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PKF Legal Newsletter

March 2025

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Welcome

Welcome to the inaugural edition of our PKF Legal Newsletter.

This new publication serves as a vital resource for professionals seeking to stay informed about the most important legal developments around the globe. In a world where laws, regulations and judicial decisions continuously shape industries and business practices, having access to concise, reliable and timely updates is essential.

As a global network with 500 offices in over 150 countries, we are well placed to support professionals navigate the legal landscape with clarity and confidence. Our legal experts specialise in providing high quality legal advisory services to international and domestic organisations in all our markets.

We hope you find our PKF Legal Newsletter both insightful and informative. Contact details for our legal experts are provided at the end of each country contribution. Please contact the relevant PKF legal expert directly should you wish to discuss any legal matter further or, alternatively, please contact any PKF firm (by country) at **www.pkf.com/pkf-firms**.

Belgium

Liability rules changed from 1 January 2025

The most important change concerns the abolition of the concurrence prohibition and the quasi-immunity of the so-called 'executing agent'. Previously, an aggrieved party could only claim from the contracting party for damages unless there was a crime. This meant that executing agents (such as subcontractors, managers, directors and freelancers) often could not be held liable.

This has now been changed: aggrieved parties can now seek damage compensation on both a contractual and extra-contractual basis, including from these executing agents. This implies that your company may be held liable for damages caused by third-party executing agents or that your executing agents can be held personally liable.

Example

A client has commissioned a contractor to carry out a total renovation of the shop premises and the showroom. During painting works by a subcontractor, damage is accidentally caused to the client's materials in the showroom. Since January 2025, the client can now choose to seek relief directly from the subcontractor (the 'executing agent') on an extra-contractual basis for the damage caused to their materials.

It is therefore recommended to amend your contracts and general terms and conditions to safeguard your position and clarify agreements with regard to liability. In addition, it is recommended to review your insurance contracts and terms to verify whether they already cover this legal novelty.

Ban on financial subcontracting from 1 January 2025

Another key change concerns the ban on financial subcontracting, in particular in the construction, meat and removals sectors. Previously, it was possible for subcontractors to pass on work to other subcontractors, leading to a chain of subcontracting.

Since 1 January 2025, however, subcontractors are prohibited from passing on an entire contract (100%) to another subcontractor. This creates more transparency and accountability in the performance of work. This prohibition does not apply to a contractor who has a contract directly with the client. Subcontractors can still subcontract parts of a job (maximum 99% thereof), but it is important that they maintain an active role and do more than just coordinate the execution.

If your company is active in the aforementioned industries and engages subcontractors, you must ensure that your contracts and practices comply with these new regulations.

Strengthened chain liability for contractors

From 1 January 2025, the duty of care for contractors when hiring foreign subcontractors has been expanded substantially. Contractors are now required to obtain essential information, such as data on employment and compliance with social obligations, prior to starting to work with a foreign subcontractor.

If this data is missing, contractors must repeat their request and, if there is no response, inform the Social Inspection.

This new legislation aims to prevent abuse and increase the liability of general contractors. In addition, there will be a ban on completely outsourcing work to subcontractors. As a contractor, it is hence important to proceed carefully and request the necessary data in a timely manner in order to avoid fines and liability.

Stricter rules for B2C debt collection

Legislation regarding B2C debt collection has also been tightened. If a consumer fails to fulfil their payment obligations, the collecting company must now follow the steps below:

- First send a free payment reminder to the consumer and inform them of the outstanding debt.
- This is followed by a mandatory 14-day waiting period, during which no interest or compensation may be imposed.
- The company can only claim default interest amounts (depending on the outstanding debt) or compensation after this period has expired.

Consequently, it will be important for the collecting company to ensure that correspondence with consumers regarding late or default payments is documented appropriately. General terms and conditions will also need to be amended to comply with the new requirements. We therefore advise companies to seek legal assistance to ensure that their general terms and conditions are compliant with the new legal requirements.

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PKF Comment

For further information or advice in relation to this, or with respect to Belgian legal issues, please contact Christophe Piette at **christophe.piette@pkfbofidilegal.com** or call **+32 2 486 58 16**.

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France

Finance Act for 2025

Given the change of government at the end of December 2024, the Finance Act for 2025 was promulgated late this year, on 14 February 2025.

Some of the key measures include:

- **Increase in personal income taxation**

  This increase applies in particular for high incomes (above €250,000 for a single taxpayer; €500,000 for taxpayers with joint taxation), which are subject to a new contribution in order to ensure a minimum taxation of 20%. This measure applies to income earned in 2025, with an initial instalment of 95% payable in December 2025.

- **Determination of tax domicile in France**

  The Finance Act for 2025 provides for the primacy of the concept of 'resident' under international tax treaties law over that of tax domicile under domestic law.

- **Exemption from gift tax for money gifted to family members**

  This exemption applies to financial gifts made between family members, during the period from the day following the promulgation of the Finance Act for 2025 to 31 December 2026. The funds must be used by the beneficiary for the purchase of a new home or property in the process of completion, or for certain energy-efficient home improvements carried out in the beneficiary's main residence.

- **Exceptional contribution on corporate income tax for large companies**

  Companies with a turnover in France of €1 billion or more are subject to an exceptional and temporary contribution, due for the first financial year ending on or after 31 December 2025. The applicable rate of this exceptional contribution ranges from 20.6% to 41.2% depending on the amount of turnover.

- **Distribution of dividends**

  Any distribution of dividends where the beneficial owner is a non-resident is subject to withholding tax in France. Prior to changes introduced by the Finance Act for 2025, taxpayers could benefit from withholding tax exemptions under double tax treaties, provided certain documentation requirements were met. The Finance Act for 2025 has granted enhanced powers of control to the French tax authorities such that, from 1 January 2026, withholding tax exemptions under a double tax treaty may only be claimed where the beneficiary (or the person making the payment) demonstrates to the French tax authorities that the treaty conditions are met.

Business formalities

From 1 January 2025, businesses (both companies and sole proprietorships) are required to use the single online portal (**guichet unique**) to complete all administrative formalities.

This platform, established on 1 January 2023 and managed by the French National Institute of Industrial Property (INPI), has replaced the various business formalities centres for handling all procedures related to the creation, modification or cessation of business activities across all sectors (commercial, artisanal and agricultural). The formalities submitted through the platform are transmitted to and processed by the relevant competent authority (such as commercial court registries, chambers of trades and crafts or the tax authorities).

However, numerous malfunctions have rendered the platform inoperable, leading to the implementation of so-called 'emergency procedures', which remained in place until 31 December 2024.

Significant issues persist:

- The implementation of the single online portal coincided with the creation of the National Business Register (**Registre National des Entreprises** or RNE), designed to consolidate economic and legal information about businesses in a fully electronic format. The RNE replaces certain specific registers but does not replace the pre-existing Trade and Companies Register (**Registre du commerce et des sociétés** or RCS). Data previously declared in the RCS was either not transferred to the RNE or was transferred incorrectly.

  Consequently, when a business wishes to make a modification through the single online portal, it must first update its data in the RNE by completing two additional formalities, referred to as 'completion' and 'correction'. This results in significantly longer processing times, which may be detrimental to businesses.

- A new procedure has therefore been introduced in the event of a malfunction of the single online portal: if a formal filing cannot be completed due to a serious operational issue (such as a general system outage or a blockage affecting one or more types of declaration), the INPI must provide the applicant, on the same day as the filing request, with an acknowledgement of receipt dated the day of issuance. This document serves as legal proof and allows the applicant to substantiate the filing date before third parties and competent authorities when processing formalities. It may, in particular, be used to trigger certain opposability deadlines. Once the issue is resolved, the INPI must inform the applicant, who then has a 15-day period to finalise the filing.

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PKF Comment

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BACK

Germany

NIS2: New cybersecurity requirements in Germany

The EU's NIS2 directive (Directive (EU) 2022/2555), which was due to be transposed into German law by October 2024, significantly strengthens cybersecurity obligations for businesses. Following political turmoil, the German NIS2 Implementation Act is expected to be passed in Germany before the end of 2025. The legislative process is already well advanced. While the original NIS directive focused primarily on critical infrastructure (KRITIS), NIS2 expands its scope to cover a wide range of medium-sized and large enterprises across various sectors, including manufacturing, logistics and digital services. Affected companies must implement stricter risk management practices, establish robust cybersecurity governance structures and comply with enhanced reporting obligations in the event of security incidents.

Companies with (planned) operations in Germany need to assess whether they fall under the new regulations and ensure compliance with stringent security requirements. The directive also introduces personal liability for management in cases of negligence, making cybersecurity a top priority for executives. Non-compliance can result in fines of up to 2% of annual global turnover, putting significant financial and reputational pressure on organisations.

To prepare for these changes, businesses should conduct comprehensive cybersecurity gap analyses, strengthen IT security measures and ensure that reporting and documentation obligations are seamlessly integrated into compliance processes. It is also advisable to define clear internal cybersecurity responsibilities, provide specialised training to employees and establish incident response plans to meet the new requirements. International companies operating in Germany should align their global cybersecurity strategies with NIS2 to ensure cross-border compliance and avoid regulatory risks. Given the broad implications of this directive, affected businesses should start preparing now to avoid last-minute compliance challenges.

BFSG: Mandatory web accessibility for businesses in Germany

Germany's **Barrierefreiheitsstärkungsgesetz** (BFSG), implementing the EU European Accessibility Act (EAA) (Directive (EU) 2019/882), will fully apply from 28 June 2025. It requires businesses to ensure accessibility for digital services, particularly websites, mobile applications and online platforms. The law primarily affects e-commerce, banking, customer service and digital communication providers, making accessibility a legal obligation rather than a voluntary feature.

For international companies operating in Germany, non-compliance can lead to fines and reputational risks. The BFSG mandates compliance with recognised accessibility standards, such as the Web Content Accessibility Guidelines (WCAG), ensuring that websites and digital services are usable for people with disabilities. Businesses should proactively audit their digital presence, improve navigability and ensure compatibility with assistive technologies like screen readers.

Best practices include early integration of accessibility into web design, employee training and continuous testing with accessibility tools. Companies expanding into Germany should prioritise these adjustments to avoid last-minute compliance issues. With the 2025 deadline approaching, affected businesses must act now to meet legal requirements and enhance inclusivity, turning accessibility into a competitive advantage.

Bureaucracy Relief Act: Lower hurdles for businesses

Germany's Bureaucracy Relief Act IV aims at modernising administrative processes and easing burdens for businesses (mainly medium-sized enterprises (SMEs)). One major reform expands digital legal transactions, allowing contracts and official communications to be completed electronically rather than requiring handwritten signatures. This streamlines agreements, approvals and business operations.

The introduction of digital employment contracts allows employers to issue key terms electronically instead of in paper form, aligning with modern work environments, reducing administrative costs and improving accessibility. Other significant measures include shortened document retention periods (eight instead of 10 years), a centralised power of attorney database for tax advisors to eliminate redundant paperwork, simplified shareholder meeting procedures and the introduction of digital tax notices, reducing paper-based administration.

For international companies entering the German market, these reforms mean fewer bureaucratic hurdles and a stronger reliance on digital workflows. Best practices include implementing standardised electronic contract procedures and securing digital signature solutions as well as automated HR systems. Businesses should also ensure compliance with digital reporting and documentation standards to take full advantage of these regulatory changes.

These reforms align Germany with broader European and global trends, particularly in balancing innovation with legal certainty. Other jurisdictions considering similar measures may view Germany's approach as a model. Companies operating across multiple legal systems should stay informed about digital contract regulations to ensure compliance while benefiting from increased efficiency.

PKF Comment

If you believe the above may impact your business or personal situation or require any advice with respect to legal matters in Germany, please contact Dr Dirk Moldenhauer at **dr.dirk.moldenhauer@pkf-wms.de** or call **+49 541 94422 820**.

BACK

Italy

Certified emails for company directors

Law No. 207 of 30 December 2024, also known as the **Legge di Bilancio** 2025, introduced a new requirement for company directors regarding the use of personal certified email (PEC) addresses. Directors are now obliged to have their individual PEC address and inform the relevant business registry accordingly.

A certified email was already a requirement for each company, aiming to facilitate official and secure communication between companies and public administrations. The recent legislation extends this requirement to include directors of companies as well.

The new provision is applicable to companies incorporated on or after 1 January 2025. Directors of existing companies appointed or confirmed after this date will also need to comply with this regulation.

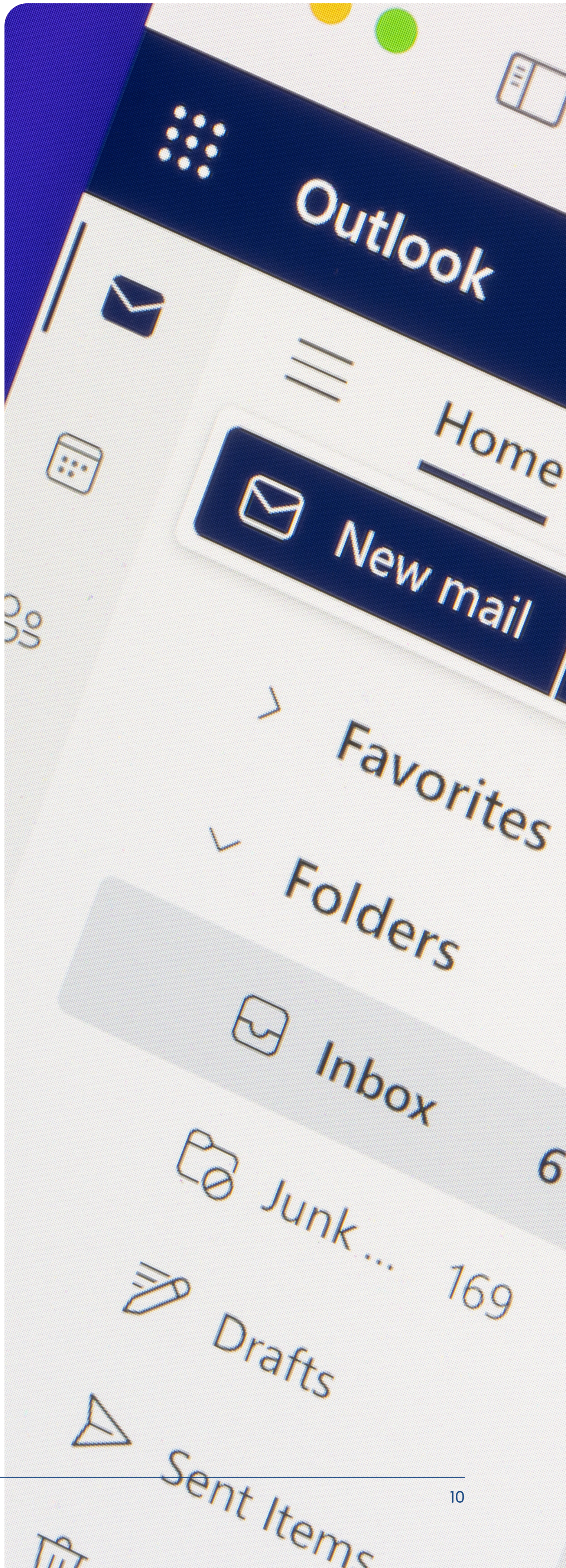
New Product Liability Directive

The New Product Liability Directive (PLD) was published in the **Gazzetta Ufficiale** on 18 November 2024, bringing significant changes to consumer protection in response to modern technological challenges.

The previous Directive 85/374/EEC, transposed in Italy into Legislative Decree No. 206/2005 (the Consumer Code), has ensured a high level of consumer protection for nearly four decades. However, with the rise of new technologies, especially the widespread use of software in products and advancements in artificial intelligence, it became essential to revise the existing regulations.

Key changes introduced by the PLD include:

- Expanding the definition of 'product' to cover any movable good, even if integrated or interconnected with another movable or immovable good. This definition explicitly



includes electricity, digital fabrication files, raw materials and software.

- Assigning responsibility for damages caused by defective products to various economic operators, including online platforms that act as manufacturers, importers, authorised representatives, logistics providers or distributors.
- Considering the impact of a defective product's ability to learn or acquire new functionalities after being placed on the market or put into service.

The new rules under the PLD will be effective for products introduced to the market or put into service after 9 December 2026. The provisions of Directive 85/374/EEC will remain applicable to products released before this date.

Legal qualification of 'influencers'

The surge in social media as a mass communication platform has brought about a revolutionary shift in companies' marketing strategies, with a growing dependence on influencers for promoting their products and services. This trend not only calls for the regulation of influencer activities to ensure adherence to competition and market standards but also raises questions about the legal classification of influencers' collaboration relationships.

The Court of Rome's decision No. 2615/2024 on the legal qualification of influencers indicated that they should be considered as commercial agents rather than business procurers, depending on specific circumstances.

According to the jurisprudence, the distinguishing characteristics of an agency contract lie in the agent's continuous and stable promotion of contract conclusions on behalf of the principal within a defined territorial scope. This results in a non-episodic autonomous professional collaboration with the principal, where the agent operates at their own risk and is obligated to adhere to fairness, loyalty and instructions from the principal.

Conversely, the role of a business procurer involves a more limited engagement. Operating without the constraint of stability, the business procurer engages in wholly episodic activities, gathering orders from clients to pass on to the entrepreneur on an occasional basis.

With regard to influencers, these circumstances include:

- the direct sale of products to followers using custom discount codes associated with the influencer;
- the formation of a distinct follower community purchasing products through these codes; and
- the presence of stable commission records.

The Rome Court's analysis highlights the distinction between promotional activities under an agency contract and mere advertising. In this respect, the use of discount codes by influencers to encourage followers to make purchases, while also enabling the tracking of sales back to the influencer, is key in categorising the nature of the influencer's role.

PKF Comment

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BACK

Spain

Urgent measures for economic, transport and social security matters

The new Spanish Royal Decree-Law 1/2025 of 28 January 2025, also known as the law on urgent measures for economic, transport, social security and vulnerability situations, contains practically all the measures of the social shield that the government approved in December 2024 and failed to obtain the necessary support for in Congress on 22 January 2025 to validate RDL 9/2024. Its articles include, among others:

1. Economic measures

These are aimed at reinforcing financial stability, supporting companies affected by natural disasters and guaranteeing the fiscal autonomy of certain autonomous communities.

2. Transport measures

The government will implement direct subsidies for citizens to use public transport.

3. Revaluation of pensions and social protection

The increase in pensions responds to the government's commitment to maintain the purchasing power of pensioners by indexing pensions commensurate with CPI.

4. Suspension of eviction and foreclosure procedures for vulnerable households

One of the most relevant measures in housing is the extension of the suspension of evictions for economically vulnerable tenants.

5. Support for access to energy and water

Protection measures for basic supplies are reinforced.

Repeal of Spanish Royal Decree-Law 9/2024 of 23 December 2024

On 24 December 2024, the Official State Gazette published Spanish Royal Decree-Law 9/2024 of 23 December 2024. This royal decree-law was repealed on 22 January 2025 by virtue of the corresponding vote of the Congress of Deputies.

The repeal of Royal Decree-Law 9/2024 means that several wide-ranging measures have now been withdrawn. Importantly, the extension until 31 December 2026 of the suspension of the cause for dissolution relating to losses suffered in financial years 2020 and 2021 will no longer apply. This measure was originally introduced to address the economic effects of the COVID-19 pandemic. Likewise, the extension of the foreign investment regime requiring authorisation from the Council of Ministers for any investment by EU and EFTA residents has also been repealed.

The repeal of this law also affects certain provisions on labour matters related to the extension of the minimum interprofessional wage and the updating of the contribution bases.

Organic law on efficiency measures for the Public Justice Service

The main feature of this law is the introduction of new procedural efficiency measures with the proclaimed aim of trying to reduce litigation and speed up judicial procedures. The most relevant reform is the promotion of alternative dispute resolution methods, including the requirement to pursue an alternative method before filing a lawsuit in civil or commercial matters. Specific rules on costs have also been introduced.

The second cornerstone is the modification of the organisational structure of the courts in all jurisdictions, to simplify access to justice. The main novelty is the creation of Courts of First Instance, in which all the judges of each judicial district will be integrated into a Court of First Instance, a collegial body based in its capital city.

The reform of the alternative means of dispute resolution and the procedural efficiency measures will enter into force three months after publication in the Official State Gazette, i.e. on 3 April 2025.

Spanish Supreme Court supports prohibition of tourist rentals with a 3/5 majority in homeowners' associations

Spanish commonhold property law allows homeowners' associations to limit or prohibit tourist rentals with a double majority of three-fifths of votes. However, the provincial courts issued contradictory rulings on whether this rule allowed for a total prohibition or only partial restrictions, generating legal uncertainty.

The Spanish Supreme Court, in its rulings 1232/2024 and 1233/2024, settles the question by declaring that with a three-fifths approval the prohibition will be valid, justifying that the rule seeks to facilitate access to housing and preserve neighbourly coexistence. It also points out that these restrictions do not violate the right to property in article 33 of the Spanish Constitution, as they respond to its social function and are a legitimate exception to the unanimity rule in community decisions.

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PKF Comment

If you believe the above may impact your business or personal situation or require any advice with respect to legal matters in Spain, please contact Carlos Palomino at cpalomino@pkf-attest.es or call **+34 944 356 500 / +34 915 561 199**.

BACK

United Kingdom

Failure to prevent fraud offence

Background

In 2022, following government and law enforcement agencies' review of options to improve current law and drive changes in corporate culture by ensuring that corporate organisations are held criminally liable for committing serious crimes, the new corporate offence of failure to prevent fraud (FTPF) was created by the Economic Crime and Corporate Transparency Act 2023 (ECCTA) (section 199) and comes into effect on 1 September 2025.

The ECCTA was enacted to strengthen transparency over UK companies and other legal entities, support national security and combat economic crime. Here you can see the latest **Policy Paper** that explains in full the impact and reform envisaged by this Act.

FTPF readiness requires a thorough analysis of the potential risk, a review of existing policies and planning for potentially fraudulent situations. In-scope organisations should give this careful consideration.

Below is a high-level overview of the new FTPF offence, its potential impact and implications.

The offence

Under this offence, a relevant body (large organisation) anywhere in the world may be held criminally liable where an employee, agent, subsidiary or other 'associated person' commits a UK fraud intending to benefit the organisation. It could also apply where the offence is committed with the intention of benefiting a client of the organisation.

Similar existing law

The new offence applicable to only large organisations sits alongside the two existing 'failure to prevent' offences (which apply to all corporates):

- failure to prevent bribery in effect since 2011 under the Bribery Act; and
- failure to prevent the facilitation of tax evasion in effect since 2017 under the Criminal Finances Act.

Both are corporate offences. Both offences are strict liability which means senior management need not have participated in or had knowledge of the facilitation or evasion to be held criminally liable, as with the new offence of FTPF. However, an organisation will not be liable if it was a victim (or intended victim) of the fraud.

All three offences are corporate criminal offences because they fail to prevent an offence.

Who does the offence apply to?

A large organisation is defined as any corporate body or partnership in any sector (including commercial businesses, charities, NGOs, as well as public bodies) that, in the financial year preceding the year of the fraud offence, satisfies at least two out of three criteria:

- more than £36m turnover
- more than £18m balance sheet total
- more than 250 employees.

The above thresholds also apply to group undertakings together. For example, if a parent company does not satisfy the threshold, but when taken with its subsidiary it would meet the threshold, it will then be considered a large organisation.

These were originally based on the thresholds for large companies in the Companies Act 2006. However, the numbers are written directly into the ECCTA rather than referencing the Companies Act. This means that, while the Companies Act thresholds are increasing by 50% with effect from April 2025, the 'failure to prevent fraud' thresholds currently remain unchanged. There is a chance that the failure to prevent fraud thresholds above might also be increased by 50% in the future to align with the large companies increase in the Companies Act.

Liability of an organisation and 'associated persons'

An 'associated person' will potentially cause liability for a large organisation for this offence. All employees, subsidiaries and agents are classed as associated persons, as is anyone who provides services for or on behalf of the organisation. However, in a standard supply chain arrangement, government guidance states that the supply chain will not be associated persons.

Type of fraud

This is an offence where the fraud is committed to the benefit of the organisation, not a fraud committed to the detriment of the organisation.

The intention to benefit the organisation does not have to be the sole or dominant motivation for the fraud. For example, a sales manager may wish to benefit themselves but, incidental to that action, there is also a benefit to the organisation.

There is no de minimis benefit the company has to have received for the fraud to occur.

There is a wide range of fraud offences set out in the schedule to the Act (which may be updated at any time by the Secretary of State), for example false accounting, false statements by company directors or cheating the public revenue, amongst others, that would bring liability for the organisation.

Jurisdiction/Territory

The reach of the new offence is broad. It applies to organisations based in the UK and also to non-UK companies where it is shown that an essential element of the underlying fraud occurs in the UK or any harm is suffered in the UK. For example, where there is a non-UK company and the fraud takes place outside of the UK but there are victims in the UK, the offence may apply.

Any defences?

The only defence available is for in-scope organisations to demonstrate they had 'reasonable prevention procedures' in place at the time to prevent the fraud being committed by their associated persons.

This differs, for example, from the Bribery Act which indicates 'adequate procedures' as a defence and also from the Criminal Finances Act (prevent facilitation of tax evasion) which alludes to 'reasonable procedures'.

There is no defence or mitigation to say that senior managers were not aware or involved – the specified requirement is to have the reasonable prevention procedures in place.

What are reasonable prevention procedures?

Guidance from the government highlights six principles, intended to be flexible and outcomebased, that the reasonable prevention procedures are based on:

- Top level commitment – e.g. Board level communication, budget, etc
- Risk assessment – prevention procedures in place following a robust review of potential risk areas in the business
- Due diligence
- Proportionate risk-based prevention procedures
- Communication – e.g. training, statements and, in particular, having a whistleblowing policy in place
- Monitoring and review.

The guidance helpfully acknowledges that it is not possible to anticipate all potential fraud risks and suggests that the organisation adopt the 'fraud triangle' as a framework for developing fraud risk typologies.

How will enforcement occur?

- The onus is on organisations to ensure they operate legitimately.
- Whistleblowers will be a potential conduit.
- Other legislation may be applied, such as the Bribery Act.

What this may mean to your client

If your client fulfils the criteria of a 'large organisation' and the jurisdictional reach applies, it is the responsibility of senior management to foster an open culture for reporting fraud concerns. They will need to be aware of this new offence and ensure that their current processes and procedures are robust enough to demonstrate they have the requisite 'reasonable prevention procedures' in place.

We suggest they:

- set the tone for ethical behaviour by actively engaging in anti-fraud measures;
- prepare a summary of activities already undertaken that align with this guidance that might serve as a defence (for example, top level communications of the organisation's zero-tolerance stance on fraud, training and policies already in place around the importance of legal and ethical behaviour); and
- where there are gaps uncovered, roll out additional prevention procedures that are proportionate and reflect the comprehensive guidance linked below.

If your clients require any assistance in navigating these requirements, or those around the offence of failure to prevent facilitation of tax evasion, we are ready to help.

Summary

Relevant organisations need to be prepared and have proper procedures in place by 1 September 2025 when the new corporate criminal offence comes into force.

The government has produced comprehensive guidance on this new failure to prevent fraud offence on its website.

There is a drive by the government to encourage organisations to take more stringent responsibility in this area of corporate crime.

And finally, this new corporate criminal offence will hold large organisations to account for failure to prevent a fraud by an associated person and, given the jurisdiction/territory reach, this may also create risk and impact on clients with UK operations or customers.

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PKF Comment

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