

# Exceptional support measures

## Storm Kristin

### RECOVERY PACKAGE FOR THE AFFECTED AREAS

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1. Tax and Banking Moratorium
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## **1. TAX AND BANKING MORATORIUM**

### **1.1. Tax moratorium**

The Government approved, in a meeting of the Council of Ministers, an extension of the deadlines for compliance with tax obligations falling due between 28 January and 31 March 2026, applicable to taxpayers with their registered office in the affected municipalities, as well as to accountants with their registered office in those municipalities.

Tax obligations must be complied with by 30 April 2026.

### **1.2. Banking moratorium**

Beneficiary entities are entitled to a 90-day moratorium, counted from 28 January 2026, in relation to their credit exposures contracted up to that date, including:

1. the prohibition on the revocation of credit lines;
2. the extension of loans with capital repayment at maturity and the suspension of capital repayments;
3. rent and interest payments, with automatic extension of the contractual schedule for the period of the suspension.

The moratorium applies to natural or legal persons who:

1. carry out an economic activity; or who are
2. private institutions of social solidarity and equivalent entities;
3. non-profit associations and other social economy entities;
4. natural or legal persons holding agricultural and forestry holdings;
5. agricultural cooperatives, producer organisations and entities managing forestry or silvo-pastoral holdings;
6. public or private entities holding natural, cultural or sporting assets affected;
7. natural persons in respect of loans for permanent owner-occupied housing located in the covered municipalities; and
8. natural persons covered by the lay-off regime.

Entities which, as at 28 January 2026, were more than 90 days in arrears or in default on pecuniary obligations, or which did not have their tax and social security situation regularised with the Tax and Customs Authority and Social Security, are excluded.

The Government announced that, in coordination with the Bank of Portugal and the Portuguese Banking Association, a selective moratorium regime with a duration of 12 months will be developed, aimed at situations involving more serious damage.

## **2. SOCIAL AND BUSINESS SUPPORT MEASURES**

### **2.1. Support for families in situations of hardship**

Families in situations of hardship or which have suffered a loss of income may benefit from support through the granting of occasional allowances, whether one-off or maintenance-based, including occasional or exceptional allowances of a pecuniary nature or in kind.

The amount of the allowance is determined according to the household income and the expenses or acquisitions to be made, up to the limit of the value of the Social Support Index (IAS) per household member and up to a maximum limit of 2 IAS per household, which may, in exceptional situations, be increased up to a maximum of 2 IAS per household member.

The allowance may be granted as a one-off payment or as a maintenance allowance, with a maximum limit of 12 monthly instalments.

### **2.2. Support for private institutions of social solidarity**

Support is granted to private institutions of social solidarity and equivalent entities that operate residential facilities for older persons, children, young people, victims of domestic violence, institutionalised persons with disabilities and homeless persons, and that carry out solidarity actions in the affected municipalities.

The amount of the financial contribution from Social Security may be maintained at a value equal to or higher than that processed in the previous month, for the strictly necessary period.

### **2.3. Exemption from the payment of social security contributions**

An exceptional and temporary regime of total exemption from social security contributions was created, for a period of up to six months, renewable for an equal period, for:

1. private, cooperative and social sector employers; and
2. self-employed workers whose activity was directly affected by the declaration of a state of calamity, as well as a partial exemption of 50% of the employer's contribution rate for a period of one year for employers that hire unemployed workers.

Access conditions require that the employer and the self-employed worker have their tax and contributory situation regularised and that, for reasons directly caused by the state of calamity, they have suffered a loss of income or productive capacity.

### **2.4. Simplified lay-off regime**

Employers demonstrably in a situation of business crisis may resort to the regime for reduction or suspension of employment contracts provided for in the Labour Code, with exemption from communication and consultation obligations. The business crisis situation is deemed to be verified through the employer's application submitted on the gov.pt website and the Social Security website, without prejudice to ex post control.

## **2.5. Employment and vocational training support**

An extraordinary financial incentive for the maintenance of jobs is granted for a period of three months, with the possibility of extension, to private, cooperative and social sector employers, intended exclusively to support compliance with remuneration obligations up to the amount of the employee's gross normal remuneration, net of the social security contribution, and capped at twice the guaranteed monthly minimum wage.

An extraordinary financial incentive is granted to self-employed workers for a period of up to three months, with the possibility of extension, where their income has been directly affected by the declaration of the state of calamity.

Employees and self-employed workers affected by Storm Kristin are given priority in selection and referral under active employment measures, and an extraordinary qualification and vocational training plan has been established to effectively improve workers' professional skills.

## **3. INFRASTRUCTURE AND ASSETS**

### **3.1. Support for permanent owner-occupied housing**

Eligible expenses include costs incurred in works and interventions necessary for the repair, rehabilitation or reconstruction of permanent owner-occupied housing damaged by the storm, located in a municipality covered and effectively used as the household's habitual residence, as well as temporary rehousing expenses,

where duly justified by the impossibility of using the affected dwelling.

Eligible costs are determined on the basis of an estimate prepared under the responsibility of the Municipal Council and validated by the territorially competent CCDR, with the possibility of using unit cost benchmarks by type of work. Public co-financing amounts to 100% of the remaining eligible expense after deduction of insurance compensation and other support, subject to an overall limit of EUR 10,000 per housing unit.

Credit lines are made available by the Financial Instrument for Urban Rehabilitation and Revitalisation (IFRRU) for costs not covered by the public grant.

### **3.2. Recovery of road and railway infrastructure**

An increase of EUR 400 million in funding for Infraestruturas de Portugal was authorised, earmarked for the recovery of affected road and railway infrastructure.

### **3.3. Financial support for local authorities**

The transfer of a total amount of EUR 250 million to the territorially competent Regional Coordination and Development Commissions (CCDR) was authorised, including funding for the immediate recovery of schools, municipal roads and other parish or municipal facilities, as well as support for the recovery of permanent owner-occupied housing.

### **3.4. Recovery of cultural heritage**

The transfer of EUR 12 million to Património Cultural, I.P., and EUR 8 million to Museus e Monumentos de Portugal, E.P.E., was determined, earmarked for the recovery of affected cultural heritage.

### **3.5. Restoration of emergency communications**

The Integrated Emergency and Security Network of Portugal (SIRESP) was reinforced with EUR 6 million, earmarked for the restoration of emergency communications in the affected municipalities.

### **3.6. Exceptional regime for exemption from administrative controls**

The Government approved the creation of an exceptional regime exempting prior administrative controls for public and private reconstruction works relating to infrastructure, facilities and buildings affected by the state of calamity, with a subsequent control and accountability regime applying in the fields of urban planning, environmental law, public procurement and budgetary and financial rules.

### **3.7. Task Force for Reconstruction**

The Task Force “Reconstruction of the Central Region of the Country” was created with the aim of coordinating and monitoring recovery, reconstruction and revitalisation actions in the areas affected by Storm Kristin, ensuring coordination between the various central and local public administration services and entities.

## **4. SECTOR-SPECIFIC MEASURES**

### **4.1. Support for agriculture and forestry**

Storm Kristin was recognised as an adverse climatic phenomenon equivalent to a natural disaster, and support is granted to restore the productive potential of agricultural holdings located in the identified municipalities.

Eligible holdings are those that suffered damage exceeding 30% of productive potential and where the associated investment ranges between a minimum of EUR 5,000 and a maximum of EUR 400,000. The total amount of available support is EUR 40 million. Support is granted as a non-repayable subsidy at the following levels: 100% of eligible expenditure up to EUR 10,000; 80% of eligible expenditure exceeding EUR 10,000 for beneficiaries holding insurance under the Agricultural Insurance System; 50% of eligible expenditure exceeding EUR 10,000 for beneficiaries not covered by insurance.

Eligible expenses are subject to verification and confirmation of the declared losses by the Regional Coordination and Development Commission, and the procedure must be completed within a maximum of 30 days after the end of the application submission period.

### **4.2. Exemption from fees for the Citizen Card**

The renewal or issuance of the Citizen Card, requested by 31 March 2026, is exempt from fees where the document was lost, mislaid or damaged as a result of the storm in the municipalities covered by the declaration of a state of calamity.

### **4.3. Measures relating to registration services**

All deadlines for the official rectification of deficiencies in ongoing proceedings are suspended until the end of the state of calamity, in relation to registration proceedings submitted to services in municipalities under a state of calamity, or where the applicants or interested parties reside in those municipalities, or where professionals have their professional domicile there.

Private authenticated documents executed in municipalities under a state of calamity between 28 January and 8 February 2026 may be deposited within 48 hours following the end of the state of calamity.

### **4.4. Measures in the energy sector**

Distribution network operators are prevented from carrying out supply interruptions or reductions of contracted power attributable to the customer at low-voltage delivery points, until further exceptional regulatory definition to be established by ERSE during February 2026.

Distribution network operators must include in the billing to suppliers relating to network access, for each delivery point interrupted as a result of the event, a credit corresponding to the amount billed for the contracted power component of access tariffs during the interruption period, with any day in which an interruption occurred being taken into account.

Suppliers must pass this compensation on to the bills of the affected customers.

## **5. CREDIT LINES**

### **5.1. Working capital credit line**

The “Working Capital Credit Line” was created, with a maximum financing amount of EUR 500 million, to meet immediate liquidity and cash-flow needs, namely for cash replenishment, working capital and coverage of essential current needs for the resumption or continuity of activity.

This line is available to companies and other legal persons, as well as public entities at regional or local level, covered by the state of calamity declared under Council of Ministers Resolutions No. 15-B/2026 of 30 January and No. 15-C/2026 of 1 February, and any extensions thereof.

The line is intended for micro, small and medium-sized enterprises, Small Mid Caps, Mid Caps and large companies, as well as legal persons, public or private, under programmes or support measures of an economic, social or territorial nature or in response to declared states of calamity. The line has a maturity of five years with a grace period of 12 months.

Support is granted under more favourable conditions and with facilitated access, namely through the provision of a guarantee by public law legal persons, as legally provided, and exempt from guarantee commission.

The line is managed by Banco Português de Fomento, S.A. (BPF).

## **5.2. Credit line for recovery and reconstruction investment**

A credit line for recovery and reconstruction investment was created, with a maximum financing amount of EUR 1,000 million, to support reconstruction resulting from damage caused by natural disasters and climatic phenomena, in order to restore pre-existing conditions regarding facilities, equipment or affected biological assets. This line has a maturity of ten years with a grace period of 36 months.

After 36 months of operation, this line may benefit from a maximum subsidy of up to 10% of the maximum financing amount, depending on compliance with criteria relating to maintenance of activity, maintenance or increase in the number of jobs and the obligation to have insurance coverage for the financed investments.

## **5.3. General conditions of the credit lines**

Support under the Credit Lines is granted under more favourable conditions and with facilitated access, namely through the provision of a guarantee by public law legal persons, as legally provided, and exempt from guarantee commission.

Within the scope of the Reconstruction Support Lines, the Mutual Counter-Guarantee Fund aims to guarantee compliance with special credit lines intended for micro, small and medium-sized enterprises, Small Mid Caps, Mid Caps and large companies, through the issuance of portfolio guarantees, as well as obligations assumed by public or private legal persons under programmes or support measures of an economic, social or territorial nature or in response to declared states of calamity.

The value of compensation received under insurance contracts, where covering damage totally or partially included in the benefits provided, must be deducted from the value of eligible expenses considered for the purposes of granting support.

The authorised expenditure reaches a maximum overall amount of EUR 459 million, of which up to EUR 356 million is allocated to the Mutual Counter-Guarantee Fund to cover potential losses on guarantees and management fees, and up to EUR 103 million is allocated to BPF for settlement of conversion into non-repayable amounts, subject to proof of performance criteria.

## **5.4. IFRRU credit lines**

IFRRU provides credit lines for costs not covered by the public grant in works and interventions necessary for the repair, rehabilitation or reconstruction of permanent owner-occupied housing damaged by Storm Kristin.

Final note: The state of calamity has been extended until 11:59 p.m. on 15 February 2026, with all approved support measures remaining in force.



Thinking about tomorrow? Let's talk today.

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