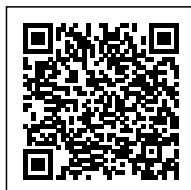


SPAIN'S LABOUR LAW REFORM - BDO ABOGADOS

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Category: [Employment](#)



On February 10th, 2012, the Cabinet approved Royal Decree-Law nº 3/2012 regarding urgent measures to reform the Spanish labour market. In the short-term, the primary objective is to slow the pace of the job losses in Spain, and to lay the foundations for sustained growth and the creation of stable employment as quickly as possible. Company flexibility mechanisms have been

designed and introduced to promote the preservation of employment, so that dismissal is a last resort for the employer. Notwithstanding this, external flexibility has also been modified to harmonise labour legislation on dismissals within the European Union. The labour reform also modernises collective negotiation to adapt it to the different and specific needs of companies and employees.

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The labour reform also modernises collective negotiation to adapt it to the different and specific needs of companies and employees. Equally, it gives freelancers and small and medium-sized companies more flexibility and capacity to adapt.

This reform encourages the involvement of all those who can collaborate in the job-finding process and increases opportunities for the unemployed, paying special attention to the young and those in long-term unemployment. Moreover, for the first time, it recognises a training entitlement for each employee in order to improve employability.

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The dominant topic in the current Portuguese real estate market is the reform of the urban lease regime. Since 2004, much debate has surrounded the need to revitalise this market. The current regime has not delivered the much sought after boost of the urban lease market.

Over the past two years, the real estate sector has retreated and it is now essential that this issue be addressed. There is a widespread consensus, both politically and socially, that the current regime does not cater to the country's interests.

The "Memorandum of Understanding" between the Portuguese Government and Troika set the general conditions of the economic policy defined under the scope of Portugal's external financing programme, including some for the real estate market.