

Understanding Promissory Contracts (CPCV) in Portugal

Description



Understanding Promissory Contracts (CPCV) in Portugal

What is a Promissory Purchase Agreement?

A Promissory Contract of Purchase and Sale (CPCV) is a legally binding preliminary agreement that precedes the final property deed. This document:

- **Formalizes** the buyer's and seller's commitment to complete the transaction
- **Establishes key terms** before the notarial deed
- **Provides legal protection** for both parties

Key Legal Requirements

1. Mandatory Written Form

- Required under **Article 410 of the Portuguese Civil Code**
- Must include **notarized signatures**
- Requires certification of:
 - Habitation license (*Licença de Utilização*)
 - Construction license (for new builds)

2. Two Final Contract Types

1. **Deed of Sale:** Final property transfer document
2. **Loan with Mortgage Deed:** Required when using bank financing

Essential Elements of a CPCV

Every promissory contract should clearly specify:

” Property Details

- Complete description (location, boundaries, construction status)
- License verification (habitation/construction)

” Financial Terms

- Total purchase price
- Deposit amount (typically 10-30%)
- Payment schedule (including balance due at signing)

” Timeline

- Deadline for final deed execution (typically 30-90 days)
- Property delivery date

” Legal Protections

- Penalties for breach of contract

- Conditions for deposit forfeiture/return
- Right to specific performance (Article 830 Civil Code)

Critical Considerations

Tax Implications

- IMT (Property Transfer Tax) becomes due after CPCV signing
- Stamp duty (0.8%) applies to the contract value

Deposit Rules

- Buyer deposits are typically non-refundable if they withdraw
- Seller must return double the deposit if they withdraw

Financing Contingencies

- Recommended clause for mortgage approval
- Typically allows buyer exit if financing fails

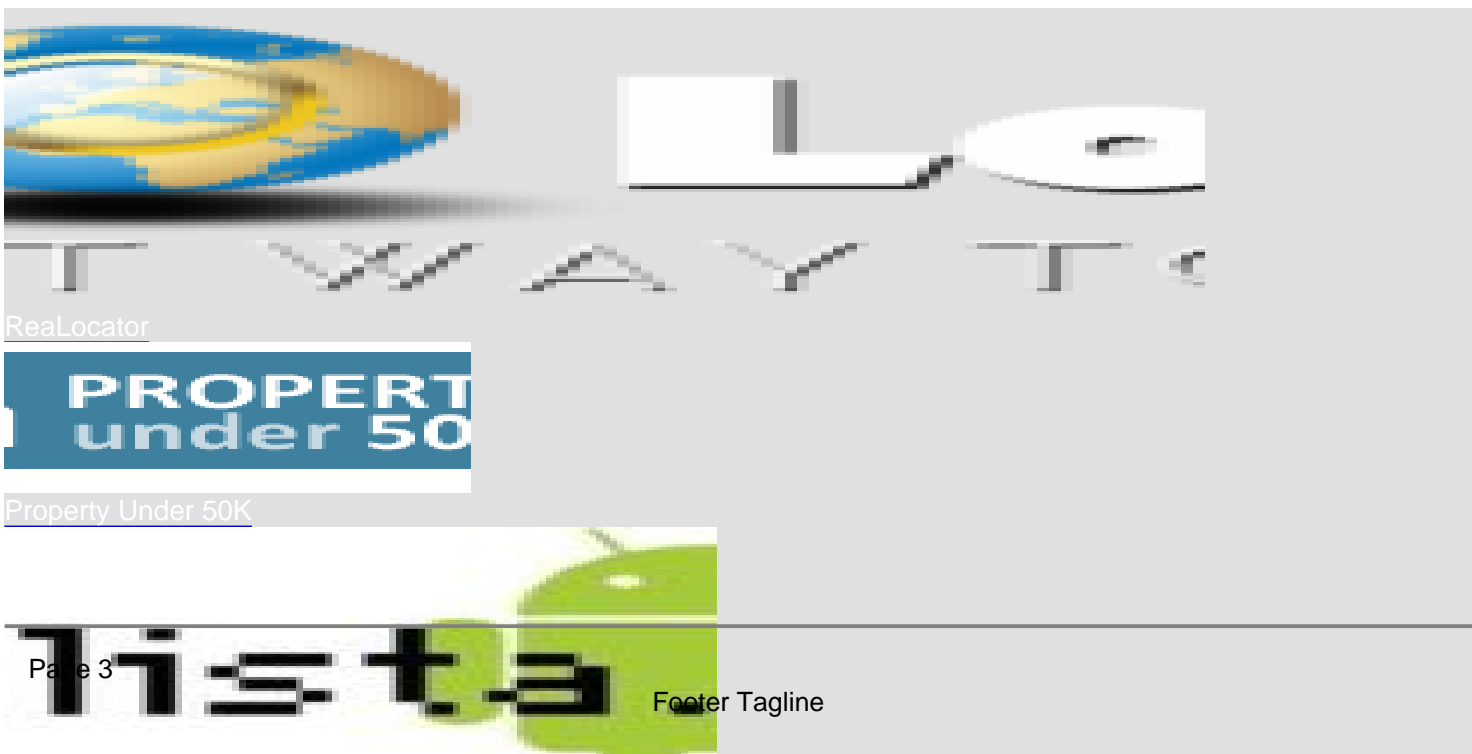
Why Professional Assistance is Crucial

At ProDirecta, we ensure your CPCV:

- Complies with all legal requirements
- Protects your financial interests
- Includes proper contingencies
- Facilitates smooth transition to final deed

Need help drafting or reviewing your CPCV? [Contact our legal team today]

PRODIRECTA IS POWERED BY OUR PARTNERS



Idealista



Homify



linkedin



Rightmove



Nestoria



Facebook



Imo-Portugal



Yelp



OPortaldasempresas



TheMoveChannel

default watermark



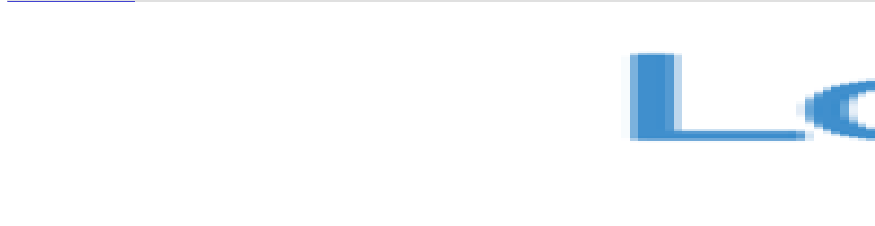
Mitula



Zoopla Property Group



European Property



PrimeLocation



Page

Footer Tagline

Yellowplace



Eurobrix



Instagram



Green Acres

Date Created

10/11/2013

Author

prodirecta

default watermark