

The four freedoms on which the EU is organized are: freedom of movement of people, freedom of movement of goods, freedom of movement of services and freedom of movement of capital. Border controls (legal and physical) between member countries have been dismantled. The Single Market means, in practical terms, that any economic event happening in a member state may have effects in other member states.

This basic concept rules the business environment in Portugal, in connection with, for example:

- relationship between parent companies and their subsidiaries within the EU;
- directives on accounting requirements;
- VAT (Value Added Tax);
- competition and anti-trust;
- intellectual property rights;
- public procurement;
- product liability and consumer protection;
- environment protection;
- transportation; etc.

where EU regulation is applied in order to make uniform legislation.

The vehicles to organise a business

The best way for Canadian companies to enter into business in Portugal and in many other countries is to have local support. This may be done either through a subsidiary or branch or a joint-venture with local entrepreneurs, or through distributorship, agent or franchising agreements.

It is very important to stress that a Canadian company wishing to establish in Portugal to perform any commercial activity for one year or more must form, under Portuguese law, at least a branch duly registered in the Companies Registrar Office.