer being able to pay an amount differing from that resulting from the payment option;

j) 'Amount payable' shall mean the amount payable by the bank customer, as a result of the payment order and, where applicable, other arrears payable to the institution;

k) 'Minimum amount payable' shall mean the minimum amount payable by the bank customer ensuring compliance with the credit agreement;

l) 'Agreed form of payment' shall mean the form of payment agreed between the bank customer and the institution for the payment of the outstanding balance;

m) 'Other available forms of payment' shall mean the forms of payment which, in addition to that agreed, are made available by the institution to the bank customer for the payment of the outstanding balance.

2 – The information laid down in this Notice shall be provided by the institutions using 9 as minimum font size, Arial as reference font type, and 100 % print definition.