



GOBIERNO  
DE ESPAÑA

MINISTERIO  
DE LA PRESIDENCIA

SECRETARÍA DE ESTADO  
DE COMUNICACIÓN

# DEBATE ON THE STATE OF THE NATION

24 February 2015



## 1 – Improvement in the growth forecasts

- **In 2015, the Spanish economy will grow by 2.4%** -four-tenths of one percent more than initially forecast.
  - Consumption will continue to grow by around 3%.
  - Investment in capital goods will grow by around 7%.
  - The current account of the balance of payments will post a surplus and the financing capacity of the Spanish economy *vis-à-vis* the rest of the world will exceed 1% of GDP.



## 2 – Reduction in NI contributions for permanent employment contracts

- In order to foster the creation of stable, quality employment, **the government will implement a lower NI contribution rate for permanent employment contracts. They will be subject to a minimum exemption of 500 euros.** This measure will take over from the 100-euro flat rate contribution for common contingencies, which has already benefitted more than 200,000 people.
- This reduction in contributions **will not have, however, any impact on generating rights to worker benefits.**
- To a greater extent, this measure favours those **groups with the greatest difficulties in returning to the labour market** because it involves a progressive reduction in the labour cost of social contributions. Hence, for example:
  - National Insurance contributions for workers on the lowest salaries **will be reduced by almost 70%.**
  - Workers with salaries of 1,000€ per month will see their contributions fall **by close on 50%.**
  - And workers with the highest salaries, with the maximum contribution base, will see their contributions lowered by **14%.**



### 3 – Family cheques for single parents

- The government is developing an intense **Social Agenda**, with upcoming actions including the **Comprehensive Family Support Plan**, the Framework of Actions to Help the Elderly and the Special Plan for Wage and Labour Equality between Men and Women; as well as Draft Laws on the Third Sector and Voluntary Work.
- **Tax breaks will be increased** (“negative taxes”) for large families and those with ascendants or descendants in their charge, which has been in force since 1 January. **The “family cheque” will be increased to 1,200 euros per annum for single-parent families with two children.** This aid particularly affects women, and will be applied until all children reach the age of 21 or 25 if they are studying.
- **Beneficiaries of “family cheques”** are increased under the labour reform, and, in total, **could exceed one million people.** This aid is in addition to the 100 euros per month for working mothers with children under the age of three, in force since 2002.



## 4 – Discounts for reconciliation of independent contractors

- In order to help balance personal, family and professional life, the government will offer a one year 100% break in National Insurance contributions for common contingencies for those independent contractors that need to reduce their working day to help care for children under the age of seven and elderly people in a situation of acknowledged dependency.
- This discount is designed for independent contractors who hire a replacement worker to allow them to maintain their economic activity.
- Through this measure, the government seeks to continue bringing the rights of independent contractors in line with those of employees.



## 5 – Second Chance

- The economic recovery should help normalise the situation of those who have taken on excessive debt before or during the crisis. With this aim in mind, the government will adopt various measures designed to facilitate reducing the debt of families, independent contractors and SMEs.
- Non-business private individuals may use the figure of the “extra-judicial payment agreement”, a simplified mechanism whereby business owners and SMEs can negotiate with their creditors before resorting to an insolvency arrangement. Moreover, rules will be established that are especially simplified for private individuals – appointed deadline, particularly reduced calls for creditors and reduced notary and registry fees.
- Natural person debtors may fully discharge any outstanding debts following the liquidation of their assets, within the framework of insolvency proceedings.



## 5 – Second Chance

- **The regulatory framework of “extrajudicial payment agreements” will be amended** to simplify its use.
- **Prescription deadlines for claiming outstanding debts will be revised and reduced to five years in general cases.** The current regulation on prescription periods has remained unaltered since the first version of the Civil Code back in 1889.
- **The Code of Good Banking Practices will be reformed so that a larger number of families can benefit from these measures.** To date, this Code has enabled 12,000 viable debt re-structurings to be performed and 3,500 dations in payment. Henceforth, **a clause will be included so that this vulnerable group can benefit from the definitive non-application of “floor clauses”.**



## 6 – New legal framework of Public Administration

- Within the framework of the Reform of the Public Administration Services, a **new fully electronic legal framework** will be defined for the Public Administration, which will be inter-connected and transparent, with a clear and simple structure.
  - **For citizens**, electronic relations between citizens and the public administration are enhanced, forms of identification and electronic signatures are simplified for administrative paperwork, administrative burdens are reduced – as a general rule, original documents will not be required – and a unique common procedure will be established that is quicker for more complex cases.
  - **For companies**, the electronic signature will be adapted for use with all public administration services, administrative burdens will be reduced and, on a general basis, a common date will be set for the entry into forces of new regulations (January and June).
  - **For the public administration**, procedures will be speeded up (electronic notifications) and greater transparency encouraged (new initiatives and registers). Procedures and regulatory reviews will be improved, together with the control and streamlining of the public sector, and cooperation and coordination between public administrative services (regulation of the Conference of Regional Presidents,





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Sector Conferences).



## 7- Aid for regional governments and local councils

- Over the last three years, the State has designed various mechanisms to help regional governments and local councils when meeting the social policies that fall within their competence through instruments such as the Regional Liquidity Fund and the Supplier Payment Plan.
- In 2015, **the government will make new financing and liquidity instruments available to guarantee the provision of basic services for a total amount of 39.87 billion euros.** This will include the creation of a Social Fund to finance local authority debt deriving from agreements on social expenditure items.



## 8 – Speeding up the Administration of Justice

- The government wishes to **take steps to speed up the administration of justice**. To that end:
  - Through the **reform of the Criminal Procedure Act**, the rules on related actions will be amended to avoid macro-trials that are difficult to conclude and will set maximum deadlines for their investigatory phase: 6 months for normal cases and 18 months for complex cases.
  - Within the framework of growing economic recovery, the system of court fees will be revised. **Individuals will be exempt from court fees in all jurisdictions and at all levels.**
  - **The government will amend the Civil Procedure Act**, fostering the **use of new technologies** for communications with professionals and citizens.



## 9- Confiscation and the Office for the Management and Recovery of Assets

- Before the end of the year, **the office for the Management and Recovery of Assets will become operational.**
  - This will be a multi-disciplinary office tasked with locating goods, effects and gains from the commission of criminal offences or related to criminal activity in order to obtain the greatest possible return from them.
  - Any return from this will be allocated to satisfying compensation for victims of crime, with any surplus being handed over to the State to implement social projects and to help in the fight against crime.
- **New regulation on confiscation:**
  - This regulation will be extended to all assets of the offender which are presumed to come directly or indirectly from criminal activities committed by the latter, and even to those goods that have been transferred to a third party when it cannot be substantiated that these were obtained in good faith.



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## 10 – Fight against fraud

- The government **will step up the fight against fraud**, whether against the Public Revenue Service or the Social Security system. To that end:
  - **The General Tax Act will be reformed**, to include measures such as: the publication, at the end of the year, of the list of debtors owing the largest sums; the publication of binding criminal sentences for offences against the Public Revenue; the extension, on a general basis, to 18 months, to the term for inspection procedures; and a strengthened system of offences and sanctions for smuggling activities.
  - **The Law Organising the System of Labour, Social Security and Occupational Health Inspections will be reformed**, to step up and better coordinate the fight against illegal employment and fraud.