

The Spanish government has approved Royal Decree-Law 7/2026 of 20 March, establishing a comprehensive response plan to address the crisis in the Middle East.

## Background and Purpose of the Legal Alert

The purpose of this legal alert is to provide an overview of the main measures introduced by the Royal Decree-Law 7/2026 of 20 March, which approves the Comprehensive Response Plan to the Crisis in the Middle East.

This regulation has been adopted by the Spanish government as an urgent response to the economic and geopolitical consequences arising from the recent escalation of the conflict in the region, particularly its impact on energy markets, inflationary pressures and the stability of essential sectors.

Although the bulk of the Royal Decree-Law focuses on energy, fiscal and industrial measures, it also introduces several provisions with significant implications for labor law, and, in particular, the employment protection.

The Royal Decree-Law entered into force on the day following its publication in the Official State Gazette (BOE), meaning 21 March 2026.

## Key Employment-related Measures

### Prohibition of Dismissal for Companies Receiving Public Aid

Companies benefiting from direct public aid are prohibited from dismissing employees on economic, technical, organisational or production-related (ETOP) grounds, or force majeure, arising from the situation caused by the crisis in the Middle East.

Any dismissal carried out in breach of this prohibition must be classified as null and void, and obliges the company to repay the aid received.

### Rules Applicable to Fixed-discontinuous Employees

The same dismissal-related restrictions are extended to fixed-discontinuous employees.

Therefore, the grounds cited in the previous section cannot be used to justify the end of the activity period, nor the failure to recall the employee until 30 June 2026.

This ensures that companies benefiting from public aid do not avoid the employment-maintenance obligation by modifying the seasonal activity cycle of these workers.

In light of the above, before proceeding with any dismissal until 30 June 2026 based on ETOP grounds or force majeure arising from the situation that the relevant measures are intended to address, it is advisable to verify any direct public aid received and confirm that such aid does not trigger the aforementioned prohibition on dismissals (for example, direct aid for the road transport sector, which is expected to be very common).

We would be pleased to discuss the implications of this development with you and to assist with any immediate queries you may have.

## Contacts



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