

# COMPANIES OUTSOURCING ACTIVITIES IN PORTUGAL FACE NEW LIABILITIES - CUATRECASAS, GONÇALVES PEREIRA

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**The recent introduction of a new labour law increasing the scope of liability for companies using outsourced services in Portugal is creating significant work for employment lawyers, says Maria da Glória Leitão, partner at Cuatrecasas, Gonçalves Pereira in Lisbon.**

"Right now, a trend in the Portuguese labour market is to only keep on the payroll the employees working in the core business and to outsource other areas of activity," she says. "Companies are doing this by either contracting freelance or autonomous employees or by contracting temporary-work employees." But while temporary agencies and companies offering outsourced services are hired as a way to reduce headcount, such externalisation practices have also been under the spotlight for the wrong reasons, explains Da Glória Leitão. "They raise the issue of the sometimes fine line between absolutely legal practices and people abusing the system in order to avoid the costs and risks of direct employment relation."

In response, the Portuguese government has promised to reverse some of the labour reforms that were introduced after the 2011 bailout. "They have engaged in a fight against 'parallel' forms of

employment", Da Glória Leitão says, highlighting by way of example the recent introduction of a new labour law to "increase the scope of liability of principal contractors and temporary work user companies, as well as members of the corporate bodies of these entities" as a way of better controlling compliance with labour regulations.

Yet, the relocation of call centres, back-office centres and contact centres to Portugal bodes well as it demonstrates the country's continued ability to attract private employment agencies and employment businesses, says Da Glória Leitão