

NOTE: THIS DECREE LAW REPLACES DECREE-LAW 1/99, PREVIOUSLY SUBMITTED TO THE WTO. BOTH THIS AND THE EARLIER VERSION OF THE PRICE REGIMES LAW ARE IN FILE AT THE ACCESSION PROJECT OFFICE. THIS TRANSLATION SHOULD BE IN THE POSSESSION OF THE HEAD OF THE NEGOTIATING TEAM DURING THE WORKING PARTY SESSION.

COUNCIL OF MINISTERS

Decree Law n° 52/2003

Of 24 November 2003

Goods and Services Price Regime

Some of the price regimes established by Decree Law n° 1/99 of 1 February proved to be inadequate in the face of the exogenous and endogenous effects of the transformations that occurred in the market, both internal and external.

The consecration of a policy of greater openness to private initiative and competition, allied to the growing globalisation of the national and international markets, namely in the framework of the World Trade Organization – WTO, has proven to be incompatible with a heavily interventionist price policy.

In effect, currently, most of the internal market prices are formed as a function of the market, except for some basic products.

On the other hand, taking the weak national production into account and its impact on the quality of the supply of certain essential products, in a free and competitive market, it became necessary to distinguish between the maximum prices and fixed prices.

Thus, this law simply maintains the free price regime, the fixed price regime, the maximum price regime and the conventioned price regime.

In this way, a price regime based on market instruments is instituted, that seeks, on the one hand, that seeks to reduce to a minimum the intervention by the administration in the free formation of the prices in a market that is not under a tutelage and on the other hand to permit greater freedom and place the responsibility for the determination of the prices on the economic operators.

The associations representative of the sector were heard;

In the use of the faculty conferred by subparagraph a) of n° 2 of article 203 of the Constitution, the Government decrees the following:

Article 1 **Object**

The prices of goods and services sold in the internal market may be subject to the following regimes:

- a) Free prices;
- b) Fixed prices;
- c) Maximum prices;
- d) Conventione prices;
- e) Conventione prices;
- f) Fixed commercialisation margins;
- g) Guarantee prices.

Article 2

Free prices regime

The free prices regime consists in the free determining of the levels of prices by the economic agents in the market, having observed the rules of competition.

Article 3

Fixed prices regime

The fixed prices regime consists in setting its fixed amount in diverse stages of economic activity, namely in the sale to the final consumer.

Article 4

Maximum prices regime

The maximum price regime consists in setting their maximum amount in diverse stages of economic activity, namely in the sale to the final consumer.

Article 5

Conventione prices regime

1. The conventione price regime consists in the establishment of a maximum percentage of increase on the prices in effect for the goods or services produced, imported, commercialised or rendered by the economic agents encompassed by convention, to be agreed upon by the administration, represented by the government department responsible for the commerce sector and the respective entrepreneurial associations or enterprises considered individually, is there is no association constituted in the sector.

Article 6

Convention

1. The convention referred to in the preceding article is mandatory only upon the economic agents affiliated in entrepreneurial associations or enterprises considered individually, signatories of the same, and shall go into effect 5 (five) days after its ratification by the member of the Government responsible for the area of commerce.

2. Any commercial agent non-signatory to the convention may solicit the respective accession through a registered letter, with return receipt request, to the Government department responsible for the commerce sector. If the request is approved, the applicant will be subject to all the conditions established in the convention.
3. The economic agents referred to in n.º 2 of this article may begin to apply the conventioned prices (10) days after the date of notification of acceptance of the solicited accession.

Article 7 **Integration of the price regimes**

Subjecting the goods and services to the price regimes referred to in subparagraphs a), b), c) and d), of article 1 depends on a joint ordinance from the members of the Government responsible for the sector that the good or service in question pertains to, having heard the entrepreneurial associations representatives of the sector.

Article 8 **Establishment of other regimes**

The establishment of new goods and services price regimes is set by Ordinance by the member of the Government responsible for commerce.

Article 9 **Revocation**

Decree Law 1/99 of 1 February is hereby revoked.

Article 10 **Effective date**

This diploma goes into effect 30 days after the date of its publication in the *Official Bulletin*.

Seen and approved in the Council of Ministers

José Maria Pereira Neves, Avelino Bonifácio Fernandes Lopes

Promulgated on 12 November 2003

Publish it.

The President of the Republic, PEDRO VERONA RODRIGUES PIRES

Referended on 12 November 2003

The Prime Minister *José Maria Pereira Neves*