



TOURIST DEVELOPMENT LEGISLATION

A new decree-law was approved in the waning hours of 2007, establishing a new judicial regime for the installation, development and functioning of tourist projects. The reforms created in the law are based on 3 fundamental principles: less bureaucracy, more responsibility to developers and better supervision and control with stiffer consequences for breaches of regulations.

Integrated into the Simplex initiative, one of the primary purposes is to eliminate needless bureaucracy, introducing agility and responsiveness into what traditionally has been a painfully slow process. The intention is to reduce by 40% the time required for approval, moving from a current average of 485 to 270 days.

The new decree-law concentrates 9 separate judicial diplomas into a single piece of legislation: the most sweeping reform in the last decade.

Currently 21 subcategories exist of tourist developments. 11 new designations will take their place without altering the purpose or identity of each or the current trademark being used. In addition, there is a new harmonised classification system which reflects not only the physical installations but also quality of services provided. These ratings will be updated on a 4 years basis to reflect the evolution and management of facilities.

Until the final version is published in the “*Diário da República*”, it will not be entirely clear what impact the new legislation will have on Self-Catering Accommodations. To date, this form of offering falls outside of normal tourist development classifications and is viewed as “residential” rather than “commercial” letting in nature. Only a careful reading of the fine print of the definitive version may shed light on the resolution of some of the issues surrounding this poorly understood segment of rental offerings to holidaymakers.