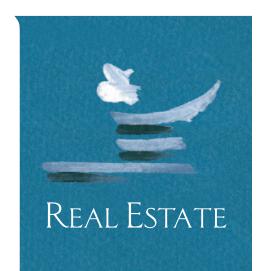
NEW RULES FOR OPENING AND OPERATING TRAVEL AGENCIES



Decree-law no. 61/2011, May 6, defines new rules for opening and operating travel agencies. Its purpose is to help travel agencies adapt to new market conditions (online booking, increased competition, etc.) and reinforce consumer protection.

To open a travel agency it is no longer required to obtain a license or start a company. However, it is mandatory to:

- 1. Register with the National Register of Travel and Tourism Agencies (RNAVT)
 - From now on consumers can access updated information concerning all travel agencies in the RNAVT. Please note that travel agencies that already have licenses are automatically registered with the RNAVT.
- 2. Pay a contribution to the Travel and Tourism Guarantee Fund (Guarantee Fund) the Guarantee Fund was created to refund consumers if a travel agency breaches a contract. Each agency contributes a certain amount to the Guarantee Fund. The contributions can be used to pay any client, not just the clients of a contributing agency. To claim a disputed amount, the client must contact the Portuguese Tourism Institute and submit one of the following: (i) a verdict by the Ombudsman of the Portuguese Association of Travel and Tourism Agencies, stating the amount owed; or (ii) a final court decision, stating the amount owed; or (iii) a request of intervention from the Portuguese Tourism Institute's conflict resolution commission. If the travel agency does not pay the amount owed, such amount shall be paid by the Guarantee Fund. The agency is then required to return the relevant amount to the Guarantee Fund within 60 days.
- 3. Take out civil liability insurance covering damage to clients or others.
- 4. Pay the Portuguese Tourism Institute a fee of 1,500.00 euros.

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BRIEFING

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Help travel agencies adapt to new market conditions

Once these obligations have been fulfilled the travel agency may start its activity immediately.

Agencies established in the European Union, Iceland, Liechtenstein and Norway may do business in Portugal. They are only requested to prove to the Portuguese Tourism Institute that they have provided guarantees equivalent to the ones Portuguese agencies are required to provide (contribution to the Guarantee Fund and civil liability insurance).

Whoever fails to comply with the rules defined by this decree-law may have to pay fines of: 200.00 to 3,740.00 euros if an individual or 250.00 to 30,000.00 euros if a company. If the offense is serious, the Authority for Economic and Food Safety (ASAE) may also close the establishment and stop the agency from doing business for up to two years or stop the person who committed the offense from operating as a travel agent.

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