

COUNTRY GUIDE

SPAIN



Once a powerful world empire spanning from Africa to the Americas and Asia, Spain's cultural contribution to world history is undeniable, and today it is one of the most visited countries in the world (second only to France). Spain ranks as the 13th largest economy in the world and the 4th largest in the European Union. Despite a prolonged recession in the early 2000s and recent political turmoil, the country is returning to health with economic activity surpassing its pre-crisis peak, record exports, and an increase in domestic consumption.

INVESTING

The Spanish securities market has undergone extensive changes and growth over the last few decades, which have allowed for large volumes of investment to channel through, making its markets more transparent, liquid and open to greater competition. Regulations on securities markets and financial instruments are mainly comprised of European regulations that have been adapted into Spanish law.

BANKING AND FINANCIAL SERVICES

Spain has a highly developed banking system with big-name banks like BBVA, CaixaBank, and Sabadell operating worldwide. However, as a member of the European Union, Spanish banking and insurance services are regulated by the European Central Bank.

RENEWABLE ENERGY

While Spain is heavily reliant on fossil fuels, its government has made significant investments in renewable sources such as nuclear, hydropower, geothermal, wind and solar. Its investment in solar power generation is quite significant and has made it the largest solar industry in the world. Spain also made history for being the first country to have wind power as its primary energy source for an entire year in 2013. The Spanish company Iberdrola, is recognized as the largest renewable energy-producing company in the world.

GROWING DIGITAL INDUSTRY

Spain's digital economy has experienced rapid development in recent years and has become an increasingly important aspect of furthering the country's global trade and investments.

INFRASTRUCTURE

The Spanish government has heavily invested in the country's infrastructure to facilitate industry growth. Valencia, located on Spain's Mediterranean coast, is home to the 5th busiest port in Europe. The country also has Europe's longest high-speed rail network, which is only surpassed globally by China.

Geography



Location: The country's mainland is located in the Iberian Peninsula in southwestern Europe, bordering the Mediterranean Sea, North Atlantic Ocean, Bay of Biscay, and Pyrenees Mountains. The Balearic Islands are located in the Mediterranean Sea, and the Canary Islands are in the Atlantic off the northwest tip of the African continent.

Area: 505,370 sq. km

Time zone: Central European Time (GMT+1), Western European Time (GMT 0) Canary Islands only

Population

49,331,076

Language(s)

Spanish

Economy

Spain's economy is highly focused on tourism, manufacturing (including pharmaceuticals) and automobiles, textiles and apparel, and agricultural goods.

Capital City

Madrid

Currency

Euro (EUR)

Political structure

Stable

Legal system

Parliamentary Constitutional Monarchy, Civil Law

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (SOCIEDAD LIMITADA, S.L.)	JOINT-STOCK COMPANY (SOCIEDAD ANÓNIMA, S.A.)	BRANCH OFFICE (SUCURSAL)
Share capital			
Minimum paid-up	€3,000	€60,000	No minimum required
Maximum authorized	N/A	N/A	N/A
Usual currency	EUR	EUR	EUR
Permitted currencies	EUR mainly, but other currencies may be permitted	EUR mainly, but other currencies may be permitted	EUR
Domiciliation			
Registered address	Local registered office required	Local registered office required	Local registered office required
Directors			
Minimum number	At least 1 shareholder and between 3-12 members	At least 1 shareholder and a minimum of 3 members	N/A
Minimum local	Not required	Not required	Local tax representative required
Corporate directors	Allowed	Allowed	N/A
Statutory			
Annual filing	Annual returns	Annual returns	Annual returns
Company secretary	Mandatory in case of a board of directors	Mandatory in case of a board of directors	Not required
Annual general meeting (AGM)	Required	Required	N/A
Beneficial Owner Reporting	Must be publicly disclosed	Must be publicly disclosed	Information on legal representative must be disclosed publicly.
Re-domiciliation	Not allowed	Not allowed	Not allowed
Financial administration			
Audit required	Financial statements and management reports are required to be reviewed by local auditor.	Financial statements and management reports are required to be reviewed by local auditor.	Based on parent company requirements
Filing of Annual Return	Reports and accounts must be filed annually with the Spanish Tax Authorities.	Reports and accounts must be filed annually with the Spanish Tax Authorities.	Reports and accounts must be filed annually with the Spanish Tax Authorities.
Tax			
Tax rates	25%	25%	25% applied to income allocated to the branch
VAT	21%	21%	21%
Tax treaties	Negotiated with 85+ countries	Negotiated with 85+ countries	N/A
Other taxes	Payroll, withholding, business and professional activities tax, social security, etc.	Payroll, withholding, business and professional activities tax, social security, etc.	Payroll, withholding, business and professional activities tax, social security, etc.
Government fees			
Registry fee	Approximately €550	Approximately €750	Approximately €600
License fee	May be required depending on the business' activities	May be required depending on the business' activities	May be required depending on the business' activities
Incorporation process			
Summary	<ul style="list-style-type: none"> ➤ Articles of Incorporation and notarization ➤ Selection and clearance of company name ➤ Registration with the Commercial Registry and the Spanish Tax Authorities 	<ul style="list-style-type: none"> ➤ Articles of Incorporation and notarization ➤ Selection and clearance of company name ➤ Registration with the Commercial Registry and the Spanish Tax Authorities 	<ul style="list-style-type: none"> ➤ Articles of Incorporation drawn up by the parent company and notarized ➤ Registration with the Commercial Registry and the Spanish Tax Authorities
Time	1-4 weeks	1-4 weeks	1-4 weeks
Other			
Are shelf corporations available?	Can be purchased from third-party providers	Can be purchased from third-party providers	N/A

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CT Service Offerings – Spain



Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications and legalization
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

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Global Entity Management Services

- Entity formation and business establishment
- Corporate governance, compliance and secretarial services
- Listed issuer and named company secretary services
- Trust and fiduciary services (including employee share incentive plans)
- Fund secretarial and compliance services
- Process agent and escrow agent services
- Due diligence and corporate health check
- Liquidation, dissolution and cessation of business
- Business advisory services
- Accounting and financial reporting
- Tax services
- Treasury and payment administration
- Trade services
- Trust assets administration
- Fund administration
- Governance, risk and compliance
- Information technology solutions