

## Where Do We Go From Here?

Rating agencies we cannot trust..., governments that hide the underlying weaknesses of the economies of their countries....., banks that cannot borrow from each other..., is there a future for any of us?

The written word has been the most important tool the human race has had for hundreds of years, but in the last century or so, we seem to have developed a technique which concentrates on spreading news (whether they be true or false) just for financial gain.

The recent media campaign heralding the imminent collapse of the Spanish economy, has had political repercussions in Spain as well as an effect on the borrowing rates the financial markets have demanded from the government. Whether this strategy is correct nobody knows, but the Spanish people will be suffering its consequences for many years to come.

A well structured national economic policy will bring important changes to this country if it takes in structural changes such as the modernizing of its archaic employment laws, and a general reduction of government spending. At a political level we must make a serious effort to reduce bureaucracy and cut back drastically on the cost of running the country, at all levels.

We are thoroughly convinced that the world economy will emerge much stronger, from the "semi" doldrums we are immersed in now. The human race has the ability to reinvent itself on a regular basis, just like the phoenix.

In this issue we officially launch our new image and the firm's philosophy going forward, as we enter our 31st year in public practice. New services have been launched to help clients with; money laundering compliance, data protection regulations and event organizing.

I wish you all the success you deserve and a splendid and enjoyable summer.

Juan Carlos Ronco Corsi  
Senior Partner  
ASEC GROUP  
jrc@asec.es

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# Prevention of money laundering in Spain

The historical importance of this subject dates back to the 1920's and the prohibition years in the USA. Trafficking of drugs and alcohol became big business and most of it was handled in cash. Then came the offshore centers and over the last 60 years they have become fashionable for money launderers, for hiding ill-gotten gains.

New efforts spearheaded by the EU, are making some of these financial centers more reputable, and disclosure of beneficial ownership is now common.

Spain, following various EU directives,

has introduced legislation to monitor money laundering activities, and full disclosure requirements are in place and applied vigorously in the: financial, real estate, jewelers, art and antiques, professional services and other sectors.

If your business is included in any of the above areas you are subject to complying with the new legislation. As the name defines, your main obligation is to PREVENT money laundering activities going through your business.

These rules are not difficult to comply with, but certain steps have to be taken to ensure that you can register your business with the money laundering commission in Madrid.

## The basic requirements are:

- Implementation of know your client (KYC) rules.
- Introduction of regular monitoring procedures for KYC.
- External audit of the monitoring procedures on a regular basis.

ASEC GROUP can provide you with the knowhow and assistance required, to implement the above, and assist you with regular external monitoring of your systems.

Contact us, we are here to help.  
[www.asec.es](http://www.asec.es) / [info@asec.es](mailto:info@asec.es)



## Employment changes the latest from the Spanish Government

It's taken two years of intense negotiations (according to the authorities) between the employers, the unions and the government, to get the latest magic formula on the statute book, aimed at making life easier for employers!

Here is a summary of the main points, but if you are planning to make it bedside reading, don't bother, you will be asleep in less than a minute!

The changes were approved by the government on the 17 June but still require a parliamentary vote.

### 1. Dismissal costs:

- a). Contracts aimed at creation of jobs will carry a dismissal/redundancy cost of 33 days per year of service instead of the current 45 days.
- b). The government will pay 8 out of the 45 days of redundancy costs due to permanent employees.

**2. Businesses with financial difficulties** will be able to avail themselves of lower redundancy costs; 20 days per year worked, as opposed to the 45 days, in place until now. To achieve this reduced cost the company in question must be able to prove that it has sustained continual losses for at least the last 6 months. This may sound generous but as the specific rules on its application have not been defined, it will be up to the employment courts to decide.

### 3. Temporary employment agencies.

These entities will now be allowed to provide their services to the construction industry and government bodies. This was not allowed until now.

### 4. "The German formula".

Employers with financial, technical, organizational or production difficulties will be allowed to reduce working hours for employees, on a temporary basis for up to 70% of the contracted hours. For the loss of working time the government will provide these employees with unemployment benefits.

**5. Modifications in the contracted employment conditions** will be allowed, if employers are able to prove financial difficulties of a temporary nature.

At the moment, we are awaiting the parliamentary vote so we will see what happens!

[www.asec.es](http://www.asec.es) / [info@asec.es](mailto:info@asec.es)





## When it comes to selling your timeshare, be cautious.

**If it sounds too good to be true, it probably is.**

They were desperate to sell their timeshare. The management fee had increased over the years, they had not visited the resort for years, they were older and less anxious to jet off abroad so when the call came, they jumped.

The polite, enthusiastic lady said her company could take the timeshare off their hands and maybe even make them a profit or at the very least recover their initial capital expenditure. They had a buyer ready and waiting to pay £15,000. In fact the purchase monies had already been paid into an independents party's bank account.

The elderly couple were over the moon! A windfall and the timeshare off their hands for good, or so it seemed.

The still polite lady would send them the contract documentation for them to review and consider. However the buyer was not willing to wait forever so could they move quickly? Yes was the reply. Even better, the timeshare would be off their hands before Xmas with some extra spending money. Things were definitely looking up.

"Did they have a fax?" "No" but they knew someone who did. After they asked for permission to use the fax the contract arrived. Still, £15,000 for their timeshare; this was for real!

On closer inspection of the contract came the catch. They had to send 2,540 euros (approximately £2,000) by bank transfer in settlement of Spanish Capital Gains Tax, Notary, Legal and Administrative Fees.

A call back to the polite lady. "Could the fees be deducted from the £15,000?" "No". "Why?" "Because these fees, which were required to be paid to the Spanish Government and Tax Authorities, had to be paid up front".

No fees no £15,000! "The Buyer is going back to his home country and we need the fees as soon as possible so that we can complete the deal for you and send you the money". "Don't you want to sell your timeshare?" "Where would you like the cheque sent? Or perhaps you would prefer a bank transfer?"

After much deliberation, out came the Xmas money. After all £2,000 for £15,000 was quite a good deal. Wasn't it? A trip to the bank later the £2,000 was sent by bank transfer.

A call to the lady to see if the monies have arrived. "No, not yet?" "When did you send them?" "We'll check our bank account and call you when we receive them."

A few days later still no news. After more deliberation and with the alarm bells ringing, they made a call to the polite lady. "Yes the monies had arrived but there was a problem." "The Company has to pay Transfer tax and need a further £600."

The elderly couple refused to pay the additional amount and sought advice. The advice was to call the Company, ask for the £15,000 and not to pay anymore money.

However the calls to the Company went unanswered and the horror and embarrassment set in.

Unfortunately there are still quite a few fraudulent and bogus timeshare traders out there. So when receiving unsolicited calls to buy your timeshare, if the price sounds too good to be true it usually is! Be careful and do not be rushed. If in doubt seek professional advice.

Sandra Wrightson is a Barrister at De Cotta McKenna y Santafé, a law firm offering support with all aspects of Spanish Law for English speaking clients. Timeshare, Seasonal Ownership & Fractional Ownership is a speciality.

Sandra Wrightson  
Barrister & Lawyer  
De Cotta McKenna y Santafé  
sandrawrightson@decottalaw.net

# Data Protection Legislation in Spain

The Spanish data protection legislation (commonly known as LOPD, Ley Orgánica de Protección de Datos de Carácter Personal de España) has been in force for some time, and is based on the European directive.

This legislation applies to companies and individuals who provide professional services of any nature, and covers everything from the initial setting up of the internal procedures designed to protect data of a sensitive (personal) nature, to the preparation of contracts and questionnaires for us on day to day matters; with the related IT security controls. If these measures are not implemented the Spanish Data protection Agency (DPA) can carry out inspections which could lead to substantial fines and penalties.



## ASEC GROUP'S DATA PROTECTION SERVICES

External support services designed to implement compliant data protection systems

- Analysis of the data files maintained by the client, and the level of protection required under the current legislation.
- Registration of the data files with the DPA.
- Audit of the procedural systems kept by the client, which may affect compliance with DP requirements. This includes IT systems, networks internal and external servers, etc. This review will be documented and any required changes communicated.
- The preparation and submission of the mandatory internal security document (ISD).
- Drafting of internal contracts, forms, and other documentation required to ensure that DP is up to standards in its: collection, use and storage .

### Annual maintenance

- Review of internal controls to ensure that data access is continuously kept under strict review.
- Regular update of the ISD.
- Drafting of contracts for the treatment and management of sensitive data by third parties as well as the audit of access to these, on a regular basis.
- General advice with regard to access by interested parties to the stored data.
- Bi-annual external DP audits, if required.
- Introduction of new maintenance software and its registration with the DPA.

### Data protection audits

If the client already has the required DP systems in place, duly registered with the DPA, our firm can provide an external audit, which will cover the following areas:

- Verification of security systems and access control to personal files.
- Use and control of temporary files.
- Verification of contents in security files and its adequacy.
- Verification of the security controls in place in relation to the import and export of data.
- Review of security systems' archives, particularly in relation to paper documents, or mixed.
- Submission of a summary report covering all the areas looked at, deficiencies detected and required improvements.

Our specialist team provides value added services in the design, implementation and registration of the required internal systems for entities that provide services covered by the legislation. In addition we provide ongoing external monitoring of these systems, and ensure that your organization is able to provide quality assured services in sensitive areas of activity.

Contact us, we are here to help. [www.asec.es](http://www.asec.es) / [info@asec.es](mailto:info@asec.es)

# New in Spain?

Due to the friendliness of its people, its climate and its good food, Spain is one of the main countries chosen by Northern Europeans to retire or simply to have a holiday home.

If you are one of these people, please be aware of the following requirements:

## A) Initial requirements:

	Spanish Fiscal Resident	Spanish non Fiscal Resident
Foreigners Fiscal Identification Number ("called N.I.E.")		✓
Spanish Resident Certificate	✓	
Town Hall Registration ("called empadronamiento")	✓	
Spanish National Health Insurance	✓	

## B) Taxes to be paid:

	Spanish Fiscal Resident	Spanish non Fiscal Resident
Spanish Resident Income Tax	✓	
Spanish Non Resident Income Tax		✓
Property Local Rate (called I.B.I.)	✓	✓
Road Tax	✓	✓
Garbage Collection	✓	✓

Do not forget to make the proper communication to the Tax authorities of your last country of residence when you become a fiscal resident in Spain.

If you have any question please feel free to contact us. [www.asec.es](http://www.asec.es) / [info@asec.es](mailto:info@asec.es)

# Why use a relocation service?

Changing residence has become a common occurrence in today's society; both for those who wish to undertake a new activity and start a new life in our country, and for those employees and executives of foreign companies who need to change their work residence in order to satisfy their professional goals.

This project is far from being easy and entails a great many difficulties which usually translate into a great number of hours invested. It can be a tedious affair, due to the existing cultural differences and the complexity involved in starting from scratch in a new city.

In order to avoid useless frustrations and time wasting, we offer you a wide range of personalized and professional services, a multilingual team, as well as their practical and cultural knowledge.



## **Area orientation tour**

This is a programme consisting in a tour of the destination city, with a dossier containing general information regarding the area where you will be carrying out your activity and the neighborhood will be your new residence.

## **Rental and purchase home search**

The aim is to find the ideal home and once it has been located, make the move as swift as possible. To this aim, we previously analyze the needs and we start the search for the perfect home (for rent or for sale) that fulfils all the requirements requested by our client. In addition, we also provide legal assistance, and in each case we participate and provide advice in the rental or sale contract signing process.

## **Removal management**

We request quotes from removal companies and we take care of the translation of the inventories and insurance policies. But above all, we keep firm and permanent control over the personal effects of those who have just arrived, their furniture, pets, etc.

## **Utilities connections**

We take care of contracting or changing the name and method of payment of the basic utilities (water, gas and electricity) and additional services (telephone, broadband internet, digital TV, etc.).

## **School search**

We guide you in the search and selection of the right school for your children. We arrange interviews and visits with the managers of the chosen schools and, once you make a decision, we help you to register your child at the centre.

## **Post move support**

We provide you with professional decorators, electricians, plumbers, painters, furniture shoppers, trustworthy cleaning, gardening and child care service staff with proven experience and certified references.

## **Language training**

We understand the importance of knowing the language spoken in the country you live in, and this is why we have a department specializing exclusively in teaching Spanish and other languages.

## **Departure assistance**

We take care of all leaving arrangements, such as cancelling utilities supplies, checking inventories and the status of the home, returning deposits, bank guarantees, keys, etc.

We put our experience at your disposal to find a home, a school, a gym, a language academy or whatever you need to start your new life in Spain.

Make your relocation experience easier with Bright Relocations.

Rossana Encina  
Managing Partner  
BRIGHT RELOCATIONS  
[rossana@brightrelocations.com](mailto:rossana@brightrelocations.com)

[www.asec.es](http://www.asec.es)  
[info@asec.es](mailto:info@asec.es)

## **asec group**

<b>Head Office</b>	<b>Branch Office</b>
C/Lagasca, 79. San Pedro de Alcántara 29670 Málaga. Spain Tel: +34 902 995 993 Fax: +34 952 78 56 44	Avda. Ventisquero de la Condesa 13. Despachos 17-18. 28035 Madrid. Spain Tel: +34 91 376 41 53 Fax: +34 91 739 43 82