

24 June 2024

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third and fourth payment requests submitted by Portugal on 4 and 19 October 2023, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 4 October 2023, Portugal submitted a request for payment, accompanied by a management declaration and a summary of audits regarding the third and fourth instalments of the non-repayable support and the third instalment of the loan support. On 19 October 2023, Portugal submitted a request for payment, accompanied by a management declaration and a summary of audits regarding the fourth instalment of the loan support.

On 22 December 2023, the Commission authorised a disbursement for the satisfactory fulfilment of milestones and targets of the third and fourth instalment of the non-repayable support and of the loan support, as set out in Sections 2(1)(1.3), 2(1)(1.4), 2(2)(2.3) and 2(2)(2.4) of the Annex of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Portugal¹.

On that date, the Commission also partially suspended an amount from the third and fourth instalments of the grant support in relation to target 1.3, milestone 1.12 and milestone 6.15. Target 1.3 concerns the transfer of responsibilities in the field of health from the central administration to the municipalities. Milestone 1.12 concerns the implementation of a full dedication work regime in the national health system. Milestone 6.15 consists in the revision of legal framework of the self-regulated professions to eliminate restrictions in the access and exercise of these professions.

On 11 June 2024, Portugal presented additional evidence to demonstrate that the necessary measures for the satisfactory fulfilment of target 1.3 and milestones 1.12 and 6.15 had been taken. Upon receipt of the additional evidence, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant target and milestones. Based on the information provided by Portugal, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of target 1.3, milestone 1.12 and milestone 6.15.

¹ 10149/21 + ADD 1 REV 1; 13351/23 + ADD 1 REV 1

Number: T1.3	Related Measure: RE-01-r01: Primary health care reform		
Name of the Target: Completion of the process of decentralisation of responsibilities in the field of health in municipalities			
Quantitative Indicator: Number	Baseline: 0	Target: 201	Time: Q4 2022
<p>Context:</p> <p>The objective of the reform is to reinforce the core role of primary health care services in responding to the health needs of the population.</p> <p>Target 1.3 consists in completing the transfer of responsibilities in the field of health from central administration to municipalities.</p> <p>Target 1.3 is the first step of the implementation of the reform. It is accompanied by milestone 1.1, related to the entry into force of legal acts in the field of primary health care and part of the same payment request, and by Target 1.2 related to the risk stratification instrument to support clinical governance in the functional units of health centre groups and part of the same payment request.</p> <p>The reform has a final expected date for implementation in Q4 2023.</p>			
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. ii. List of the municipalities where the process of decentralisation of responsibilities in the field of health has been completed with the entry into force date of the respective transfer notice(excel file). <p>The authorities also provided:</p> <ol style="list-style-type: none"> iii. 191 Transfer notices signed between the municipalities and the central administration. iv. Decree-law No. 23/2019 of 30 January (published in Portugal’s Official Journal, ‘Diário da República’ no. 21/2019, first series, of 30 January 2019, pages 753-759). v. Order No. 11444/2021 of 19 November of the Ministry of Health (published in Portugal’s Official Journal, ‘Diário da República’ no. 225/2021, second series, of 19 November 2021, pages 158 – 172). vi. Order No. 3514/2022 of 24 March of the Minister of Health (published in Portugal’s Official Journal, ‘Diário da República’ no. 59/2022, second series, of 24 March 2022, pages 167 – 168). vii. Deliberations by Municipal Assemblies of Alenquer (28 September 2023), Aljezur (20 April 2023), Almada(28 April 2023), Alpiarça (27 July 2023), Alvaiázere (3 June 2024), Ílhavo (28 April 2023), Lourinhã (16 June 2023), Moita (12 May 2023), Palmela (27 September 2023), Óbidos (24 May 2024), Odivelas (18 May 2023), Ourém (21 June 2023), Ovar (30 April 2024), Tomar (20 December 2023) and Torres Novas (11 June 2024) ratifying or approving the Transfer Notices involving the respective municipality viii. Declaration of the President of the Municipality of Golegã of 5 June 2024 certifying the date when the President signed the Transfer Notice of Golegã. ix. Notice (‘Aviso’) No. 11597/2023 of the Regional Health Administration of Algarve (published in Portugal’s Official Journal, ‘Diário da República’ no. 116/2023, second series, of 16 June, pages 165-166), establishing the transfer of employees from the regional administration to the municipality of Aljezur. 			

- x. **Communication of Cabinet of the Ministry of Health to RECUPERAR Portugal** on 7 June 2024 identifying the legal basis of for the entry into force of the transfer notices that do not explicitly mention an entry into force date.

Analysis:

The justification and substantiating evidence provided by the Portuguese authorities covers all constitutive elements of the target.

Number of new municipalities where the process of decentralisation of responsibilities in the field of health has been completed, in accordance with Decree-Law No 23/2019, of 30 January, through the signing of a transfer notice by the Ministry of Health, the regional health administrations and municipalities. Furthermore, in line with the description of the measure, **the reform shall consist of the implementation of several legislative and regulatory measures, with a view to: (...) iv) completing the transfer of responsibilities in the field of health from central administration to municipalities.**

The Order No. 11444/2021 established a template for the transfer notice of responsibilities in the field of health in its Annex I. Order No. 11444/2021 together with the template entered into force on 20 November 2021, one day after its publication (as established in point 3 of the Order No. 11444/2021). The template was later amended by the Order of the Ministry of Health No. 3514/2022, which entered into force on 25 March 2022, one day after its publication (as established in point 4 of the Order No. 3514/2022). The amendments regard the calculation of the value of the financial instruments used in the transfer (in section III – Financial Instruments) and the elimination of 3 explanatory notes and the addition of one explanatory note regarding the value of the transfer notice (in section IV – Explanatory Notes). The template in Annex I of the Order No. 11444/2021 as amended by the Order No. 3514/2022 is in accordance with article 20(1) of Decree-Law No. 23/2019 of 30 January (as recognised in the preambles of the Order No. 11444/2021 and of the Order No. 3514/2022).

191 municipalities signed the transfer notices together with the Ministry of Health and the respective regional health administration. According to article 20 of Decree-Law No. 23/2019, the transfer of responsibilities is formalised (and therefore completed) with the signature of a transfer notice by the Ministry of Health, the health regional administrations and the municipalities. This is also reflected in Section I, point 1, of the transfer notices where it is stated that by the conclusion of the transfer notice, under the terms of article 20 of Decree Law of No 23/2019, the transfer of responsibilities is completed. All these transfer notices are in force:

- 173 transfer notices entered into force in the date explicitly set in the transfer notice itself (in section V). These entered into force between 1 January 2021 and 15 June 2024 (see list with all transfer notices and respective entry into force date).
- Three transfer notices entered into force on the date of the last signature under article 155 of the Administrative Procedure Code as upon the last signature the administrative act is considered completed and able to produce effects (see Communication of the Cabinet of the Ministry of Health to RECUPERAR Portugal). These include the municipalities of Abrantes, Alcochete e Golegã. These entered into force on 5 May 2022, 11 May 2022 and 20 June 2022, respectively.
- Seven transfer notices entered into force when the respective Municipal Assembly ratified them; these include the municipalities of Alpiarça (on 27 July 2023), Alvaiázere (on 3 June 2024), Moita (on 12 May 2023), Óbidos (on 24 May 2024), Ourém (on 21 June 2023) Tomar (on 20 December 2023), and Torres Novas (on 11 June 2024) (see the respective deliberation of the Municipal Assembly).
- As regards the transfer notice of Aljezur, the transfer notice had to be ratified by the Municipal Assembly according to section V of the respective transfer notice. By deliberation of the Municipal Assembly of 20 April 2023, which ratified the transfer

notice, the transfer notice entered into force on 1 May 2023 except for the transfer of three employees, which only entered into effect upon the publication of Notice No 11597/2023 in the Portuguese Official Journal on 16 June 2023 (as set out in the deliberation of the Municipal Assembly).

- Seven transfer notices entered into force on the date explicitly set in the transfer notice itself but had to be approved or ratified by the respective Municipal Assembly. These concern the transfer notice of the following municipalities: Alenquer (which entered into force on 1 January 2024); Almada (which entered into force on 1 October 2023); Ílhavo (which entered into force on 5 May 2023); Lourinhã (which entered into force 1 July 2023), Odivelas (which entered into force on 1 October 2023), Ovar (which entered into force on 15 June 2024); Palmela (which entered into force on 1 January 2024);

The template of the transfer notice does not have any special rule regarding duration. Two transfer notice however deviate from the template and establish that the agreement is valid for a period of one year automatically renewable, unless one of the parties terminates it. These concern the transfer agreement of the municipality of Mação and of Vila Nova da Barquinha, which entered into effect on 1 November 2023 and are in effect at the time of the assessment.

The Council Implementing Decision requires to complete the transfer of responsibilities in 201 municipalities. Portugal only completed this process in 191 municipalities (via the conclusion of 191 transfer notices). Whilst this constitutes a minimal numerical deviation of 5% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Compliance with the requirement “in accordance with Decree-Law No 23/2019, of 30 January” is assessed below in conjunction with the other requirements set out in the target description of the Council Implementing Decision.

The transfer of responsibilities shall namely cover: i) the participation of municipalities in the planning, management and investment decisions of primary health care units and divisions of intervention in addictive behaviours and dependencies, notably in their construction, equipment and maintenance.

According to section I, point 1 (a) of the transfer notices, which implements article 2(a) and article 12 (1) of the Decree-Law No. 23/2019, the municipalities receive the competence to participate in the planning, management and investment decisions of new primary health care units and divisions of intervention in addictive behaviours and dependencies, including their construction, equipment and maintenance.

On the granting of new competences to primary health care units, the Council Implementing Decision explicitly states that the process of decentralisation of health responsibilities shall be completed in accordance with Decree-Law No. 23/2019. Article 2(a) of Decree-Law No. 23/2019 establishes that the municipalities shall receive competences in planning, management, and investment decisions, including those related to the construction, equipment, and maintenance only for new primary health care units. Article 12(1) of Decree-Law No. 23/2019 also establishes that management and investment competences, including those related to the construction and equipment, are transferred to municipalities only as regards new primary health care units. Point 1(a) of the transfer notice is in line with Decree-Law No. 23/2019

ii) management, maintenance and conservation of other equipment related to primary health care;

According to section I, point 1(b) of the transfer notices, which implements article 2 (b) and article 12(3) of the Decree-Law No. 23/2019, the management, maintenance and conservation

competencies regarding the facilities and equipment attached to the facilities allocated to primary health care are transferred to municipalities.

The Council Implementing Decision explicitly states that the process of decentralisation of health responsibilities shall be completed in accordance with Decree-Law No. 23/2019. Article 2 of Decree-Law No. 23/2019 contains two distinct references to the word 'equipment'. The reference to the word 'equipment' in Article 2(a) refers to the equipment of new health units. Article 2(b) of Decree-Law No. 23/2019 refers to 'other equipment allocated to health care', referring to the equipment for existing primary health units. This is confirmed in Article 12(3) of Decree-Law No. 23/2019. Article 12(3) explicitly mentions that municipalities shall receive management maintenance and conservation competencies regarding 'facilities and equipment' allocated to primary health care and to divisions of intervention in addictive behaviours and dependencies, *i.e.*, the facilities and equipment that belong to existing primary health care units and divisions of intervention in addictive behaviours and dependencies.

iii) management of health care workers in the category of operational assistant of the functional units of health centre groups and divisions of intervention in addictive behaviours and dependencies that integrate the National Health Service.

According to section I, point 1 (d) of the transfer notices, which implements article 2 (c) of the Decree-La No. 23/2019, the management of health care operational assistants working in functional units of health centre groups and divisions of intervention in addictive behaviours and dependencies is transferred to the municipality. This transfer includes the competencies to recruit, pay salaries, evaluate, as well as to exercise disciplinary powers.

iv) management of logistical support services of health centre groups.

According to section I, point 1 (c) of the transfer notices, which implements article 2 (d) of the Decree-La No. 23/2019, the competence to manage services that provide logistic support to the functional units of the health centre groups and to the divisions of intervention in addictive behaviours and dependencies is transferred to the municipalities. These services include, amongst others, cleaning services, security services, provision of water, gas, electricity, air conditioning and heating maintenance, lifts maintenance, management of the vehicles fleet.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 1.12	Related Measure: RE-C01-r03: Completion of the reform of the governance model of public hospitals	
Name of the Milestone: Entry into force of the new full dedication work regime in the National Health Service		
Qualitative Indicator: Entry into force of the new full dedication work regime		Time: Q1 2023
Context: The reform aims to increase efficiency in the hospitals of the National Health Service (NHS), in particular to (i) reform the organisation and internal management of public hospitals, (ii) reconfigure the hospital network, (iii) improve the articulation with the other elements of the NHS, (iv) involve health professionals and intermediate structures in the management of public hospitals, and (v) focus responses on the citizens' health and well-being needs. Milestone 1.12 requires the entry into force of the new full dedication work regime in the NHS, which contributes to the reform of the organisation and internal management of public hospitals.		

Milestone 1.12 is the second step in the implementation of the reform, and it is preceded by milestone 1.6, which required the entry into force of the new management contract template and was assessed under the second payment request. Milestone 1.12 will be followed by the following milestones and targets: milestone 1.7 on the entry into force of a new management accounting plan of the National Health System (to be completed by Q1 2024); target 1.8 on the establishment of new integrated responsibility centres in the hospitals of the National Health System (to be completed by Q4 2022); target 1.9 on the establishment of additional new integrated responsibility centres in the hospitals of the National Health System (to be completed by Q4 2025); target 1.10 on the strengthening of home hospitalisation responses in the hospitals of the National Health System (to be completed by Q4 2024); and milestone 1.11 on the entry into force of the action plan to strengthen centralised purchasing mechanisms for medicines (to be completed by Q2 2024). Target 1.8 is part of the same payment request.

The reform has a final expected date for implementation in Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. **Summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. **Decree-Law No. 103/2023** of 7 November (published in Portugal's Official Journal, 'Diário da República', No 215/2023, first series of 7 November 2023, pages 21-48).
- iii. **Decree-Law No. 118/2023** of 20 December (published in Portugal's Official Journal, 'Diário da República', No 244/2023, first series of 10 December 2023, pages 58-73).
- iv. **Government Order No. 28/2024** of 30 January (published in Portugal's Official Journal 'Diário da República', No. 21/2024, first series of 30 January 2024, pages 27-37).

Analysis:

The justification and substantiating evidence provided by the Portuguese authorities covers all constitutive elements of the milestone.

New full dedication work regime for health professionals in the National Health Service,

Decree Law No. 103/2023 approves the legal regime of full dedication. The full dedication regime refers to a work organisation model which links the fulfilment of previously contracted objectives with a mixed remuneration system, consisting of base remuneration, supplements and performance incentives, as explained in the preamble of Decree-Law No. 103/2023. Decree Law No. 103/2023 entered into force one day after its publication, on 8 November 2023 (article 24(1)) and it started to produce effects on 1 January 2024 (article 24(2)). Decree-Law No 103/2023 was amended by Decree-Law No. 118/2023 of 20 December, which started to produce effects on 1 January 2024 (article 9 of Decree-Law No. 118/2023).

According to article 2(1) of Decree-Law No. 103/2023, as amended, the full dedication regime is applicable to the multi-professional teams of the family health care units in primary care; to the multidisciplinary teams of the Integrated Responsibility Centres (IRCs) in the hospital care; and to medical doctors in the area of public health. In addition, medical doctors working in primary care outside the family health units and medical doctors working in hospitals outside the IRCs have the right to choose the full dedication regime, except when they work in part time (article 3).

Therefore, Decree-Law No. 103/2023, as amended, regulates the full dedication regime for the following health professionals:

- i. Medical doctors working in primary care, hospital care and public health;

- ii. Nurses and technical assistants working in the multi-professional teams of the primary care family health units;
- iii. Nurses, technical assistants, health technicians, pharmacists, auxiliary staff working in the multidisciplinary teams of IRCs.

Article 11 of the original Decree-Law No. 103/2023 established that the regulation of the full dedication regime for health professionals working in the IRCs would be stipulated by another legal act. Portugal later adopted Decree-Law No. 118/2023, which establishes the full dedication regime for the IRCs and amends, *inter alia*, Article 11 of Decree-Law No. 103/2023, which now states that the full dedication regime for health professionals working in the IRCs is stipulated in its Annex II, without prejudice to the rules set out for doctors in hospital care in section I of Chapter IV.

The full dedication regime established for IRCs under Decree-Law No. 103/2023, as amended, does not apply to the IRCs created before its adoption (preamble of Decree-Law No. 118/2023), namely to IRCs assessed in Target 1.8.

incorporating appropriate mechanisms for organising working time

Decree-Law No. 103/2023, as amended, establishes the working times and the respective organisation mechanisms of the full dedication regime for following health professionals:

- i. Medical doctors working in public health (article 18 (2), (3), (4), (5) and (6)).
- ii. Medical doctors working in primary care outside the family health units (article 9)
- iii. Medical doctors, nurses and technical assistants working in the family health units (article 23 of the regime of the family health units in annex I of Decree-Law No. 103/2023)
- iv. Medical doctors working in hospitals, including in the IRCs (articles 12, 13, 14 and 17(1)).
- v. Members of the multidisciplinary teams of integrated responsibility centres: medical doctors, nurses, pharmacists, health technicians, technical assistants, auxiliary staff (article 23 of Annex II).

These mechanisms are specific and appropriate to the full dedication regime, which implies extra work from health professionals, so that the institutions where they work may provide more services. The way this extra work is organised needs to be adequate to the functions of the institution. For example, the extra 5 hours working time for doctors in public health aim to ensure the normal functioning of the respective establishments and therefore have to be worked in weekdays between 8 am and 8 pm. Whereas the extra 5 hours for doctors working in hospitals need to be worked after 5 pm and also on Saturdays. The working times of the members of the IRCs take into account the action plan of the respective IRC and are established case by case. Similarly, working hours of each professional in the multidisciplinary team of family health units, as well as the beginning and end of the normal working period, are defined by agreement between all professionals.

and remuneration tables

Decree-Law 103/2023, as amended, establishes the following remuneration rules (and tables) for the following health professionals. Similar to the working times, the remuneration is specific to the full dedication regime. It compensates for the extra work and extra commitment of these health professionals and is therefore appropriate to their specific regime:

- i. Medical doctors working in public health (article 18(7), (8) and (9)).
- ii. Medical doctors working in primary care outside the family health units (article 10)
- iii. Medical doctors, nurses and technical assistants working in the family health units (articles 28(1)(a) and 29(1) for medical doctors; articles 30(1) and 31(1) for nurses, and article 32(1) and 33(1) of the regime of the family health units in annex I of Decree-Law 103/2023, as amended).
- iv. Medical doctors working in hospitals including in the integrated responsibility centres (article 4(2) and (3), article 15, article 17(2) and (3)).

- v. Members of the multidisciplinary teams of integrated responsibility centres: medical doctors, nurses, pharmacists, health technicians, technical assistants, auxiliary staff (articles 26, 27 and 28 of Annex II).

In the case of the IRCs, the integrated care remuneration supplement (article 27(1)(a)), the financial incentives related to the team performance (article 27(3)) and the non-financial incentives (article 28) are further regulated by Government Order No. 28/2024 of 30 January, which establishes the respective award criteria. Government Order No. 28/2024 entered into force one day after its publication, on 31 January 2024 (article 25). Government Order No. 28/2024 is applicable to all IRCs created after the adoption of Decree-Law No. 118/2023. In practice, the Emergency Services IRCs are the only IRCs to which the full dedication regime is applicable, as these are the only IRCs created after the adoption of Decree-Law No. 118/2023.

As regards the remuneration of multi-professional teams of family health units, under this milestone only the supplement corresponding to the full dedication regime is assessed. The other aspects of the remuneration were assessed under milestone 1.1 under the requirement “rules and remuneration model of Model B family health units” as part of the assessment of the fourth payment request.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: M6.15	Related Measure: RE-06-r16: Reducing restrictions in highly regulated professions	
Name of the Milestone: Entry into force of the law on regulated professions		
Qualitative Indicator: Entry into force of the law on regulated professions		Time: Q4 2022
<p>Context: The objective of the reform is to reduce restrictions in highly regulated professions. Milestone 6.15 requires the entry into force of the new legal regime for highly regulated professions. Milestone 6.15 is the only milestone of the reform.</p>		
<p>Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document dully justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii) Law No. 12/2023 of 28 March (published in the Official Journal, <i>Diário da República</i> No. 62/2023, first series of 28 March 2023, pages 2-13), which revises the framework law of the professional public associations and the framework law of professional companies subject to professional public associations’ authority. iii) Law No. 64/2023 of 20 November (published in Portugal’s Official Journal, <i>Diário da República</i> No. 224/2023, first series of 20 November 2023, pages 4-10), which introduces the new legal regimes of multidisciplinary firms and also amends the framework law of business services firms subject to professional public associations’ authority. iv) Law No. 66/2023 of 7 December (published in Portugal’s Official Journal, <i>Diário da República</i> No. 236/2023, first series, of 7 December 2023, pages 5-15), which revises the statutes of the Social Workers’ Public Professional Association. 		

- v) **Law No. 67/2023** of 7 December (published in Portugal's Official Journal, *Diário da República* No. 236/2023, first series, of 7 December 2023, pages 16-29), which revises the statutes of the Custom Brokers Public Professional Association.
- vi) **Law No. 68/2023** of 7 December (published in Portugal's Official Journal, *Diário da República* No. 236/2023, first series, of 7 December 2023, pages 30-55), which revises the statutes of the Certified Public Accountants Public Professional Association.
- vii) **Law No. 69/2023** of 7 December (published in Portugal's Official Journal, *Diário da República* No. 236/2023, first series, of 7 December 2023, pages 56-80), which revises the statutes of the Notaries Public Professional Association and the Notary Act ('Estatuto do Notariado').
- viii) **Law No. 70/2023** of 12 December (published in Portugal's Official Journal, *Diário da República* No. 238/2023, first series, of 12 December 2023, pages 4-20), which revises the statutes of the Technical Engineers Public Professional Association.
- ix) **Law No. 71/2023** of 12 December (published in Portugal's Official Journal, *Diário da República* No. 238/2023, first series, of 12 December 2023, pages 21-31), which revises the statutes of the Physiotherapists Public Professional Association.
- x) **Law No. 72/2023** of 12 December (published in Portugal's Official Journal, *Diário da República* No. 238/2023, first series, of 12 December 2023, pages 32-44), which revises the statutes of the Psychologists Public Professional Association.
- xi) **Law No. 73/2023** of 12 December (published in Portugal's Official Journal, *Diário da República* No. 238/2023, first series, of 12 December 2023, pages 45-72), which revises the statutes of the Medical Dentists Public Professional Association.
- xii) **Law No. 74/2023** of 18 December (published in Portugal's Official Journal, *Diário da República* No. 242/2023, first series, of 18 December 2023, pages 3-20), which revises the statutes of the Pharmacists Public Professional Association.
- xiii) **Law No. 75/2023** of 18 December (published in Portugal's Official Journal, *Diário da República* No. 242/2023, first series, of 18 December 2023, pages 21-36), which revises the statutes of the Economists Public Professional Association.
- xiv) **Law No. 76/2023** of 18 December (published in Portugal's Official Journal, *Diário da República* No. 242/2023, first series, of 18 December 2023, pages 37-51), which revises the statutes of the Biologists Public Professional Association.
- xv) **Law No. 77/2023** of 20 December (published in Portugal's Official Journal, *Diário da República* No. 244/2023, first series, of 20 December 2023, pages 8-16), which revises the statutes of the Medical Veterinarians Public Professional Association.
- xvi) **Law No. 78/2023** of 20 December (published in Portugal's Official Journal, *Diário da República* No. 244/2023, first series, of 20 December 2023, pages 17-29), which revises the statutes of the Nutritionists Public Professional Association.
- xvii) **Law No. 79/2023** of 20 December (published in Portugal's Official Journal, *Diário da República* No. 244/2023, first series, of 20 December 2023, pages 30-42), which revises the statutes of the Certified Auditors Public Professional Association.
- xviii) **Law No. 6/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January, pages 4-30), which revises the statutes of the Lawyers Public Professional Association.
- xix) **Law No. 7/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 31-56), which revises the statutes of the Solicitors and Bailiffs Public Professional Association.
- xx) **Law No. 8/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 57-75), which revises the statutes of the Nurses Public Professional Association.

- xxi) **Law No. 9/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 76-111), which revises the statutes of the Medical Doctors Public Professional Association.
- xxii) **Law No. 11/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 118-146), which revises the statutes of the Engineers Public Professional Association.
- xxiii) **Law No. 12/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 147-162), which revises the statutes of the Architects Public Professional Association.
- xxiv) **Law No. 10/2024** of 19 January (published in Portugal's Official Journal, *Diário da República* No. 14/2024, first series, of 19 January 2024, pages 112-117), which revises the legal regime of the Lawyers' and Solicitors' Acts.

Analysis:

The justification and substantiating evidence provided by the Portuguese authorities covers all constitutive elements of the milestone.

Entry into force of the law on regulated professions

The Council Implementing Decision requires the entry into force of the law on regulated professions. The old legal regime of the self-regulated professions consists of several separate laws, including (i) Law No. 2/2013 of 10 January (Law No. 2/2013), a framework law that determines the establishment, organisation, and functioning rules applicable across the 20 professional public associations, (ii) the statutes of each professional public association (which should comply with the framework law) and (iii) another framework law applicable to the business services firms that are subject to the professional public associations' authority, Law No. 53/2015, of 11 June (Law No. 53/2015).

Various laws have entered into force to amend the old legal regime of the self-regulated professions which consists of several separate laws. Whilst the entry into force of various laws on regulated professions constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, as the current legal regime regulating self-regulated professions consists of several separate laws, the new legal regime also consists of several new laws amending the existing separate laws. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

On 28 March 2023, Portugal published in its official journal (*Diário da República* No. 62/2023, first series of 28 March 2023, pages 2-13) Law No. 12/2023, which revises (i) Law No. 2/2013, the framework law of the professional public associations and (ii) Law No. 53/2015, the framework law of the professional business services firms that are subject to the authority of the professional public associations, hereafter business services firms (article 1 of Law -No 12/2023). Law No. 12/2023 entered into force on 19 April 2023, in accordance with its article 9.

Article 5(8) of Law No. 12/2023 provided that additional legislation was necessary to regulate the legal regime of multidisciplinary firms. In addition, as indicated in the transitional provision of Article 5(2), (3) and (5) of Law No. 12/2023 additional laws needed to be adopted to amend the statutes of the professional public associations in order to adapt them to the provisions of Law No. 12/2023. In addition,

- For the multidisciplinary professional firms, Law No. 64/2023 was published on 20 November 2023 and entered into force 120 days after its publication, in accordance with its article 7, on 19 March 2024.

- As to the professional public associations, the Government presented to the Parliament a legal proposal with the necessary amendments to the statutes of the professional public associations. In addition, it also submitted other legislation applicable to the exercise of these professions, to make them compliant with the revised framework laws of the professional public associations and the business services firms (article 5(3) of Law No. 12/2023). The proposals resulted in the adoption of the following laws: Law No. 66/2023; Law No. 67/2023; Law No. 68/2023; Law No. 69/2023; Law No. 70/2023; Law No. 71/2023; Law No. 72/2023; Law No. 73/2023; Law No. 74/2023; Law No. 75/2023; Law No. 76/2023; Law No. 77/2023; Law No. 78/2023; Law No. 79/2023; Law No. 6/2024; Law No. 7/2024; Law No. 8/2024; Law No. 9/2024; Law No. 10/2024; Law No. 11/2024, Law No. 12/2024; which revise each public association statutes, the Notary Act and the Lawyers and Solicitors Acts regime. The entry into force date and legal basis for each of these legal acts is presented in the following table.

Professional Public Association (PPA) statutes and other relevant legislation	Entry into force of the Laws that revise the PPA statutes and other relevant legislation	
	Legal basis	Date
Lawyers PPA Statutes	Article 7 of Law No. 6/2024	1 April 2024
Architects PPA Statutes	Article 6 of Law No. 12/2024	1 April 2024
Social workers PPA Statutes	Article 8 of Law No. 66/2023	1 March 2024
Biologists PPA Statutes	Article 7 of Law No. 76/2023	1 March 2024
Certified Auditors	Article 8 of Law No. 79/2023	1 March 2024
Custom brokers PPA Statutes	Article 7 of Law No. 67/2023	1 March 2024
Economists PPA Statutes	Article 6 of Law No. 75/2023	1 March 2024
Nurses PPA Statutes	Article 7 of Law No. 8/2024	1 April 2024
Engineers PPA Statutes	Article 8 of Law No. 11/2024	1 April 2024
Technical Engineers PPA Statutes	Article 7 of Law No. 70/2023	1 March 2024
Pharmacists PPA Statutes	Article 7 of Law No. 74/2023	1 March 2024
Physiotherapists PPA Statutes	Article 7 of Law No. 71/2023	1 March 2024
Medical doctors	Article 8 of Law No. 9/2024	1 April 2024
Dentists PPA Statutes	Article 7 of Law No. 73/2023	1 March 2024
Veterinarians PPA Statutes	Article 7 of Law No. 77/2023	1 March 2024
Public Notaries PPA Statutes	Article 11 of Law No. 69/2023	1 March 2024
Notary Act	Article 11 of Law No. 69/2023	1 March 2024
Nutritionists PPA Statutes	Article 7 of Law No. 78/2023	1 March 2024
Psychologists PPA Statutes	Article 7 of Law No. 72/2023	1 March 2024
Certified Accountants PPA Statutes	Article 7 of Law No. 68/2023	1 March 2024
Solicitors and bailiffs PPA Statutes	Article 8 of Law No. 7/2024	1 April 2024
Legal Regime of the Lawyers' and Solicitors' Acts	Art 17 of Law No. 10/2024	1 January 2024

With the entry into force of several laws amending existing laws on regulated professions, Portugal has addressed the requirement of the Council Implementing Decision. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Entry into force of the law aiming to, inter alia:**i) separate the regulation and representation functions in professional associations;**

To fulfil this requirement, Law No. 12/2023 introduced the following two amendments to the framework law of the professional public associations. First, Law No. 12/2023 introduces a new Article 15 A, which establishes the independence of the supervisory body of each professional public association. The majority of the seats in the supervisory board are held by persons who are not enrolled or registered as professionals of that specific public association. This supervisory board does not possess a representation function on behalf of the professions that it regulates, which improves the alignment of the professional regulatory framework with its public interest objectives and ensures a separation between the regulation and representation functions in professional associations. The supervisory body is responsible for regulation functions such as the establishment of rules on professional internships and access to the profession. It also oversees the works of the disciplinary body and ensures compliance with the public professional association own statutes and regulations. The representative functions remain with the bodies which only have members enrolled or registered with that same association such as the executive body.

The independence of the supervisory body is further implemented by specific laws, which revise the statutes of each professional public associations, introducing in each of them a new independent supervisory body, (its constitution and competencies). The table below indicates the respective articles that operate these changes.

Professional Public Association	Article of Laws that revise the of the Laws that revise the PPA statutes and other relevant legislation.	Article of Statutes of each professional public association that are amended.
Lawyers	Articles 3 of Law No. 6/2024	Articles 47 A, 47 B and 47 C of the statutes of the Lawyers Public Professional Association
Architects	Article 3 of Law No. 12/2024	Articles 25 A and 25 B of the statutes of the Architects Public Professional Association
Social workers	Article 4 of Law No. 66/2023	Article 32 A of the statutes of the Social Workers' Public Professional Association
Biologists	Article 3 of Law No. 76/2023	Articles 46 B, 46 C, 46 D, 46 E of the statutes of the Biologists Public Professional Association
Certified Auditors	Article 3 of Law No. 79/2023	Articles 25-A, 26, 27 of the statutes of the Accountants Public Professional Association
Custom brokers	Article 3 of Law No. 67/2023	Articles 30 A 30 B and 30 C of the statutes of the Custom Brokers Public Professional Association
Economists	Articles 2 and 3 of Law No. 75/2023	Articles 40, and 40 A of the statutes of the Economists Public Professional Association
Nurses	Article 3 of Law No. 8/2024	Articles 30 A and 30 B of the statutes of the Nurses Public Professional Association

Engineers	Article 3 of Law No. 11/2024	Article 40 A of the statutes of the Engineers Public Professional Association
Technical Engineers	Article 3 of Law No. 70/2023	Article 36 A of the the statutes of the Technical Engineers Public Professional Association
Pharmacists	Article 3 of Law No. 74/2023	Articles 28 A and 28 B of the statutes of the Pharmacists Public Professional Association
Physiotherapists	Article 3 of Law No. 71/2023	Articles 32 A and 32 B of the statutes of the Physiotherapists Public Professional Association
Medical doctors	Article 2 of Law No. 9/2024	Articles 61, 62 and 63 of the statutes of the Medical Doctors Public Professional Association
Dentists	Article 3 of Law No. 73/2023	Article 69 A and 69 B of the statutes of the Medical Dentists Public Professional Association
Veterinarians	Article 3 of Law No. 77/2023	Articles 57 B and 57 C of the the statutes of the Medical Veterinarians Public Professional Association
Public Notaries	Article 4 of Law No. 69/2023	Article, 33 of statutes of the Notaries Public Professional Association
Nutritionists	Article 3 of Law No. 78/2023	Articles 29 A and 29 B of the statutes of the Nutritionists Public Professional Association
Psychologists	Article 3 of Law No. 72/2023	Articles 45 A and 45 B of the statutes of the Psychologists Public Professional Association
Certified Accountants	Article 3 of Law No. 68/2023	Article 54 A, 54 B and 54 C of the statutes of the Certified Public Accountants Public Professional Association
Solicitors and bailiffs	Article 3 of Law No. 7/2024	Articles 34 A and 34 B of the statutes of the Solicitors and Bailiffs Public Professional Association

ii) reduce the list of reserved activities. Access to activities can be restricted only to safeguard constitutional interests, according to the principles of necessity and proportionality;

To fulfil this requirement, Law No. 12/2023 amends articles 30(1) and (4) of Law 2/2013 and introduces the following rules:

- Activities may only be reserved to a profession organised via a professional public association in order to safeguard a public interest protected by the Constitution and in a manner that follows adequacy, necessity, proportionality criteria. The reserved activity has

to be established by law and all reserved activities must be explicitly listed (article 30(1) of Law 2/2013 as amended)

- Professional public associations cannot establish, on their own initiative, reserved activities or reserved acts in addition to the ones established in their respective statutes (article 30(4) of Law 2/2013 as amended).

The amended article 30(1) and (4) of Law 2/2013 was further implemented by the laws that revise the statutes of each professional public association. The table below indicates the respective articles that operate these changes in each of the professional public association statute.

Professional Public Association	Article of Laws that revise the PPA statutes and other relevant legislation.	Article of Statutes of each professional public association (or other relevant legislation when noted).
Lawyers	Articles 2 and 3 of Law No. 6/2024	Articles 66 and 66 A of statutes of the Lawyers Public Professional Association Article 4(8), articles 7 to 9 of the Lawyers' and Solicitors' Acts Regime
Architects	Article 2 of Law No. 12/2024	Article 44 of the statutes of the Architects Public Professional Association
Social workers	Article 4 of Law No. 66/2023	Article 64 A of the statutes of the Social Workers' Public Professional Association
Biologists	Article 2 of Law No. 76/2023	Article 61(3) of the statutes of the Biologists Public Professional Association
Certified Accountants	Article 2 of Law No. 68/2023	Article 10 of the statutes of the Certified Accountants Public Professional Association
Custom brokers	Article 2 of Law No. 67/2023	Article 66 of the statutes of the Custom Brokers Public Professional Association
Economists	No reserved activities	No reserved activities
Nurses	Article 3 of Law No. 8/2024	Article 6 D of the statutes of the Nurses Public Professional Association
Engineers	Articles 2 and 3 of Law No. 11/2024	Article 7 and Article 7 A of the the statutes of the Engineers Public Professional Association
Technical Engineers	Article 2 of Law No. 70/2023	Article 6 of the statutes of the Technical Engineers Public Professional Association
Pharmacists	Article 2 of Law No. 74/2023	Article 74 of the statutes of the Pharmacists Public Professional Association

Physiotherapists	Article 3 of Law No. 71/2023	Article 63 A of the statutes of the Physiotherapists Public Professional Association
Medical doctors	Article 3 of Law No. 9/2024	Article 96 A of the statutes of the Medical Doctors Public Professional Association
Dentists	Article 3 of Law No. 73/2023	Article 8 A of the statutes of the Medical Dentists Public Professional Association
Veterinarians	Article 2 of Law No. 77/2023	Article 58 of the statutes of the Medical Veterinarians Public Professional Association
Public Notaries	Article 2 of Law No. 69/2023	Article 4 of Notary Act
Nutritionists	Article 3 of Law No. 78/2023	Article 61 A of the statutes of the Nutritionists Public Professional Association
Psychologists	Article 3 of Law No. 72/2023	Article 5 A of the statutes of the Psychologists Public Professional Association
Solicitors and bailiffs	Article 2 of Law No. 7/2024	Article 136 of the statutes of the Solicitors and Bailiffs Public Professional Association Article 4(8), articles 7 and 9 of the legal regime of the Lawyers' and Solicitors' Acts

As a result, there was a decrease in the number of reserved activities. For example, with the reform there are no activities reserved to the members of the Physiotherapist Public Professional Association, nor to members of the Custom Brokers Public Professional Association. In addition, the following activities are no longer reserved to veterinarians: zootechnical assistance for animal husbandry; technological assistance to animal products industries; sanitary inspection of animal products.

The statutes of only two public professional associations were not amended. This concerns economists as there were no reserved activities for this profession. This also concerns certified auditors as the activities reserved to this profession consist of tasks carried out in the public interest, and which constitute a statutory audit in line with article 3(1) of Directive 2006/43/CE (article 41 of the statutes of certified public accountants). Although not linked to a public interest explicitly protected in the Constitution, this reservation is necessary to comply with EU Law, in particular the above mentioned article 3(1) of Directive 2006/43/CE whereby a statutory audit can only be performed by a certified public accountant.

iii) end restrictions to ownership and management of business services firms, provided managers respect the legal regime for the prevention of 'conflict of interests';

To fulfil this requirement Law No. 12/2023 revoked article 9(2) and article 55 of Law No. 53/2015 on professional companies. Article 9(2) stipulated that the majority of the voting rights had to belong to the partners that were inscribed in the professional public associations. Article 55 allowed

professional public associations to create other requirements for the creation and functioning of professional companies. These restrictions no longer exist.

In addition, Law No. 64/2023, that introduces the new regime of the multidisciplinary professional companies, also amends Law 53/2015. It revokes the following rules that restricted ownership and management of business firms (since the entry into force of Law No. 64/2023 the restrictions listed below do not apply to any kind of business firm):

- Approval of the partnership contract/shareholders agreement that underpins the constitution of the professional companies by the professional public association (art 19(2) and article 21 of Law 53/2015 are revoked);
- Enrolment of the professional public association (article 22 of Law 53/2015 is revoked);
- Communication to the professional public association of any changes in the partnership/shareholders contract (article 23 of Law 53/2015 is revoked);
- Communication to the professional public association of career plans including the criteria to become a partner of the professional company (article 25 of Law 53/2015 is revoked);
- The decision to exclude a partner produces effect 30 days after its registration with the professional public association (article 36(2) of Law 53/2015 is revoked);
- The right to appeal a decision that excludes a partner expires 30 days after its registration with the professional public association (article 36(3) of Law 53/2015 is revoked);
- *Ex ante* control by the professional public associations of the decisions to merger or to split a professional company (article 43(1) and 45(1) of Law 53/2015 are revoked);
- Communication to the professional public association of the changes in the commercial registry about ownership following a companies' merger or a division (article 45(3) of Law 53/2015 is revoked);
- The professional public organisation may declare the dissolution of the professional company and make the respective registry (article 50(4) of Law 53/2015 is revoked).

Law 64/2023 also introduces the following rules that contribute to the fulfilment of this requirement:

- Possibility to merge two or more professional companies (article 39(1) of Law 53/2015 as amended);
- Possibility to split a professional company and merge it with other professional company (article 41(2) (c) of Law 53/2015 as amended).

In addition, in the cases where Law No. 12/2023 allows that business service firms are owned and managed by professionals from different public associations, it establishes that these new multidisciplinary professional companies have to comply with the incompatibilities and prevention of conflict-of-interest regimes (article 27(3) of Law 2/1013 as amended by Law No. 12/2023). This rule is further implemented by Law 64/2023 that introduces in the regime of the multidisciplinary business services firms an explicit obligation to create procedures and mechanisms to identify, avoid, manage, monitor and disclose the occurrence of conflicts of interest, namely between the interests of its clients and the interests of the firms' partners, members of the firms' bodies, employees or any service provider (article 52 A (b) of Law 53/2015 as amended by Law 64/2023).

iv) allow multidisciplinary business services.

To fulfil this requirement, Law No. 12/2023 amended article 27 of Law 2/2013. The amended article 27(2) of Law 2/2013 explicitly allows the creation of multidisciplinary professional companies, such as companies that offer services provided by professionals that belong to different professional

public associations, or services provided by those professionals and other professionals which are not organised in professional public associations.

Law No. 12/2023 also amended article 7 of Law No. 53/2015 governing professional companies subject to the professional public associations. The amended article 7 of Law No. 53/2015 explicitly allows the creation of multidisciplinary companies.

Article 7 of Law No. 53/2015 is further implemented by Law No. 64/2023, which introduces a regime for the creation, organisation and functioning of new multidisciplinary business services firms, as required by the milestone.

In addition, Law 64/2023 also allows for business services firms exercising one self-regulated profession to become multidisciplinary companies (article 47 of Law No. 53/2015 as amended).

Article 27(2) of Law 2/2013 as amended and Law 64/2023 were further implemented by specific laws, which revise the statutes of each professional public association, allowing for the creation of multidisciplinary firms which should follow their specific regime. The table below indicates the respective articles that operate these changes in each of the professional public association statute.

Professional Public Association	Article of Laws that revise the of the Laws that revise the PPA statutes and other relevant legislation.	Article of Statutes of each professional public association.
Lawyers	Articles 3 of Law No. 6/2024	Article 212 A (1) of the statutes of the Lawyers Public Professional Association
Architects	Article 3 of Law No. 12/2024	Article 48 A(1) of the statutes of the Architects Public Professional Association
Social workers	Article 3 of Law No. 66/2023	Article 68(1) of the statutes of the Social Workers' Public Professional Association
Biologists	Article 2 of Law No. 76/2023	Article 64(1) of the statutes of the Biologists Public Professional Association
Certified Auditors	Article 3 of Law No. 79/2023	Article 128 A (1) of the statutes of the Accountants Public Professional Association
Custom brokers	Article 3 of Law No. 67/2023	Article 94(1) of the statutes of the Custom Brokers Public Professional Association
Economists	Article 2 of Law No. 75/2023	Article 12(1) of the statutes of the Economists Public Professional Association
Nurses	Article 2 of Law No. 8/2024	Article 16(1) of the statutes of the Nurses Public Professional Association
Engineers	Article 2 of Law No. 11/2024	Article 11(1) of the the statutes of the Engineers Public Professional Association

Technical Engineers	Article 2 of Law No. 70/2023	Article 10(1) of the statutes of the Technical Engineers Public Professional Association
Pharmacists	Article 2 of Law No. 74/2023	Article 12(1) of the statutes of the Pharmacists Public Professional Association
Physiotherapists	Article 2 of Law No. 71/2023	Article 68(1) of the statutes of the Physiotherapists Public Professional Association
Medical doctors	Article 2 of Law No. 9/2024	Article 116(1) of the statutes of the Medical Doctors Public Professional Association
Dentists	Article 3 of Law No 73/2023	Article 16 A(1) of the statutes of the Medical Dentists Public Professional Association
Veterinarians	Article 2 of Law No 77/2023	Article 63(1) of the statutes of the Medical Veterinarians Public Professional Association
Nutritionists	Article 2 of Law No. 78/2023	Article 75(1) of the statutes of the Nutritionists Public Professional Association
Psychologists	Article 2 of Law No. 72/2023	Article 71(1) of the statutes of the Psychologists Public Professional Association
Certified Accountants	Article 3 of Law No. 68/2023	Article 119 A of the statutes of the Certified Public Accountants Public Professional Association
Solicitors and bailiffs	Article 3 of Law No. 7/2024	Article 223 A (1) of the statutes of the Solicitors and Bailiffs Public Professional Association

Only for Public Notaries the statutes have not been changed because Public Notaries exercise public authority functions. The notary is simultaneously a public official with powers delegated by the State who confers authenticity to documents and, a liberal professional who acts independently, and impartially. The practice of the notary profession and their respective office depends on the granting of a license, awarded through a public tender. Furthermore, if the regime of multidisciplinary societies were applied to the function of notary, it would be unfeasible to monitor compliance with the regime of incompatibilities of the public notaries that is only comparable to that of a magistrate.

Furthermore, in line with the description of the measure, in 2018, the OECD, in cooperation with the Portuguese Competition Authority (AdC), carried out an assessment for a limited number of self-regulated professions such as lawyers, solicitors, engineers, architects, auditors, accountants, economists, pharmacists and nutritionists. From the evaluation carried out, a list of recommendations was drawn up. With this reform, Portugal shall address the recommendations of the OECD and the AdC. Furthermore, the Council Implementing Decision states that the objective of this reform is to reduce restrictions in highly regulated professions, mainly to foster competition in the provision of business services.

To address the recommendations of OECD and the AdC, to which requirements i) to iv) of milestone 6.15 belong, Portugal has adopted the two framework laws (Law No. 12/2023 and Law No. 64/2024) and the laws that revised the statutes of each professional association. By taking these measures, Portugal increases competition in the provision of business services. For example, the reduction of reserved activities allows for an increase in the supply of services which generates more competition and lower prices. Similarly, opening up the ownership of business firms increases access to capital, enables business firms to have a bigger scale and wider scope satisfying a greater pool of consumers and being able to compete better.

Furthermore, in line with the description of the measure, AdC [Portuguese Competition Authority] shall also be commissioned to deliver a report on the effectiveness of the new law on regulated professions.

In accordance with article 6 of Law No. 12/2023, the Portuguese Competition Authority will be heard 3 years after the entry into force of Law No. 12/2023, on the enforcement and effectiveness of the amended framework laws, by presenting to the national parliament a report which may also include proposals for amendments.

Commission Preliminary Assessment: Satisfactorily fulfilled