Distribution Law Center
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Q&A on Distribution Agreements

Part I: Legislative framework

Q1. Please specify the legislative framework generally applicable to the conclusion and execution of distribution agreements (a)? Please include a link to the official publication of the applicable rules (e.g., relevant link to the Official Gazette) (b) and, if available, to the English translation of the legislative framework (c).

a. Legislative framework:

- Law 19/2012, comprising the Portuguese Competition Act
- Decree-Law 166/2013, comprising the Individual Restrictive Trade Practices Act
- Decree-Law 178/86, comprising the Agency Agreement Rules
- Decree-Law 446/85, comprising the General Contractual Terms Law
- Decree-Law 118/2010, establishing deadlines for maximum price payments
- Books I and II of the Portuguese Civil Code

b. Link(s) to official publication:

- Law 19/2012, comprising the Portuguese Competition Act is accessible via this link.
- Decree-Law 166/2013, comprising the Individual Restrictive Trade Practices Act is accessible via this link
- Decree-Law 178/86, comprising the Agency Agreement Rules ("Agency Law") is accessible via this link.
- Decree-Law 446/85, comprising the General Contractual Terms Law is accessible via this link.
- Decree-Law 118/2010, establishing deadlines for maximum price payments is accessible via this link.
- Books I and II of the Portuguese Civil Code are accessible via this link.

c. Link(s) to English translation:

- The English translation of Law 19/2012, comprising the Portuguese Competition Act is accessible via this link.

Q2. Other than for agency agreements pursuant to Directive 86/653 (EEC) on the coordination of the laws of the Member States relating to self-employed commercial agents, are there specific rules depending on the distribution format (e.g. franchising, exclusive distribution)?

Yes.

If yes, which specific rules apply (a)? Where available, please also include a link to the official publication of the applicable rules (b) and, if available, to the English translation of the legislative framework (c).

a. Specific rules depending on distribution format:

Although there are no specific rules for other types of distribution agreements, the rules set forth in Decree-Law 178/86 of 3 July 1986 (Agency Agreements Act), in particular the rules on the termination of the agreement, can be applied by analogy to other distribution agreements which share certain similarities with agency agreements.

b. Link(s) to official publication:

- Decree-Law 178/86, comprising the Agency Agreement Rules is accessible via this link.

c. Link(s) to English translation:

No official English translation available.

Q3. Other than general contract law and competition law, are there other rules which may generally restrict the parties when drafting and concluding distribution agreements (e.g., rules in relation to unfair contract terms in B2B contracts, specific requirements in the context of a prohibition of abuse of economic dependence)?

Yes.

If yes, which general rules apply (a)? Where available, please also include a link to the official publication of the applicable rules (b) and to the English translation of the regulatory framework (c).

a. General rules

Decree-Law 446/85, comprising the General Contractual Terms Law.

The law applies to terms not individually negotiated in general, regardless of such terms being inserted in b2c of b2b contracts.

1. Individual Restrictive Trade Practices Act (Decree-Law 166/2013 and subsequent amendments):

a. Prohibition of Sales at a Loss: Art. 5 Individual Restrictive Trade Practices Act prohibits undertakings from selling a product for a lower price than the price of its acquisition (plus taxes and transport costs, when applicable), with exceptions being made in relation to specific types of goods (e.g. perishable goods when they start to decay) or commercial contexts (clearance sales).
b. The following business practices between undertakings are considered abusive and are as such prohibited

under Art. 7 Individual Restrictive Trade Practices Act:

- The restriction of selling at a lower price to another undertaking.
- The obtainment of prices, payment conditions, terms of sale, contractual penalties, and trade cooperation conditions of exorbitant nature in relation to the general trade conditions.
- The direct or indirect unilateral imposition of a rebate on a given product or any payments as a compensation to a certain rebate.
- The attainment of any compensation from ongoing or already occurred promotions, as well as any other disproportionate and non-effective rebates, namely the issuing of credit and debt notes with a longer period than three months from the date of the invoice to which they relate to.
- The retroactive amendment, even if extracontractual, of established conditions in supply agreements.
- Sanctioning a supplier for supplying difficulties related to disproportionate orders, taking into consideration the normal orders of the buyer or the usual delivered volumes by the seller, when the order that would be supplied in normal conditions could not be delivered due to unforeseen circumstances.
- The illegal acquisition, use or disclosure of business secrets of the supplier, as set by the Portuguese Industrial Property Code (Decree-Law 110/128, 10 December).
- The threatening or adoption of retaliation against the supplier that exercises its contractual or legal rights, such as filing a complaint with the competent authorities or cooperating with such authorities in the context of an investigation.
- The deduction of values to the invoiced amounts due for the provision of goods or services, when the reasons for such deduction are not duly identified and when the counterpart states its disagreement, as well as the reasons for such disagreement, within 25 days.
- The unilateral imposition of the anticipation of contractual obligations, with no compensation, and of debts that were not included in the agreement, after the goods or services had been supplied.
- The imposition, by the buyer, of a payment, directly or in the form of a discount:
    - for the non-fulfilment of the buyer's expectations regarding the volume or figures of the sale;
    - for the introduction or reintroduction of products;
    - as a compensation for the costs arising from consumer complaints (except when the buyer shows that the complaint is due to negligence, fault or contractual breach of the supplier);
    - for transportation and storage related costs after the product delivery;
    - as a contribution for the opening of new commercial premises or refurbishment of existing ones;

- as a condition for starting a business relationship with a supplier.

Any contractual clauses that violate this legal provision shall be considered void and taken as non-written.

2. Abuse of Economic Dependence (Art. 12 Law 19/2012, Portuguese Competition Act):

Apart from usual competition law provisions, i.e. restrictive agreements or practices and abuse of dominance, Portuguese Competition Act (in Art. 12) sets forth a prohibition of abuse of economic dependence.

It is prohibited for one undertaking or more undertakings to abuse the economic dependence under which any of its supplier or customer may find itself because of the fact that any equivalent alternative is not available, to the extent that such a practice affects the way the market or competition operate.

This prohibition is relevant regardless of the market position of the infringing party: the undertaking is not required to hold a dominant position on the relevant market to be covered by this provision.

According to the Portuguese Competition Act (Art. 12, paragraph 3), an undertaking is deemed not to have *an equivalent alternative* when:

i. The supply of the goods or service at issue, specifically at the point of distribution, is controlled by a restricted number of undertakings; and
ii. The undertaking cannot find identical conditions from other commercial partners within a reasonable time scale.

The list of practices that qualify as abusive in a situation of economic dependence includes almost all of those that the law foresees in the event of dominant position (excluding the refusal of access to an essential infrastructure), as well as any unjustified break, total or partial, in established commercial relations, bearing in mind previous commercial relations, recognised practices in that particular economic activity and the contractual conditions that have been set down.

The monitoring of such infractions is handled and enforced by the Portuguese Competition Authority.

3. General Contractual Terms Law ("Cláusulas Contratuais Gerais") (Decree-Law 446/85, 25 October, and subsequent amendments)

The General Contractual Terms Law applies to subscription agreements, i.e., standard agreements whose clauses are not subject to previous negotiation between the parties and contains specific rules on certain (1) clauses that are unlawful and therefore prohibited in any circumstance (Art. 18) and (2) clauses that might be unlawful and are therefore prohibited in face of the contract at stake (Art. 19).

Examples of clauses that are always unlawful and thus prohibited (Art. 18):

- Clauses that in any way exclude or limit liability for damages caused to human life, moral or physical integrity

or human health;

- Clauses that in any way exclude or limit non-contractual liability for damages to property caused to the other party or to any third parties;
- Clauses that establish perpetual duties or obligations which duration would exclusively depend on the will of one of the parties;
- Clauses that give a company the unilateral right to interpret an agreement;

Examples of clauses that can be unlawful and thus prohibited in face of the circumstances of the agreement (Art. 19):

- Clauses that give to a company the right to unilaterally amend the terms of an agreement without justification;
- Clauses that establish disproportionate penalty clauses;
- Clauses that establish excessively long deadlines for the acceptance or rejection of proposals;
- Clauses that give to one of the parties the right to terminate the agreement, immediately or within a very short period of time, without adequate compensation, when the counterparty has made considerable investments.

b. Link(s) to official publication:

- Law 19/2012, comprising the Portuguese Competition Act is accessible via this link.
- Decree-Law 166/2013, comprising the Individual Restrictive Trade Practices Act is accessible via this link
- Decree-Law 446/85, comprising the General Contractual Terms Law is accessible via this link.

c. Link(s) to English translation:

- The English translation of Law 19/2012, comprising the Portuguese Competition Act is accessible via this link.

Part 2: Pre-contractual phase

Q4. Are there mandatory provisions in relation to the disclosure of pre-contractual information prior to concluding and/or executing distribution agreements?

Yes.

If yes, which mandatory provisions apply (a) and which information must be disclosed (b)? Where available, please also include a link to the official publication of the applicable rules (c) and, if available, to the English translation of the regulatory framework (d).

a. Mandatory provisions:

See, Art. 227 Portuguese Civil Code (Decree-Law 47344/66, 25 November);

See, Art. 5 and 6 General Contractual Terms Law ("Cláusulas Contratuais Gerais") (Decree-Law 446/85, 25 October, and subsequent amendments)

b. Information to be disclosed:

Under general Portuguese law, contracting parties should act in conformity with the principle of good faith during preliminary negotiations, observing the general duties of information, loyalty, and care.

The obligation (commitment) of the parties to negotiate in good faith includes the obligation of providing all the relevant pre-contractual information to enable the other party to decide whether to enter into the agreement in a reasoned manner, as well as the obligation not to violate the rights of the other party or cause them any unreasonable expenses or damages and the obligation to pay attention to the duty of loyalty and care.

Furthermore, concerning subscription agreements, which are not subject to previous negotiation between the parties, Decree-Law 446/85 provides that clauses must be communicated in an adequate manner and sufficiently in advance (considering the importance of the agreement and the extension and complexity of its clauses) in order to allow the other party to completely understand their content. Also, any reasonable additional clarifications requested must be provided.

As to franchising agreements, Portuguese Courts and authors have identified specific pre-contractual duties on disclosure of information, such as business know-how.

c. Link(s) to official publication:

- Books I and II of the Portuguese Civil Code are accessible via this link.
- Decree-Law 446/85, comprising the General Contractual Terms Law is accessible via this link.

d. Link(s) to English translation:

Not available.

Q5. Is there a standstill obligation linked to the requirements imposed for the pre-contractual phase?

No.

Q6. Does the relevant regulatory framework impose sanctions if the pre-contractual obligations are not (fully) respected?

Yes.

If yes, which sanctions apply (e.g., nullity of contract, penalty payment)?

Distribution agreements follow the general rules of obligations and agreements, as stipulated by the Portuguese

Civil Code.

The breach of pre-contractual obligations which derive from the general principle of good faith, such as the duty to provide pre-contractual information, can ultimately determine the invalidity of the agreement and give rise to an obligation of compensation for damages that includes, amongst others, the restitution of any expenses and/or damages caused by the party at fault to the injured party.

As regards standard terms agreements, any clause that is not communicated adequately and/or sufficiently in advance, as per Art. 5 and 6 of the applicable law (DL 446/85) is excluded from the agreement. Any clause which infringes good faith obligations is prohibited.

Q7. Can a party be held liable if it terminates the pre-contractual negotiations?

Yes.

If yes, on what grounds (a); under what conditions (b); and what consequences are generally linked to such liability (c)?

a. Grounds for pre-contractual liability:

Despite any party being free to terminate pre-contractual negotiations under the principle of freedom of contract, Art. 227 (1) Portuguese Civil Code establishes the *culpa in contrahendo*, stating that parties must act in good faith during preliminary and closing contract negotiations, *i.e.,* before the agreement is signed.

The break of contractual negotiations can be held as unlawful when, for example:

- One of the parties intentionally breaks negotiations that would normally lead to a positive result, *e.g.* by requiring conditions that have no economic reason or justification, forcing the other party to give up on the negotiation;
- One of the parties, having created a reasonable conviction in the other party that an agreement would be reached, arbitrarily and with guilt breaks the negotiations by refusing to, within the agreed period, validly execute the agreement;

The break of the negotiations can be seen as an abuse of the right not to contract, contrary to good faith.

b. Conditions for precontractual liability:

- Preliminary negotiations of an agreement
- A party's breach of the duty to negotiate in good faith
- Damages caused
- A causal link or causality between the damages and the breach of the duty of good faith at the pre-contractual stage

c. Consequences of precontractual liability:

The compensable damage is, according to authors and case law on the matter, limited to the "negative interest" of the injured party, which would amount to the restitution of the expenses incurred due to the conduct of the party that broke the negotiation and in relation to the conclusion of the agreement that was unjustifiably not concluded.

Q8. Are there other relevant rules and/or restrictions that apply during pre-contractual negotiations between supplier and distributor?

No.

Part 3: Contractual phase

A. Form of distribution agreements

Q9. Must a distribution agreement be executed in writing to be valid and enforceable?

Only in certain instances.

If only in certain instances, please explain when a written agreement is required.

As per the Portuguese Agency Act, a written agreement is required in certain cases:

i. The agreement allows the agent to conclude agreements on behalf of the principal;
ii. The agreement allows the agent to recover debts;
iii. The agreement grants exclusive rights to the agent (i.e. territory and/or clients) (Art. 4);
iv. The agreement establishes non-competition obligations after the term of the agreement (Art. 9);
v. The agreement established a *del credere* convention.

Moreover, any of the parties has the right to demand from the other a written document with the content of the agreement, as well as of any subsequent modifications or additions.

As per EU and Portuguese competition rules, any distribution agreement containing non-compete clauses should also be executed in writing, in order to limit such clauses to five years.

Q10. Are there any (other) requirements as to the form of the distribution agreement for it to be valid and enforceable?

No.

B. Content of distribution agreements

Q11. Other than restrictions imposed by EU competition law (including Regulation (EU) 330/2010), do specific rules and/or restrictions apply in distribution agreements with respect to

- the territory in which or the customers to whom the goods/services will be sold;
- an exclusivity granted to the distributor;
- (exclusive) sourcing/purchasing obligations;
- resale prices;
- non-compete clauses?

Yes specific rules apply to non-compete clauses, an exclusivity granted to the distributor and the territory in which or the customers to whom the goods/services will be sold

If yes, what do these specific rules and/or restrictions entail?

As per the Portuguese Agency Act (Decree-Law 178/86, 3 July (and subsequent amendments)), a given territory or group of clients can be granted to the agent (Art. 1(1)). Upon written agreement, the exclusive right to operate such territory or group of clients can be granted to the Agent (Art. 4).

The parties can also agree on a non-compete obligation of the Agent, after the term of the agreement, for a maximum period of two years (Art. 9).

Q12. Do specific rules and/or restrutions apply in distribution agreements with respect to

- obligations of the supplier vis-à-vis the distributor, including in relation to the remuneration of the distributor;
- obligations of the distributor vis-à-vis the supplier or vice versa;
- a non-solicitation clause during and/or after the term of the distribution agreement;
- minimum sales quota imposed on the distributor;
- specific sector rules?

Yes, obligations of the supplier vis-à-vis the distributor, including in relation to the remuneration of the distributor; obligations of the distributor vis-à-vis the supplier or vice versa and a non-solicitation clause during and/or after the term of the distribution agreement.

If yes, what do these specific rules and/or restrictions entail?

See, Q11.

C. Term and termination

1. Term

Q13. Is an oral or written distribution agreement that does not specify the term always considered to be an agreement of indefinite duration?

Yes.

Q14. Does a distribution agreement of definite duration that is continued after its expiry turn into a distribution agreement of indefinite duration?

Yes.

If yes, what is meant by 'continuation' (a) and what should a party do to avoid this (b)?

a. What is meant by 'continuation'?

Continuation is understood as meaning that the parties continue, after the term of the agreement, to comply with the obligations arising from it, as if the agreement hadn't reached its term. In such case, the parties are deemed to have tacitly agreed to enter into a new distribution agreement of which the terms and conditions will be identical to the expired distribution agreement, with a significant difference: the new agreement is now of indefinite duration (Art. 27 of the Portuguese Agency law).

b. What should a party do to avoid this?

In order to avoid continuation, that is the renewal of the agreement, a party can either communicate it to the counterparty, via written statement or undertake actions that clearly demonstrate that the contract has come to an end, vg actions directed at the liquidation of the agreement. An alternative solution would be for the parties to foresee in the original agreement that there shall be no tacit renewals of the agreement.

2. Termination

Termination for convenience (irrespective of any default or exceptional circumstance) of distribution agreements of definite duration

Q15. Can a distribution agreement of definite duration be terminated for convenience?

Yes.

If yes, is an express provision allowing for termination for convenience necessary?

Only in certain instances.

If only in certain instances, please explain when an express provision is required?

The general rule, arising from the law (See Art.30 Agency Law), is that an agreement of definite duration cannot

be terminated for convenience.

Parties can however foresee broader grounds for termination, including “convenience”. It is however highly debatable whether such a provision is valid, amongst others, under the principle of good faith.

Q16. Must a reasonable notice period be observed in order for the termination to be valid even if the distribution agreement provides for the immediate termination for convenience?

Yes.

If only in certain instances, please explain when a reasonable notice period is in any case required?

See, Q15.

Should the provision be considered valid, then a reasonable notice period is required. Otherwise, the provision would be considered contrary to the principle of good faith.

Q17. What are the consequences for the terminating party if it does not comply with prescribed (statutory, contractual, case law) rules for termination (e.g. in relation to the notice period)? Does the termination continue to have effect (a)? Will damages have to be paid and, if yes, how are those damages calculated (b)?

a. Will the termination continue to have effect?

No, the termination would be invalid and of no effect. Accordingly, the agreement would remain in force (ex vi Art. 432 Portuguese Civil Code).

Please note that the unlawful termination can in itself be considered as a breach of the agreement thus giving rise to a right of the counterparty to terminate the agreement.

b. Will damages have to be paid, and, if yes, how are those damages calculated?

In case of unlawful termination damages are due for the loss suffered (losses incurred and loss of profit) (Art. 562, 798, 801 (2) Portuguese Civil Code.)

Termination for convenience (irrespective of any default or exceptional circumstance) of distribution agreements of indefinite duration

Q18. Can a distribution agreement of indefinite duration be terminated for convenience even if the agreement does not provide for termination for convenience?

Yes.

If yes, must a reasonable notice period be observed?

Yes.

If a reasonable notice period must be observed, how is this reasonable notice period calculated (e.g. 1 month per year) (a)? Should a minimum notice period be observed (b), is there a maximum notice period (c)?

a. How is this reasonable notice period calculated (e.g. 1 month per year)?

Art. 28 Agency Law defines mandatory reasonable notice periods depending on the period of execution of the agreement:

(i) 1 month should the agreement be in force for less than one year;

(i) 2 months should the agreement be in force for more than one year;

(iii) 3 months in all other cases.

Parties can agree on longer notice periods, provided the following rule is complied with: the principal's notice period cannot be longer than the agent's.

b. Should a minimum notice period be observed? If yes, how long is this minimum notice period and are the parties allowed to contractually deviate from this minimum notice period

See, Q18.a.

c. Is there a maximum notice period? If yes, how long is this maximum notice period and are the parties allowed to contractually deviate from this maximum notice period?

No.

Q19. Is a contractual notice period always legally valid and enforceable?

No.

If not, which rules of mandatory law can have an impact on this?

Parties can agree on longer notice periods than the ones set by the Agency Law in Art. 28 (See, Q18.a.), provided the following rule is complied with: the principal's notice period cannot be longer than the agent's.

Q20. What are the consequences for the terminating party if it does not comply with prescribed (statutory, contractual, case law) rules for termination (e.g. in relation to the notice period)? Does the termination continue to have effect (a)? Will damages have to be paid and, if yes, how are those damages calculated (b)?

a. Will the termination continue to have effect?

Yes (Art. 29 Agency Law).

b. Will damages have to be paid, and, if yes, how are those damages calculated?

The injured party will be entitled to compensation for damages resulting from the violation of the notice period, payable for the number of months falling short of what is considered to be a reasonable notice period ("indemnity in lieu of notice", Art. 29 Agency Law).

Alternatively to the a.m. compensation, the injured party can request for an amount to be calculated based on the average monthly remuneration from the past year. Should the agreement be in force for less than a year, then

compensation will be calculated based on the average monthly remuneration paid during the execution of the agreement

In addition to such compensation the agent can be entitled to a “Goodwill compensation” according to Art. 33 Agency Law:

«1. Without prejudice to any other indemnity to which he may be entitled under the preceding provisions, the agent shall be entitled, on termination of contract, to a goodwill compensation, provided the following conditions are met:

(a) the agent has gained new customers for the other party or substantially increased the volume of business with existing customers;

(b) the other party will benefit considerably, after the termination of the contract, from the activity carried out by the agent;

(c) the agent ceases to receive any consideration for contracts negotiated or concluded, after the termination of the contract, with the customers referred to in subparagraph (a)».

Q21. Must the terminating party comply with certain formalities?

Yes.

If yes or only in certain instances, when is a written notice required (a), must the notice contain a motivation in order for the termination to valid (b) and what are the consequences if any of the formalities are not observed (c)?

a. Is a written notice required? If yes, is a registered letter (or similar) required?

A simple written notice is required (Art. 31 Agency Law).

b. Must the notice contain a motivation in order for the termination to valid?

Under the general terms of the Portuguese Civil Code the termination must be justified (Art. 432).

c. What are the consequences if any of the formalities are not observed?

Lack of motivation renders the termination notice ineffective.

Q22. Can the parties stipulate the formalities in the distribution agreement?

Yes.

If yes, what are the consequences if those formalities are not observed?

Breach of contract.

Q23. Is the terminated party entitled to damages or another type of compensation even if the correct notice period has been observed?

Yes.

If yes, does this concern goodwill compensation or another type of compensation? Do the legal consequences vary depending on the type of agreement (definite/indefinite duration; exclusive/non-exclusive; franchise etc.)?

See Q20.b. above, goodwill compensation.

Immediate extrajudicial termination on account of serious breach or exceptional circumstances

Q24. Is immediate extrajudicial termination possible even if the distribution agreement does not provide for early termination?

Yes.

If yes, on what grounds (a)? Can parties exclude these grounds for immediate extrajudicial termination in their distribution agreement (b)?

a. On what grounds?

i. Serious breach of contract, under the general terms of the Portuguese Civil Code (Art. 801 and Art. 30, a) Agency Law) and anticipatory breach;

ii. Art. 437 (1) of the Portuguese Civil Code states that if circumstances in which the parties based their decision to conclude an agreement had abnormally changed, the injured party will have the right to terminate the contract. In alternative, the injured party might request the modification of the contract according to equity, as long as the contractual obligations undertaken by the injured party would seriously affect the principle of good faith and is not covered by the risks inherent to the contract.

iii. The distribution agreement can foresee specific causes for termination that would not under the general law be considered grounds for termination. It should be noted that the validity of such clauses, namely vis à vis the principle of good faith could be challenged.

b. Can parties exclude these grounds for immediate extrajudicial termination in their distribution agreement?

No.

Q25. Will an (extrajudicial) termination continue to have effect if the court rules that the agreement was wrongfully terminated on account of serious breach and/or exceptional circumstances?

Only in certain instances.

If not or only in certain instances, what are the consequences of the termination not being upheld?

The court may judge that the termination was unlawful and thus null and void. However, despite such conclusion, the court may consider the agreement has “de facto” reached its term as it is impossible for parties to continue the relation.

Q26. Does the terminated party have a right to compensation if it appears that the agreement was wrongfully

terminated or dissolved on account of serious breach and/or exceptional circumstances?

Yes.

If yes, is this right based on statute or case law (a) and how is that compensation calculated and will the terminated party have a claim for any additional compensation in those circumstances (for example, goodwill) (b)?

a. Is this right based on statute or case law and what this right entail?

Wrongful termination is considered by a significant part of case law and doctrine as a breach of contract. As such it entitles the injured party to compensation for breach under the general terms of the law (Portuguese Civil Code).

b. How is that compensation calculated and will the terminated party have a claim for any additional compensation in those circumstances (for example, goodwill)?

See, Q26.a.

Goodwill compensation can also be due (See, Q20.b.)

Q27. If a party believes that the distribution agreement has been wrongfully terminated or dissolved, can it apply to the judge in interim relief proceedings to have the effects of the termination suspended?

Yes.

Part. 4: Post-contractual phase

Q28. Is the supplier required to repurchase the stock that is still at the distributor's disposal when the distribution agreement ends?

No.

Q29. Are there other post-contractual obligations that generally apply to either of the parties in the context of the termination of the distribution agreement?

No.

Part 5: Dispute resolution

Q30. Do specific rules and/or restrictions apply as regards the choice of forum and/or jurisdiction?

No.

Q31. Can the parties opt for arbitration?

Yes.

If yes, are there any rules and/or restrictions as regards the enforceability of arbitration clauses in distribution agreements?

Yes.

If yes, what do these specific rules and/or restrictions entail?

The general rules on arbitration clauses established in Law 63/2011, comprising the rules on Voluntary Arbitration, apply to Distribution Agreements. Namely, the condition of the given dispute not being in the exclusive jurisdiction of the State courts, the scope of validity of arbitration clauses being limited to disputes of patrimonial nature or disputes about contested rightsof patrimonial nature, and the written clause requirement.

Q32. What is the statute of limitations applicable to claims regarding the performance of a distribution agreement?

The general statute of limitations of 20 years regarding contractual obligations that stems from Art. 309 Portuguese Civil Code is applicable to general contractual damages' claims regarding the performance of a distribution agreement.

The claim of goodwill compensation derived from the termination of the agreement, when applicable, must be communicated to the other party within one year after the termination of the agreement. The same limitation period applies to the relevant court action: it must be filed within the year following such communication.