



SUCCESSION LAW REFORM - PROPOSED AMENDMENTS

Bill No. 69/XVII/1

On 16 April, the Government submitted **Bill No. 69/XVII/1** to the Portuguese Parliament, following its approval by the Council of Ministers on 27 March. Through this proposal, the Government aims to introduce a significant reform of the Portuguese succession law framework, with particular emphasis on cases involving undivided estates.

The legislative proposal seeks to establish mechanisms to overcome prolonged deadlocks between heirs by expanding the powers relating to the administration, liquidation, and distribution of estates.

Among its key objectives are strengthening heirs' right to the division of the estate, reducing disputes arising from undivided

inheritances, and increasing the deceased's autonomy in determining the future allocation of their assets.

To achieve these objectives, the proposal introduces amendments to several legal instruments, including the **Portuguese Civil Code**, the **Code of Civil Procedure**, and the legal framework governing **Medically Assisted Reproduction**, while also creating new legal mechanisms, most notably the **Special Procedure for the Sale of Real Estate Forming Part of an Undivided Estate** and the **Succession Arbitration Regime determined by the deceased**.

The main proposed amendments include the following:

REDUCTION OF THE DEADLINE FOR ACCEPTING AN INHERITANCE

The proposal reduces the time limit for accepting an inheritance from ten years to two years, counted from the moment the successor becomes aware of their entitlement to the succession. This significantly shortens the period during which the successor's legal position may remain uncertain.

NEW RULES ON THE ADMINISTRATION OF ESTATES

The duties of the **head of the estate** (*cabeça-de-casal*) are reinforced, with the proposal expressly providing that the ordinary administration of the estate must be carried out prudently, diligently, and in accordance with sound management principles.

The proposal also establishes mechanisms to prevent prolonged situations of undivided ownership. Five years after the opening of the succession—or two years after the expiry of an agreement to maintain the estate undivided—the head of the estate must either promote an amicable distribution of the estate or initiate probate (inventory) proceedings.

Furthermore, agreements intended to keep an estate undivided will be required to take the form of an authenticated private document and may not exceed five years.

EXPANDED POWERS OF THE EXECUTOR

One of the most significant proposed changes is the expansion of the powers that may be granted to the **executor**.

In addition to carrying out the deceased's will, the testator may entrust the executor with powers relating to the administration, liquidation, and distribution of the estate and may appoint one or more persons to perform those functions.

Whenever the executor is granted powers to distribute the estate, they will also assume the role of head of the estate, becoming responsible for preparing a binding distribution schedule after identifying and valuing the estate assets and hearing the heirs.

The proposal also regulates the acceptance of the office, the executor's remuneration, and the scope of the administrative powers that may be conferred.

GREATER AUTONOMY FOR THE TESTATOR

The proposal also strengthens the testator's freedom to organise the succession.

Among other innovations, it allows the testator, in the cases provided by law, to impose certain charges on the forced heirship portion or to designate the assets that will satisfy it, without requiring the consent of the forced heirs.

NEW MECHANISMS TO OVERCOME DEADLOCKS IN THE DISTRIBUTION OF ESTATES

To address situations of deadlock among heirs, the proposal introduces new mechanisms designed to facilitate the sale of real estate forming part of undivided estates.

Accordingly, where no agreement on the distribution of the estate can be reached, any heir may apply to the court for the sale of real property belonging to the estate under the newly created special judicial sale procedure for undivided real estate.

In parallel, the proposal creates a **Special Procedure for the Sale of Real Estate Forming Part of an Undivided Estate**, allowing any heir or surviving spouse holding a half-share in the marital assets to request the sale, at market value, of one or more properties belonging to the estate, provided that two years have elapsed since the opening of the succession.

SIMPLIFICATION OF THE METHODS OF DISTRIBUTION

The proposal also seeks to introduce greater flexibility into the estate distribution process by providing that the distribution may take place by agreement between the interested parties through a contract, before a registrar or notary, in probate (inventory) proceedings, or, where applicable, by the executor.

STATUS OF THE LEGISLATIVE PROPOSAL

It should be noted that the amendments described above form part of a bill currently under consideration by the Portuguese Parliament. Accordingly, its provisions may still be amended during the legislative process before the final version of the statute is approved.

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