

## Portugal:

### simplified timeline of a CBM



#### **Assumptions regarding an envisaged cross-border merger (CBM)**

1. Both transferring and receiving companies are governed by the laws of a Member State of the EU (two distinct States by definition), and cross-border merger is governed by the EU directive.
2. Latest financial years of both transferring and receiving company entities match calendar year.
3. Latest financial statements are approved prior to execution of draft cross-border merger agreement.
4. Shareholders of both companies decide not to involve an independent expert.
5. All shareholders consent to merger.



### 31 December:

**1** End of the latest fiscal year

### 1 January:

**2** 1 January: Effective date of the CBM (tax and accounting effect)\*

Tax retroactivity possible

### Mid-April:

**5** Finalisation of corporate documentation

Draft terms of merger must be submitted to Portuguese company's board of auditors/sole auditor for issuance of an option

### End-April:

**6** Execution of common draft terms of merger

### Early May:

**7** Filing/Publication of common draft terms of merger

Commencement of one month period for opposition by creditors

### Mid-June:

**9** General meetings of transferring and receiving companies

May only occur one month after step 7

### Early July:

**10** Issuance of pre-merger certificates

### End-July:

**11** Application to register

Application must be requested up to six month after the issuance of pre-merger certificates

**1**  
**2**

**5**

**6**  
**7**

**9**

**10**

**11**

January February March April May June July August September October November December

**3** Closing of accounts

- Closing of accounts of transferring and receiving companies
- Audit by statutory auditors of each company

**4** Preparatory stage

- Due diligence
- Drafting of corporate documentation, i.e. common draft terms of merger, management reports, draft shareholder resolutions
- Drafting of information to employee representatives
- Prior authorisation or approval from regulatory/third parties, if required

**8**

**8** Making available legal documents

Legal documents to be put at disposal of shareholders and employee representatives

**Convening of general meeting**

- Directors to convene shareholders' general meeting
- General meeting may not be carried out prior to the expiry of period of opposition by creditors

**12**

**12** Scrutiny of legality

**Mid August:**

**13** Completion of CBM (legal effect)

**13**

### Legend:

↓ Action without a fixed time limit  
⋮ Action with a fixed time limit

■ Action in transferring and receiving country  
■ Action in receiving country  
■ Action in transferring country

\* Accounting effects shall mandatorily take place (i) as of 1 January or (ii) as of the date of the general shareholders' meeting of the transferor company