



Local Lodging: Enforcement & Fines

One of the innovations in Local Lodging legislation is how easy and deadly enforcement has become. It's as simple as booking an apartment or villa in the first place. Just go to a holiday booking website, query your preferences and up come a host of detailed local listings anywhere you wish to go. Choosing your accommodations is easy and painless. Unfortunately, it's just as simple for "ASAE" inspectors in Portugal to discover unregistered, illegal offerings. Although easy, it's anything but painless. The legislation specifies that an offering must display the Local Lodging logo ("AL" - *Alojamento Local*) together with the respective registration number. Failure to comply can lead to cumulative fines that can go into the tens of thousands of Euros for individuals and hundreds of thousands of Euros for companies. Stated more bluntly, advertise without the "AL" logo and ID number and you're a "sitting duck".

Put into context, the legislation is built on a "*carrot and stick*" philosophy. On the one hand, it recognises Local Lodging as a legitimate tourist activity in its own right, distinct from hotels and other conventional holiday offerings. Registration couldn't be simpler and more sensible. Only a minimum of bureaucracy is involved. Reporting requirements during business operation also are straightforward. Taxation is minimal. Owners/ Operators pay, on average, less than 4% of their gross turnover. Property Managers are taxed at just $\pm 7.5\%$.

Play by the rules and the only real remaining problem is finding holidaymakers to occupy your Local Lodging offering. Bookings are more promising than ever before. Low cost airlines bring millions of new tourists to Portugal annually. In fact, Portugal has become an "in" destination for young travellers.



With senior *baby boomers* entering retirement throughout Europe, more and more people have the time and money to chase the sun whenever they like. Tourism isn't just for high season beach holidays any more. It's a 365-day phenomena. For holiday lets, Owners can now realistically aim for 30 - 40 weeks and more annually rather than just a few summer months.

On the other hand, failure to comply promises dire consequences. The following table illustrates the cumulative fines that inspectors can apply. The message couldn't be clearer: it's time to comply and "*get with the programme*"!

Fines applicable to Local Lodging Infractions		
<i>Authority responsible for oversight</i>	<i>Sole Trader</i>	<i>Lda. Company</i>
• "AL" license	€2,500 - €3,741	€25,000 - €35,000
• Deficiencies in hygiene	€2,500 - €3,741	€25,000 - €35,000
• Safety standards	€2,500 - €3,741	€25,000 - €35,000
• Exceeding approved capacity	€2,500 - €3,741	€25,000 - €35,000
• Complaints Book on premises	€125 - €3,250	€ 1,250 - €32,500
<u>ASAE</u> * Use of "AL" in advertising	€125 - €3,250	€ 1,250 - €32,500
<u>ADENE</u> ** Energy Certificate	€250 - €3,740	€ 2,500 - €45,000
<u>SEF</u> *** Guest Records & Bulletin	€100 - €2,000	€ 1,000 - €20,000
<i>potential cumulative fines:</i>	€10,650 - €27,954	€106,250 -
ASAE* (Autoridade de Seguranças Alimentar e Económica)		Authority for Economic & Food Safety
ADENE** (Agência para a Energia)		Energy Efficiency Agency
SEF*** (Serviço de Estrangeiros e Fronteiras)		Immigration and Border Service