

PORTUGUESE EMPLOYMENT AGENCY

INSPECTION PRIORITIES FOR 2026

Guilherme Dray / Joana Fuzeta da Ponte

SUMMARY

The Authority for Working Conditions (“ACT”), the administrative authority responsible for overseeing compliance with labour legislation in Portugal, recently announced the main inspection actions scheduled for 2026.

The inspection priorities will focus primarily on the following areas:

- Misclassification of contractual relationships
- Private security
- Equal pay between women and men

These initiatives are intended to address irregular practices such as bogus self-employment arrangements, undeclared work and pay disparities, while promoting greater transparency and compliance with Portuguese labour legislation.

National companies, as well as foreign companies operating in Portugal, should therefore prepare for these inspection priorities.

I. Misclassification of the Contractual Relationship

Irregular contractual arrangements in Portugal remain one of the most significant infringements in the labour market, with a clear and detrimental impact on employees and their working conditions.

ACT will assess the legality of contractual arrangements in Portugal involving bogus service agreements and all forms of undeclared or under-declared work, including sham internships and fictitious volunteering arrangements. This scrutiny will also apply where the service provider operates as a sole trader or through a single-member company.

The inspection priorities will also target the improper use of fixed-term employment contracts and temporary agency work arrangements.

2. Private Security

According to information published by ACT, as of early 2026 approximately 80 companies were authorised to conduct private security activities in Portugal, employing an estimated 48,000 employees in the sector.

As this is considered one of the most challenging sectors in terms of compliance with Portuguese labour legislation, ACT published, at the end of 2025, a Guide on its website entitled Private Security.

This Guide sets out a series of rules that companies must comply with, notably in relation to:

- (i) employment contracts (how they must be concluded; required form; documentation and formalities to be observed);
- (ii) wages and other remuneration (applicable amounts; rules on the payment of remuneration; allowances and supplements payable to employees);
- (iii) working time (maximum daily and weekly limits; possibility of adjusting applicable limits; rules on overtime work);
- (iv) annual leave (number of leave days in the year of admission and the standard annual leave entitlement);
- (v) absences (absences that do and do not result in loss of pay);
- (vi) parental rights (leave and exemptions); and
- (vii) employees' duties.

In the first quarter of this year, ACT will monitor compliance with this Guide.

3. Equal Pay between Women and Men

In 2025, ACT launched a large-scale inspection action, notifying approximately 4,000 companies to submit their respective "Pay Gap Assessment Plans".

With regard to the companies notified in 2025, the 12-month period for implementing the Plan is currently underway. At the end of this period, companies must report to ACT on the outcome of the Plan's implementation, identifying which pay differences are justified and which are not.

This inspection action, to some extent, anticipates the transposition of the EU “Pay Transparency” Directive (Directive (EU) 2023/970), which must be implemented by 7 June 2026. The Directive introduces several key measures aimed at strengthening equal pay, notably:

- (i) Companies must apply the principle of “equal pay for equal work or work of equal value”;
- (ii) Job applicants are entitled to receive information about their pay, and employers must not inquire about their current or previous salary history;
- (iii) (iii) Employers must ensure easy access to the criteria used to determine pay, pay levels and pay progression;
- (iv) (iv) Employees have the right to receive information about their individual pay level and about average pay levels, broken down by sex, for categories of employees performing the same work or work of equal value;
- (v) (v) Employers must report to the State on the median gender pay gap, including in relation to complementary or variable components of remuneration;
- (vi) (vi) Employers must conduct a joint pay assessment with employees representatives whenever there is a difference of at least 5% between the average pay levels of female and male employees that cannot be objectively justified;
- (vii) (vii) Employees, as well as their representatives, may initiate legal proceedings in cases of pay discrimination and must be protected against retaliation for doing so.

It is for companies to demonstrate compliance with their respective plans and, above all, to prepare to implement models and mechanisms capable of preventing gender-based discrimination and ensuring compliance with the Directive.

In Portugal, the Pay Transparency Directive has not yet been transposed into national law and is expected to be implemented by June 2026

© 2025 MACEDO VITORINO

ABOUT MACEDO VITORINO

MACEDO VITORINO is a prestigious law firm. We advise Portuguese and foreign clients across a wide range of sectors, including banking, retail, industry, energy, technology, media and

telecommunications, and projects. We have also been involved in litigation and corporate restructuring.

We are known for our professional and business-oriented approach to the most complex and challenging matters.

MACEDO VITORINO maintains correspondence and partnership relations with some of the most prestigious law firms in Europe, the United States, Brazil, and Asia, which enables us to provide advice on international transactions efficiently.

If you would like to know more about MACEDO VITORINO, please visit our website www.macedovitorino.com. Informação importante

As opiniões expressas neste artigo são de natureza geral e não devem ser consideradas como aconselhamento profissional. Caso necessite de aconselhamento jurídico sobre estas matérias, deve contactar um advogado. Se for cliente da MACEDO VITORINO, pode contactar-nos por email para mv@macedovitorino.com.

IMPORTANT NOTICE

This information is of a general nature and should not be regarded as professional advice. If you require legal advice on these matters, you should contact a lawyer. If you are a client of MACEDO VITORINO, you may contact us by email at mv@macedovitorino.com.