

LEGAL ALERT

DECREE-LAW NO. 67/2021, OF 30 JULY

ESTABLISHES THE BASIC LEGAL FRAMEWORK FOR THE ESTABLISHMENT OF TECHNOLOGICAL FREE ZONES IN PORTUGAL

The main focus of [Decree-Law no. 67/2021, of 30 July](#),¹ is to promote and drive the testing and experimentation with innovative technology, and technology-based products, services and processes in a secure manner in technological free zones (“ZLT”). The ZLT are physical test environments, geographically located in a real or near-real environment, that benefit from the direct and permanent support and monitoring of the respective competent authorities. It should be noted that, although a parallel can be drawn with the well-known concept of a regulatory sandbox, the legal framework now established for ZLT has some particularities.

The creation and promotion of ZLT aims to ascertain the viability of innovative solutions that meet previously and objectively identified needs and ensure sustainable and socially equitable development, as well as adequate regulatory responses to new technological challenges.

However, we emphasise that Decree-Law no. 67/2021 does not create the ZLT right now, but only determines the conditions for their creation. It establishes that the aim is to set up several ZLT in Portugal, each of which is especially focused on certain technologies or sectors and which contribute to the boosting of those regions of Portugal, leveraging their specific characteristics. Thus, the ZLT must have a geographical delimitation which, in view of the needs of entities

¹ Decree-Law no. 67/2021, of 30 July, which establishes the legal framework and defines the governance model for promoting technology-based innovation through the creation of technological free zones, entered into force on 31 July 2021.

wishing to carry out tests and the specific and competitive characteristics of the regions or municipalities, may be national, regional or local in scope.

This legislation also serves to determine the possibility of creating specific experimentation instruments within the ZLT, in the form of programmes for innovation or legal and regulatory instruments, which aim to facilitate the testing of technologies, products, services and processes.

Therefore, entities that want to carry out testing will be able to access the ZLT freely and continuously, following application to be submitted to the ZLT manager or through specific time-limited programmes for innovation to be created.

In addition to the above, the conditions for access to the ZLT and its governance model were also defined and a testing authority was created, which has the function of centrally managing and promoting the ZLT network to be created, with powers to be exercised by the National Innovation Agency (*Agência Nacional de Inovação, S.A.*).

In summary, it should be noted that Decree-Law no. 67/2021 still needs to be implemented through: (i) the creation of ZLT by order of the members of the Government responsible for the areas of economy, science and the area that oversees the sector of activity in which each ZLT to be created is located; or (ii) special ZLT, to be created by law or decree-law, if the nature and specificity of the testing to be carried out requires and justifies derogation from the existing legal framework, then the framework provided for in Decree-Law no. 67/2021 shall be subsidiarily applied.

[Luís Roquette Geraldes \[+info\]](#)

[Nicole Fortunato \[+info\]](#)

[Miguel Dinis Lucas \[+info\]](#)

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