TAX GUIDE

NON RESIDENTS



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Knowing you.

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Introduction

This tax guide, compiled by Kreston Iberaudit, a member of the Kreston Global network, provides a systemic summary of the taxation of non-residents in Spain from a general perspective.

It should be pointed out that international taxation is significantly affected by the Double Taxation Agreements entered into between the different countries involved, and as it would be impossible to describe every single country's specific system, this guide refers to the OECD Model Agreement implemented by Spain, however special circumstances may arise with respect to taxation in each country.

With the aim of providing a global perspective of the different situations, this guide will focus on the taxation of what we consider to be the transactions conducted by non-residents in Spain according to our professional practices, not only from the perspective of nonresident Income Tax, but also from the perspective of other taxes: transfer taxes, inheritance and gift taxes, real estate property taxes and wealth taxes.

Due to reasons of space and usefulness, this guide does not analyse issues related to the taxation of non-residents on business profits. If you require more information on this matter, please do not hesitate to get in touch with our international taxation experts.





























Requirements for non-resident status in Spain









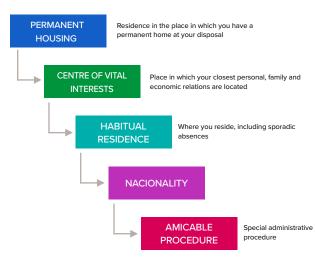






The requirements set forth in article 9 of the LIRPF need to be met in order to determine whether an individual is a resident in Spain, whereby the following are regarded as non-resident for tax purposes:

- Individuals that spend less than 183 days in Spain, including sporadic absences and,
- Whose main focus of economic interests is located either directly or indirectly abroad; which is presumed to be in Spain in cases where the spouse that is not legally separated or the underage children that depend on the taxpayer reside in Spain (a presumption that can be refuted with evidence).
- In the event both requirements are met cumulatively, any income obtained in Spain will be subject to Non-Resident Income Tax (IRNR). IRNR is a direct tax levied on income obtained in Spanish territory by non-resident individuals and entities, and is regulated by the Consolidated Text of the Non-Resident Tax Law (LIRNR).
- If, pursuant to domestic regulations, an individual is regarded as a resident in both countries, we need to refer to the DTA (double taxation agreement) entered into between those countries in order to determine the tax residence, in accordance with article 4 of the MCOCDE (OECD Model Tax Agreement on Income and Capital), whereby the following rules of conflict will apply successively:

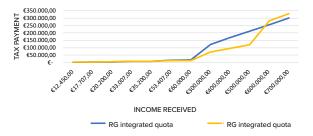


Special scheme for foreign workers posted to Spanish territory

In addition, it should be mentioned that in accordance with article 93 of the LIRPF, an individual may choose to be taxed under the non-resident system and Wealth Tax solely for the real obligation to pay tax (for assets located in Spain), when the following conditions are met:

- 1. Not having lived in Spain in the last 10 years
- Moving to Spain was due to any of the following circumstances:
 - The result of an employment agreement, with the exception of professional athletes.
 - The result of acquiring the status of director at an entity in which they hold no share capital or, otherwise, when such a shareholding is not regarded as a related entity in accordance with Corporation Tax regulations.
 - The individual does not earn any income that would qualify as having been earned through a Permanent Establishment in Spain.

CLARIFICATION: As of 01 January 2023, the subjective scope of application of the regime is expected to be extended to (i) teleworkers, (ii) Directors of emerging companies and (iii) other members of the family unit, although this bill is still being debated in parliament as of the date of the compilation of this guide.



REQUIREMENTS FOR

NON-RESIDENT STATUS IN SPAIN



DETERMINATION OF TAX LIABILITY

The determination of the tax liability will be carried out in accordance with the IRNR rules for income obtained in Spanish territory with no Permanent Establishment with the following special features:

- The total amount of income from work is regarded as having been earned in Spanish territory. The first 600,000 euros are taxed at 24% and the rest at 47%.
- No exemptions apply (neither article 14 of the LIRNR nor article 7.p) of the law on IRPF)..
- The cumulative taxation of income earned in Spanish territory in the calendar year (without compensation) at a fixed rate of 24%/47%, except for income from transfers, interest and dividends, to which a rate similar to the savings rate for residents applies (rates of 19%/21%/23%/26%).
- The possibility of deductions for donations, withholdings and international double taxation

WITHHOLDINGS

The same rates as for IRNR. Except in the case of earned income:

- 24% up to € 600,000
- As of € 600,000 paid in the same calendar year by the same payer, the rate rises to 47%.

EXERCISE OF THE OPTION

- Deadline: 6 months
- Form: 149.
- Submission to the withholder of the AEAT certificate attesting to the exercise of the option.

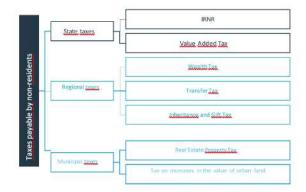
WAIVER OF THE REGIME

- Deadline: November and December of the previous year
- Form: 149 and 145
- Consequence: impossibility of re-implementing the regime.

EXCLUSION

- Non-compliance with requirements
- Effects: period of non-compliance (not the following one)
- Form: 149, at the request of a party
- Consequence: the impossibility of implementing the regime

Overview of taxes payable in Spain by non-residents in accordance with the administration



Employment income



Pensions paid by Spain to residents of other countries

Conceptualisation and taxation

In line with the provisions of Article 17 of the LIRPF, the criteria established in the MCOCDE include "wages, salaries and other similar remuneration", which also includes remuneration in kind, such as share options, the use of a house or a car. Thus, according to domestic regulations, the following are regarded as earned income:

- Wages and salaries
- Unemployment benefits
- Remuneration for entertainment expenses
- Per diems and allowances for travel expenses, except for travel expenses and normal subsistence expenses and normal subsistence and hotel accommodation expenses within the limits defined in the RIRPF.
- Income from courses, lectures, conferences, symposia and similar events.
- Income arising from the production of literary, artistic or scientific works, when the right to exploit them is transferred.
- The remuneration of directors and members of the Boards of Directors of the General Meetings of Shareholders and other members of representative bodies.
- Compensatory pensions received from spouses and maintenance payments.
- Special rights reserved for the founders or promoters of a company as remuneration for their personal services.
- Scholarships.
- Remuneration received by individuals involved in humanitarian activities or social care work carried out by non-profit organisations
- Remuneration arising from special employment relationships.
- Contributions made to the protected assets of people with disabilities.

In accordance with the provisions of article 13.1 of the TRLIRN, amounts received for previous employment either by the employee or another beneficiary are regarded as having been earned in Spanish territory when, alternatively:

- These amounts have been paid by a natural or legal person or a permanent establishment resident for tax purposes in Spain.
- When these amounts arise from work conducted in Spanish territory.

However, if, in accordance with the foregoing, these amounts should be subject to taxation in Spanish territory, we need to refer to the Double Taxation Agreement entered into between two countries, in accordance with the OECD, which specifies that "Without prejudice to the provisions for pensions obtained for the exercise of a public office, pensions and other similar remuneration paid to a resident of a Contracting State for previous dependent work can only be subject to taxation in that State", they could not be taxed in Spain.

CLARIFICATION: Certain agreements, such as that entered into between Spain and Sweden, allow for public pensions to be registered by both states, regardless of the employer.

Withholding tax on pensions paid from Spain to nonresidents

Such pensions will in principle be subject to withholding tax, insofar as they are paid by a public or private administration resident for tax purposes in Spain, or those earning income through a Permanent Establishment.

Formal declaration of pensions paid by Spain to nonresidents

In the event the Double Taxation Agreement entered into between the countries provides for taxation either in Spain or in both countries, and without prejudice to the fact that the other country's laws may regulate mechanisms to eliminate double taxation, such income must be declared in Spain on a quarterly basis using Form 210, including, where applicable, the withholdings made by the employer in box 29 of the Form.



Applicable tax rates

Pensions have a special and progressive withholding rate, in accordance with the provisions of art. 25.1.b) of the TRLIRNR.

Pensions and other similar benefits received by individuals who are not resident in Spanish territory, regardless of the person generating the right to receive them, will be taxed in accordance with the following scale:

Annual amount up to	Quota	Remaining pension up to	Applicable rate (%)
0	0	12,000	8%
12,000	960	6,700	30%
18,700	2,970	Onwards	40%

Example of the calculation of withholding tax: Mrs. A, a tax resident in Sweden, receives a pension of 20,000 euros per year from the Spanish social security system for her job as a translator.

The Spanish social security agencies (payers of the pension) are required to withhold the following tax:

	Up to (base)	Rate	Quota		
	12,000.00	8%	960.00		
TOTAL	6,700.00	30%	2,010.00		
	1,300.00	40%	520.00		
	20,000	SME 17%	3,490.00		

Remote workers in Spain for a foreign entity

In accordance with the provisions of Article 13.1.c) of the TRLIRNR, earned income is subject to taxation in Spain when it arises from an activity directly or indirectly carried out in Spanish territory, bearing in mind that in accordance with the comments to Article 14 of the OECD Model Agreement¹, the work is regarded as having been conducted in the place in which the worker is physically located.²

Notwithstanding the foregoing, Article 15.2 of the MOCDE states that income from work conducted in Spain can only be taxed in the State of residence if:

- The individual spends less than 183 days in Spain in the calendar year.
- The employer is not a tax resident in Spain.
- The remuneration is not paid by a permanent establishment in Spain.

Example of non-taxation: a worker, a computer programmer, resident for tax purposes in the UK for a company established in the UK and with no activity in Spain, works during the months of July and August from his holiday home in Malaga. This income would not be taxable in Spain.

Example of taxation: a worker, a computer programmer, resident for tax purposes in the UK for a company resident for tax purposes in Spain, moves to Spain in December to take up a new job in Spain. This remuneration would be subject to taxation and withholding tax in Spain.

If the income could not be subject to withholding tax in Spain pursuant to the provisions of the Double Taxation Agreement, the income would not be subject to withholding tax and payment on account.

¹ Pair. 1 Comment OECD Version of 21 NOVEMBER 2017.

² DGT V3794-16 of 09 September, V0686-15 of 03 March and V0194-21 of 08 February.



Declarations and formal obligations

This income must be declared on Form 210 in code 17 of box [02] on a quarterly basis, including, where applicable, the tax withheld by the employer in box [29] of the Form.

Tax rate and taxation

The following rates will be applied to income earned, which will be subject to withholding tax to the extent the payer is a tax resident in Spain or has a Permanent Establishment in Spain, unless the CDI establishes other limitations:

UE	Non UE	Personas físicas en misiones diplomáticas o consulares españolas en el extranjero.
19%	24%	8%

Optional tax regime for taxpayers resident in other EU Member States

[Article 46 of the TRLIRNR; Articles 21, 22 and 23 of the RIRNR]

Article 46 of the TRLIRNR establishes an optional regime for individuals resident in an EU Member State, whereby they may opt to be taxed as personal income taxpayers, provided they have earned at least 75% of their total income in Spain in the year from employment income and income from economic activities, and provided that such income has been effectively taxed for the period under the IRNR regime.

Remote workers abroad

On the other hand, it may so happen that a Spanish company pays the salary of a worker that is physically resident abroad, where he physically carries out his work. In principle, due to the fact the work is regarded as having been conducted abroad, it could not be taxed in Spain, however the possibility exists that the tax authorities may consider the main centre of economic interests to be in Spain, and therefore try to establish us as residents, turning us us taxpayers under the IRNR regime rather than the IRPF (personal income tax) regime.

In this regard, a certificate of residence in the country of residence will need to be obtained in relation to the Double Taxation Agreement, pursuant to the OECD model agreement, which will be disclosed, in the following order:

 To the state in which the individual has a permanent home at their disposal,

For example, if you have a home in Spain that you own and rent out, but you have a property abroad, the only one at your disposal is the one abroad and you would be considered resident there.

2. To the centre of personal (family, etc.) and economic interests,

For example, the same worker has a home at their disposal in both states. Their family and work are in Spain, but they reside abroad. The tax residence could be considered to be in Spain, as the centres of economic and vital interests are located there.

 To the state "in which they live", or in other words, abroad, once again.

For example, the same worker has a home at his disposal in both states. Their employer is in Spain, but he performs his work, and resides abroad with his family. The residence would be located in the place where he "lives", i.e. abroad. Without prejudice to the real obligation to pay tax (for the house at his disposal), the income from work would not be subject to taxation in Spain.

 If none of the above applies to either State, the individual will be regarded as being a resident in the State of which he is a citizen. Income from movable capital

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Dividends paid by Spanish entities to non-residents

These dividends are subject to taxation in Spain in accordance with article 13.1.f) of the TRLIRNR:

- Dividends obtained from entities with tax residence in Spain, without prejudice to those paid by entities under the Special Regime for entities holding foreign securities, which will not be regarded as having obtained in Spain, unless the non-resident (recipient) has a permanent establishment, in which case they will be taxed in accordance with Law 27/2014 on Corporate Income Tax.
- Interest paid by persons or entities resident in Spanish territory, by permanent establishments in Spain or in return for the provision of capital used in Spanish territory.
- 3. Fees or royalties paid by persons or entities resident in Spanish territory or by permanent establishments located in Spanish territory, or which are used in Spanish territory.

Withholding tax on dividends and interest paid from Spain to non-residents and formal declaration of dividends and interest paid from Spain

The payer resident in Spain, in other words the Spanish company paying the dividends, will be obliged to withhold the IRNR arising from the implementation of the rates set forth below (see the tax table applicable to dividends), and to pay them using Form 216, regulated by Order HAP/2201/2014, of 21 November.

Form 216 must be submitted on a quarterly basis in the first 20 days of each quarter, except in the case of large companies, which are required to submit this form on a monthly basis in the first 20 calendar days of the month following the respective monthly filing period.

Clarifications: Even if the dividends are exempt, for example, pur-

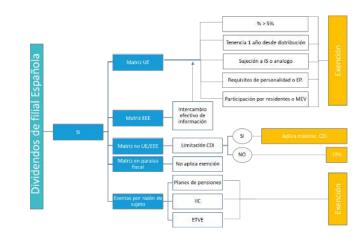
suant to the parent company-subsidiary directive, the payer is required to declare the amount in Form 216. To this end, the non-resident justifying the exemption will need to provide their tax residence certificate.

Clarifications: The maximum rate of the agreements is incompatible with the deduction for expenses to which EU and EEA residents are entitled. Non-residents should opt, by submitting Form 210, to:

- 1. Apply the general rate of 19% on the net amount.
- 2. Apply the corresponding reduced rate to the gross amount.

Tax rates applicable to dividends

In the absence of a double taxation agreement, dividends and interest will be subject to a rate of 19%, this being one of the special tax rates in accordance with the provisions of article 25.1.f) of the TRLIRNR.



The EU Parent Company-Subsidiary Directive

European Council Directive 2011/96/EU of 30 November 2011 on the common tax regime applicable to parent companies and subsidiaries of Member States (hereinafter referred to as the Parent Company-Subsidiary Directive) aims to exempt the individual from withholding



tax on dividends and other profits paid out by subsidiaries to their parent companies, thereby eliminating the double taxation of such income at the parent company, while guaranteeing and promoting the free movement of capital.

In the transposition of the Parent Company-Subsidiary Directive, article 14.1.h) of the TRLIRNR exempts from taxation profits paid out by subsidiary companies residing in Spanish territory to their parent companies residing in other EU Member States, to their PEs, or to EEA Member States with which an effective exchange of information exists, provided the following requirements are met:

- The parent company holds, directly or indirectly, at least 5% of the subsidiary, and that this has been the case uninterruptedly throughout the year prior to the pay-out of the dividend or, failing that, it remains the case for one year thereafter, by the parent company or by a company of the same group pursuant to the provisions of article 42 of the Code of Commerce.
- Both companies are subject to and not exempt from any of the taxes levied on the profits of legal entities in the Member States of the European Union, referred to in the Parent Company-Subsidiary Directive.
- The pay-out of profit is not a consequence of the liquidation of the subsidiary company.
- 4. Both companies feature of the forms provided for in the Appendix to the Parent Company-Subsidiary Directive
- The parent company is not directly or indirectly owned by nonresidents of another Member State, unless there is a valid economic reason and substantive business reasons other than tax savings for the filing of that company.
- Under no circumstances whatsoever, when the tax residence of the parent company or the PE is in a country classified as a tax haven (article 14.2 of the TR-LINRR).

Clarification: The regulation includes an anti-abuse clause by which the Member States will not agree to the benefits set forth in the Directive (exemption of dividends) when it is inferred from the facts that a company has been established in Community territory to obtain tax advantages and the real beneficiary is a non-resident company, a presumption against which evidence to the contrary may be presented, with proof of valid economic reasons and substantive business reasons (See SAN 06-3-2015).

Other exempt dividends

In addition, in accordance with the provisions of article 14.k) and I) TRLIRNR, dividends and shares in profits obtained by the following persons are exempt:

- Pension funds equivalent to those regulated under Spanish law, article 14.1.k of the TRLIRNR, pursuant to the following considerations::
 - The sole purpose is to provide a supplementary benefit at the time of the contingency (retirement, death, disability or dependency).
 - The business taxes in question are imputed to the individual to whom the benefit is linked for tax purposes.
 - They benefit from a preferential deferred tax regime of tax both with respect to tax payments and business tax payments.
- Those obtained by collective investment undertakings recognised by Union Law, without this exemption giving rise to a lower rate of taxation than that levied if it were a resident collective investment undertaking in Spanish territory.
- Dividends or shares in profits obtained by non-resident entities with no PE from participations in venture capital entities, except when they are obtained through a country or territory classified as a tax haven (article 50.3.b) of Law 27/2014 on Corporation Tax, (hereinafter referred to as LIS).
- 4. Dividends obtained by a Foreign Securities Holding Entity (hereinafter referred to as ETVE), in accordance with the provisions of article 108 LIS, when the tutor is a non-resident ETVE and does not have a Permanent Establishment in Spain, the profit paid out by these entities will not be regarded as having been obtained in Spanish territory.

Dividends under the MCOCDE

In accordance with the MCOCDE (article 10), dividends paid by a Spanish company to a non-resident may be taxed in both States, however, when the real beneficiary of such dividends is the non-resident, the taxation is Spain must be limited to

- 5% of the gross amount of dividends, when the real beneficiary is an entity that directly owns 25% or more of the Spanish paying company.
- 15% in other cases.



These limitations will be specified in each of the Agreements.

LIMITATIONS ON DIVIDEND WITHHOLDING TAX					
Country	General Rate (%)	Type (%) parent- subsidiary	Participation Required (%)		
Germany	15	0	5		
Andorra	15	5	10		
Belgium	15	0	25		
USA	15	10	25		
France	15	0	5		
Netherlands	15	0	5		
Luxembourg	15	0	5		
Portugal	15	0	5		
United Kingdom	Immovable. (3) / General	0	10%		
Kinguoin	15 / 10				
Sweden	15	0	5		
Switzerland	15	0	10		
Venezuela	10	0	25		

Note on the concept of real beneficiary

In most of the agreements entered into by Spain, in addition to the requirement of being resident in a country that is not classified as a tax haven, the resident must be the real beneficiary of the dividends and not merely an intermediary in the transfer of this income to another State in order to benefit from tax limitations.

Interest paid by Spaniards to non-residents

Such interest is subject to taxation in Spain, in accordance with article 13.f.) of the TRLIRNR **interest paid by persons or entities resident in Spanish territory**, by permanent establishments in Spain or which pay for capital services used in Spanish territory.

Withholding tax on interest paid from Spain to non-residents and formal declaration of interest paid from Spain to nonresidents

As a general rule, interest must be declared by the payer on a quarterly or monthly basis using Form 216, applying withholding tax at the rates set forth below (see Subject to withholding tax on dividends paid from Spain to non-residents...).

However, if the payer of the interest is not an employer or professional, i.e. a person not required to withhold tax, the recipient of the interest should submit Form 210.

Tax rates applicable to interest

In accordance with the provisions of article 25.1.f) of the TRLIRNR, interest will be subject to a general tax rate (and withholding tax) of 19%.

However, it should be pointed out that, both as a result of EU directives and the numerous agreements designed to avoid double taxation entered into by Spain, this type of tax has a very limited scope of application.

Interest under MCOCDE

The maximum tax ceiling provided for in the OECD Agreement is 10%. However, the casuistry of the maximum rates implemented in an effective manner and which are included in the agreements to prevent double taxation entered into between the Kingdom of Spain and third countries is normally lower and even establishes exemption, by way of example:

^a Pursuant to Article 10.2 of the Spain-UK DTA, when dividends are paid out of income (including profit) arising directly or indirectly from immovable assets pursuant to Art. 6 through an investment vehicle that distributes the majority of its income annually, and whose income from such assets is exempt from taxation, the maximum rate is raised to 15%.



COUNTRY	GENERAL LIMIT	OFFICIAL CREDIT	BANK LOANS	SALES ON CREDIT	PENSION FUNDS
Germany	0%	0%	0%	0%	0%
Andorra	0%	0%	0%	0%	0%
Belgium	0%	0%	0%	0%	0%
USA	10%	10%	0% (5 years)	0%	10%
France	0%	0%	0%	0%	0%
Netherlands	0%	0%	0%	0%	0%
Luxembourg	0%	0%	0%	0%	0%
Portugal	0%	0%	0%	0%	0%
U. Kingdom	0%	0%	0%	0%	0%
Sweden	0%	0%	0%	0%	0%
Switzerland	0%	0%	0%	0%	0%
Venezuela	10%	0%	4,95%	0%	0%

EU Member State exemption

As illustrated in the table above, interest from EU or EEA Member States, with or without an agreement, is exempt on the basis of the provisions of article 14.1.c) of the TRLIRNR.

Product or investment exemptions

The TRLIRNR declares the following interest to be exempt:

- Public debt: article 14.1.d) of the TRLIRNR exempts income obtained by non-residents with no legal establishment, even if they are resident in a tax haven (since the financial year 2008), insofar as they arise from public debt, i.e. State or Autonomous Community Bonds, State Debentures, Treasury Bills, etc.
- Preference shares: preference shares, in the terms defined by Regulation (EU) 575/2013, in accordance with Additional Provision One of Law 10/2014 of 26 June on the Regulation, Supervision

and Solvency of Credit Institutions, obtained by non-residents with no permanent establishment "will be exempt from this tax under the same terms established for income arising from public debt in Article 14 of the Consolidated Text of the Law on Non-Resident Income Tax, approved by Royal Legislative Decree 5/2004 of 05 March" when the requirements established therein are met.

- 3. "Matador bonds": income arising from securities issued in Spain by non-resident individuals or entities with no mediation of a permanent establishment, regardless of the place of residence of the financial institutions acting as paying agents or mediating in the issue or transfer of the securities.
- 4. Interest on bank accounts: income from bank accounts held by non-residents, unless the payment is made to a permanent establishment located in Spanish territory, by the Bank of Spain, or by the registered entities referred to in the regulations on economic transactions with foreign countries, will be exempt in accordance with article 14.1.f) of the TRLIRNR and will not be required to submit Form 216, however it should be pointed out that within the framework of the regulations on mutual assistance, financial institutions are required to inform the Spanish tax authorities of the tax residence and identity of persons who have declared themselves to be non-residents (through Form 289).

Clarifications: there may be asymmetries between countries with regard to the taxation of certain income, for example, income obtained from the purchase and sale of shares in Spain could be considered in the same way as dividends or interest in Germany; however, it should be pointed out that they are classified separately in Spain, with some being regarded as capital gains and losses.

Example 1: an individual resident in the USA buys shares in an unlisted Spanish company in the year 20X0, which pays out dividends each year subject to a withholding tax of 15%, in the year 20X9 from the sale of these shares, which in exchange will be processed as a capital gain or loss, calculated as the difference between the transfer value and the acquisition value, as illustrated below, applying the rate of 0% (as in the USA).

Example 2: an individual resident in the USA participates in an investment fund located in Spain in the year 20X0, which earns interest on an annual basis, this interest will be subject to 10% tax according to the tables above, however, he decides to divest and liquidates his participation in the investment fund, which will be taxed as a capital gain at 19%.



Royalties

Definition

Royalties are amounts paid for the use or concession of the use of literary, artistic or scientific works, plans or formulas, rights to computer programs, information on industrial, commercial or scientific inventions or experiments, etc.

The MCOCDE defines royalties as "amounts of any kind paid for the use, or the granting of use, of copyrights on literary, artistic or scientific works, including cinematograph films, patents, trademarks, designs or models, plans, secret formulas or processes, or information on industrial, commercial or scientific experiments".

Defining the concept of royalties in a general manner is complicated, as each DTA defines them in a specific way, and some agreements classify them in accordance with their source as capital gains and in other cases as income from business or professional activities; moreover, many of them distinguish between the leasing of industrial, commercial or scientific equipment, as well as computer software, and other royalties.

Royalties subject to IRNR withholding tax and income arising from royalties

Non-resident taxpayers with no permanent establishment obtaining royalties paid by a Spanish payer, i.e. the rights of use or concessions are assigned to a Spanish resident or to a Permanent Establishment located in Spanish territory, will be subject to taxation in Spain in accordance with the provisions of article 13.1.f.) 3 of the TRLIRNR.

Furthermore, Article 12 of the MCOCDE establishes that such royalties can only be taxed in the State of residence of the real beneficiary (see the Note on real beneficiaries), and are therefore exempt in the country of the source.

Applicable rates

The tax rate applicable to royalties is the general rate of 24% for non-EU Member States and 19% for EU Member States, unless it is defined pursuant to one of the Double Taxation Agreements entered into by Spain.

COUNTRY	GENERAL RATE	LITERARY AND ARTISTIC WORKS	FILMS	SCIENTIFIC WORKS	EQUIPMENT LEASES	RELATED COMPANIES ⁽⁴⁾	OTHER
Germany	0%	0%	0%	0%	0%	0%	0%
Andorra	5%	5%	5%	5%	5%	0%	5%
Belgium	5%	5%	5%	5%	5%	0%	5%
USA	10%	5%	8%	8%	8%	10%	10%
France	5%	0%	5%	5%	5%	0%	5%
Netherlands	6%	6%	6%	6%	6%	0%	
Luxembourg	10%	10%	10%	10%	10%	0%	10%
Portugal	5%	5%	5%	5%	5%	0%	5%
United Kingdom	0%	0%	0%	0%	0%	0%	0%
Sweden	10%	10%	10%	10%	10%	0%	10%
Switzerland	5%	5%	5%	5%	5%	0%	5%
Venezuela	5%	5%	5%	5%	5%	0%	5%



Withholding tax and income arising from royalties

Payers resident in Spain or with a Permanent Establishment in Spain are required to withhold tax on amounts declared in accordance with the above rates, and to pay this withholding tax by declaring all royalties, exempt or not, in Form 216.

Clarification: deductibility of expenses between EU/EEA states: residents of EU or EEA Member States are entitled to deduct both expenses incurred and gifts, although this involves the exercise of an option (to be exercised by submitting Form 210) which is incompatible with the implementation of the minimum rates set forth in the DTAs, Therefore, the tax liability resulting from the implementation of the minimum rate on gross income or the general EU rate (19%) on net income (i.e. net of expenses) needs to be assessed on a caseby-case basis by exercising one or the other option.



Treatment of royalties from related companies: all royalties between companies resident in the EU and companies resident in Spain or Permanent Establishments in Spain will be exempt, including Denmark, which has not entered into a DTA with Spain in accordance with the provisions of article 14.1.m) of the TRLIRNR. This exemption does not apply to EEA member states, without prejudice to the provisions of the respective DTAs entered into by Spain.

Companies are regarded as related for these purposes when one has a shareholding of at least 25% in the other or when they are dependent on the same parent company, which owns at least 25% of both.

Income from Real Estate

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Pursuant to Article 6 of the MOCDE "Income earned by a resident of a Signatory State from immovable assets (including income agricultural or forestry holdings) located in another Signatory State may be subject to tax in that other State". Therefore, according to the Model Agreement, which as a general rule is used by Spain, income arising from immovable assets can be taxed in Spain when the asset is located in Spain.

In the same sense, Article 13.1 of the MOCDE: "Profit earned by a resident of a Signatory State from the sale of the immovable assets referred to in Article 6, located in the other Contracting State, may be taxed in that other State".

It can be concluded from the foregoing that, without prejudice to the specific provisions of each Double Taxation Agreement entered into by Spain, Spain will have the power to tax income arising from immovable assets in Spain earned by non-residents, Applicable to, in accordance with domestic legislation:

- Real estate income: from the lease or transfer of rights of use and enjoyment of any kind.
- Imputed income: for having a property located in Spain at their disposal, even if it is not used or generates no "real" income.
- Capital gains: arising from the transfer of the property in any form (profitable (e.g. sale or purchase) or onerous (e.g. donation)). There are, however, special provisions in the case of payments to companies.

Letting of property located in Spain

Standard domestic taxation

IRNR

Citizens resident in the EU, Iceland or Norway may deduct the expenses provided for in the personal income tax regulations from the income obtained (financial expenses, depreciation, taxes, community fees, maintenance and repair costs, insurance, etc.). The applicable tax rate is 19%.

For citizens resident outside the EU (non-EU citizens), the full amount of income received must be declared with no possibility of deducting any expenses. The applicable tax rate is 24%.

RESIDENCE	APPLICABLE RATE	DEDUCTIBILITY OF EXPENSES	WITHHOLDING TAX
UE/EEE	19%	YES	Only landlords
NO UE/EE	24%	NO	entrepreneurs or professionals

IBI

Real Estate Tax is a municipal tax levied on the ownership of rural or urban real estate, regulated by each municipality (town council) and paid annually by the municipality.

Both individual and legal entities are required to pay this tax. The deadline for payment varies in each municipality, although it is normally around the months of September, October and November of each year.

IP

Non-residents are required to pay Wealth Tax in Spain due to a real obligation to contribute, meaning they will be taxed in Spain on the assets and rights they own when they are located, can be exercised or must be complied with in Spanish territory. In general, taxpayers with assets subject to tax in excess of 700,000 euros are required to file a tax return.

Debts incurred in the acquisition of the property (but not the interest paid) can be deducted from Wealth Tax, provided they are directly related and there is evidence that the loan has been taken out for this purpose, for which it is advisable to have such evidence available.



VAT

The letting of property for uses other than residential (premises, garages and including holiday homes) will be subject to taxation and must be passed on to the lessor in the invoices. As a result, there will be an obligation to register with the tax office and to submit quarterly and annual returns for this tax.

Formal obligations and schedule

	DWEI	LING	PREM	AISES
	Withholding tax	No Withholding tax	Withholding tax	No Withholding tax
QUARTERLY DECLARATION (Form 202)	NO	YES	NO	YES
QUARTERLY VAT DECLARATIONS				
(Form 303)	NO	NO	YES	YES
ANNUAL IRNR DECLARATION (202-0A)	NO	YES	NO	YES
ANNUAL DECLARATION (390)	NO	NO	NO	YES
STATEMENT OF TRANSACTIONS	Transactions with entrepreneurs in excess of 3,005.06 euros.			

Purchase of property located in Spain

The purchase of real estate property by a non-resident in Spain may be subject to VAT, in the case of a first transfer (10%) or to Transfer Tax (TPO), in which case the rate will be defined by the Autonomous Community in which the property is located. You can check the tax rates defines by each Autonomous Community in our annual tax guides. In the event the transaction is taxed under TPO, the purchaser must pay this tax to the competent regional administration.

In addition, it should be pointed out that in the event the seller is a non-resident taxpayer, they will be required to pay 3% tax on the purchase price. Moreover, the seller will be required to withhold the Tax on Increases in Value of Urban Land (see Sale of property located in Spain: standard domestic taxation) and to pay it on behalf of the buyer, who will be liable with the property acquired in the event of failure to do so.

Once the property has been acquired, the taxpayers will be required to comply with the provisions of previous section (see Letting of property located in Spain), in the event they decide to let it, or with the provisions defined below (see Ownership of property as a second home in Spain), in the event they decide to keep it for their own use and enjoyment.

Sale of property located in Spain

Standard domestic taxation

IRNR

In the event the property is transferred, in accordance with the double taxation agreements entered into by Spain, profit arising from the sale of property located in Spanish territory may be subject to taxation in Spain.

In this way, the profit obtained will be subject to taxation in Spain and will be calculated as the difference between the transfer value and the acquisition value. The transfer value will be the actual amount for of the sale less the amount of the expenses and taxes inherent to the transfer incurred by the seller. Moreover, the acquisition value will be the actual amount for which the property was acquired plus the amount of the expenses and taxes inherent to the acquisition, excluding interest.

The tax rate applicable to the profit obtained is 19%, both for EU and non-EU citizens, and the withholding tax paid by the purchaser of the property (3%) can be deducted from their tax liability.



IIVTNU

The sale of real estate is subject to the Tax on Increases in Value of Urban Land (commonly known as "capital gains tax").

This tax establishes a special condition for purchasers of a property from a non-resident, whereby the purchaser replaces the latter (the non-resident transferring the property), and as such it is the person buying the property that is required to settle and pay the tax, without prejudice to the seller being required to do so, as it is the seller that is required to bear the cost of the tax.

Since 2021, Spanish law has provided for a series of options and exemptions for taxpayers to choose from when declaring this tax, and due to the considerable amounts that are sometimes involved, we recommend consulting a tax advisor.

Obligaciones formales y calendario

	PRESENTATION	DEADLINE
DECLARATION IRNR (Form 202)	YES	4 months from the sale
IIVTNU	YES	30 days from the sale

Ownership of a second home in Spain (imputed income)

Standard domestic taxation

IRNR

Under IRNR, properties that are not let or used for economic activities, i.e. when they are used by or are at the disposal of their owner, are subject to the regulations on the imputation of real estate income provided for in Personal Income Tax (IRPF), meaning that non-residents are required to declare them each year as income from real estate capital:

- In general, 2% of the land registry value of the property.
- 1.1% of the land registry value when this has been revised in the same tax period or in the previous 10 years.
- If there is no land registry value or if the owner of the property has not been notified of this value, a rate of 1.1% will be applied to 50% of the greater of the following values: the value ascertained by the Administration for the purposes of other taxes or the price, consideration or value of the acquisition.

IBI

Reference to leases of real estate located in Spain. Standard domestic taxation. IBI.

IP

Reference to leases of real estate located in Spain. Standard domestic taxation. IP.

Formal obligations and schedule

	PRESENTATION	DEADLINE	
DECLARATION OF IRNR (Form 202-0A)	YES	In the following year	
IP	YES	07 April to 31 June	
IBI	Settled ex officio by municipality in Q4		

In addition to the foregoing, entities **resident in a country or territory regarded as a tax haven** (effective as of 11 July 2021, references to tax havens are consistent with the definition of a non-cooperative jurisdiction), that own or hold real estate assets or rights to the enjoyment or use thereof in Spain, will be subject to taxation in the form of a special levy, equal to 3% of the land registry value of the assets.

However, this Special Levy will not apply to:

- Foreign states and public institutions and international organisations.
- Entities conducting economic activities on a continuous or habitual basis in Spain, that can be distinguished from the simple ownership or letting of the property.
- Companies listed on officially recognised secondary securities markets.

Other capital gains

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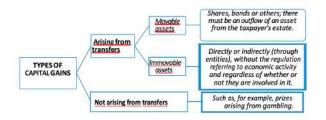
Standard domestic taxation

Types of capital gains

The capital gains (increases in wealth) of a non-resident person, subject to taxation in Spain in accordance with the TRLIRNR, will be:

- Those arising from securities issued or entities resident in Spain (transfer of shares or bonds issued by entities resident in Spain).
- Those arising from other rights that must be exercised or fulfilled in Spanish territory.
- 3. Those arising from the transfer of real estate located in Spanish territory; directly or indirectly, income generated by the transfer of shares or holdings in entities, resident or not, when the entity's assets consist of real estate located in Spanish territory or when they grant the holder of these shares or holdings the right to enjoy the real estate, are understood as having been obtained in Spain.
- Any other gains located in Spanish territory or rights to be fulfilled or exercised in Spanish territory incorporated into the taxpayer's assets., even if they do not arise from a previous transfer, such as gambling winnings.

Thus, we have two main types of capital gains:



Applicable rates pursuant to internal regulations

TAXPAYER'S RESIDENCE	EU /EEA	NON UE
GENERAL	19%	24%
ARISING FROM THE TRANSFER OF IMMOVABLE ASSETS ⁽⁵⁾	19%	24%

ARISING FROM THE TRANSFER OF OTHER ASSETS	19%	19%
OTHER GAINS NOT ARISING FROM TRANSFERS	19%	24%
STATE LOTTERY AND GAMBLING PRIZES	20%	20%
LISTED AND WITH DTA	EXEMPT	

However, these rates may be amended by the provisions of the agreements Spain has entered into with different countries.

Taxation under the MCOCDE

Article 13 of the MCOCDE makes a distinction between the different capital gains obtained, however we also need to add the residual category "other income" referred to in Article 21 of the MCOCDE, which domestic regulations would also treat as capital gains. The MOCDE establishes a series of rules for specific transfers.

Any gain that does not fall into any of the aforementioned categories, regardless of whether it is a capital gain arising from the transfer of an asset or an increase in wealth not arising from a transaction, will not be subject to taxation in Spain when the taxpayer is a non-resident.

Gains arising from the transfer of immovable assets	Subjection to taxation where the asset is located.
Gains arising from the transfer of shares or holdings in entries whose assets comprise more immoviable assets, or which have in the last	Subject to takefion when
Gains arising from the transfer of movable property of the PE, or of the PE itself	Submission to taxation at the seat of the IP.
Gains from the disposal of ships or aircraft involved in international traffic	Taxation EXCLUSIVELY in the State of residence.
Saine arising from the transfer of shares or shares in entities.	Texation EXCLUSIVELY in the state of residence
Gains derived from the transfer of any other movable property.	- Taxation at the residence of the transferor.
Other non-transfer gains, art. O E	- Taxation in the State of residence.

Matters of interest to non-residents

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The requirement to appoint tax representatives in Spain

Taxpayers resident in another European Union (EU) Member State or a European Economic Area (EEA) Member State that is not a Member State of the EU, in the latter case when regulations exist on mutual assistance in matters regarding the exchange of tax information and collection, are not required to appoint a representative resident in Spain and will deal with the tax authorities through the persons representing them in accordance with the general rules on legal and voluntary representation.

On the other hand, taxpayers **resident in third countries** (not resident in another Member State of the European Union or in a Member State of the European Economic Area that is not a Member State of the EU when regulations exist on mutual assistance in matters regarding the exchange of information) will be required to appoint, before the end of the period for reporting the income obtained in Spain, a natural or legal person resident in Spain to represent them with the tax authorities in relation to their obligations involving this Tax in the following cases:

- When they operate through a permanent establishment (PE).
- When they provide services, technical assistance, installation or assembly work arising from engineering contracts and, in general, from economic activities or transactions in Spain without the intermediation of a permanent establishment (the duration of which does not exceed 6 months).
- In the case of entities operating under the imputed income system which have been incorporated abroad and are "present in Spanish territory".
- When, due to the amount and characteristics of the income obtained or the possession of immovable property in Spanish territory, the Tax Authorities so require.
- In the case of residents in countries or territories with which there
 is no effective exchange of tax information (effective as of 11 July
 2021, references to countries or territories with which there is no
 effective exchange of information are consistent with the definition of a non-cooperative jurisdiction), that own or hold assets or
 rights to the enjoyment or use thereof in Spain, excluding assets
 traded on official secondary markets.

	EU/ EEA	European States with no exchange	Other
PERMANENT ESTABLISHMENT	NO	YES	
PROPERTY	NO	YES, with request	
ECONOMIC ACTIVITIES	NO	YES	
RESIDENCE IN A TAX HAVEN		YES	
TRANSPARENT ENTITIES PRE- SENT IN SPAIN	NO	YES	

The appointment may be made using the standard forms (models) approved by the Tax Authorities, or a power of attorney issued by a notary public, which, if issued abroad, must be accompanied by the respective sworn translation and Hague Apostille certificate.

Obtaining NIE

Foreign nationals that, due to their economic, professional or social interests, are related to Spain, will be provided, for identification purposes, with a unique and exclusive personal identity number, of an sequential nature.

This personal number will be the foreign national's identifier, and will be specified on every document issued to them or processed, in addition to the official data printed on their identity card or passport.

Foreign National Identity Card (NIE)

The following applications are admissible for the issuance of NIEs on the grounds of economic, professional or social interests:

- Those submitted in Spain in person by the interested party,
- Those submitted in Spain through a representative,
- Those submitted to the Spanish diplomatic representations or consular offices located in the applicant's country of residence, corresponding to the applicant's place of residence.



The following documents must be provided for the issuance of this number:

EU citizens

- Form EX15 in force.
- A page of the applicant's passport with details of the applicant's affiliation or identity card certified by a notary public. In the case of Community citizens, presenting the page of the passport containing the applicant's personal details or their identity card will be sufficient.
- Apud acta or power of attorney:

- As is common knowledge, foreign nationals will continue to be required to appear in person when applying through a power of attorney.

- General or special power of attorney: a general power of attorney granted by a client to a lawyer is admissible provided the document specifically states that the power of attorney is also granted for the purpose of obtaining a Foreign National Identification Number.

Non-EU citizens

- Form EX15 in force.
- Full passport certified by a notary public. Non-EU citizens, once they arrive in Spain, must prove their entry into our country by means of an entry stamp or an entry declaration submitted to the Police (the latter may be submitted within 72 hours of entering Spain). The same requirements apply to UK citizens.
- Apud acta or power of attorney:
- As is common knowledge, foreign nationals will continue to be required to appear in person when applying through a power of attorney.
- General or special power of attorney: a general power of attorney granted by a client to a lawyer is admissible provided the document specifically states that the power of attorney is also granted for the purpose of obtaining a Foreign National Identification Number.
- Justification of the application for a NIE: a declaration or certificate issued by the notary public explaining the need to obtain a NIE in order to conduct the corresponding procedure. Indicating the reason for the application will not suffice; the details must be spe-

cified, i.e. if it is for the purchase of a home, the details of the home must be specified, if it is for the purchase of a vehicle, the details of the vehicle must be specified.

Minors

- Form EX15 to be filled in with the details of the minor signed by the father/mother/legal guardian).
- The minor's passport or identity card certified by a notary public (if non-EU, full passport).
- Notarised passport or identity card of both parents (if non-EU, full passport).
- Proof of parentage in the form of an online international birth certificate or a certified birth certificate with a sworn translation.
- Power of attorney for a minor, completed by both parents in person to conduct this procedure (the presence of the minor is not necessary) or a power of attorney in the name of both parents and in which the minor's name appears.
- For non-EU minors only, Justification of the application for a NIE: a declaration or certificate issued by the notary public explaining the need to obtain a NIE in order to conduct the corresponding procedure. Indicating the reason for the application will not suffice; the details must be specified, i.e. if it is for the purchase of a home, the details of the home must be specified, if it is for the purchase of a vehicle, the details of the vehicle must be specified, if it is to open a bank account, the applicant must state if it is for the payment of taxes, for the purchase of a house, etc.

N.B.: in order to be able to apply for a definitive NIE with the immigration authorities, the foreign national must be physically present in Spain, whereby a power of attorney issued by a foreign notary public is not admissible. If the foreign national is not physically present in Spain, they must process their application through the Spanish consular offices and embassies in their respective countries.

Certain groups of professional (lawyers, economists, etc.) can facilitate these procedures through their respective professional associations. For such purposes we may also require the foreign national to appear in person in Spain in order to grant a power of attorney.



Obtaining a NIE for non-established persons for tax purposes

- A legalised photocopy and Hague Apostille certificate of the first page of the passport (in the case of EU nationals), or of the full passport (in the case of third countries).
- A power of attorney issued by a notary public with a Hague Apostille certificate, naming the proxy entrusted with managing your application in Spain.

Once the natural person has been registered, the legal person can be registered by submitting a legalised, apostilled and sworn translation of the documentation:

- A legalised and apostilled photocopy of the company's articles of association and, in the event the articles of association do not include it, a document accrediting the appointment as sole or joint administrator or with the sufficient powers to represent the company.
- A power of attorney from the company issued by a notary public with a Hague Apostille certificate, specifying the sufficient powers to represent the company and naming the proxy entrusted with managing your application in Spain

Obtaining a Golden Visa

The "Golden Visa" is a permit for foreign nationals interested in entering Spanish territory to invest a significant amount of capital; in this case, the foreign national may apply for a residence visa or, if applicable, an investor's residence visa. The investments must be for the following amounts, in accordance with the product chosen:

- Immovable assets located in Spanish territory valued at more than 500,000 euros. Anything in excess of this value can be financed, by a mortgage for example, but at least 500,000 euros must be invested without borrowing.
- Company shares, investment funds or bank deposits in Spain worth more than 1 million euros
- · Spanish treasury bonds worth 2 million euros or more, and
- Business projects regarded as being of general interest.

A Golden Visa guarantees foreign nationals freedom of movement throughout the Schengen Area, which includes the 27 Member States of the European Union (France, Germany, Sweden, Belgium...) and others such as Andorra, Switzerland, Norway, ... In addition, once the Golden Visa has been obtained, foreign nationals can acquire Spanish and community nationality through residence. In addition to the aforementioned capital requirements, the following conditions must be met in order to obtain a Golden visa:

- 1. You must not belong to the European Union.
- You must not have had a criminal record in the last 5 years. Neither in Spain nor abroad.
- You must never have been refused entry to any of the countries belonging to the "Schengen" agreement. Nor to any country with a valid agreement with Spain.
- 4. You must never have entered Spain illegally.
- You must have access to private or public health insurance to cover your stay.
- You must prove that you have the sufficient financial means to support both the investor and their family.
- You must effect the investment in question (be it €500,000, €1 million or €2 million, in accordance with the amount decided upon) and provide the corresponding documentation to prove it.



IMPORTANT NOTE TO THE READER

It should be emphasised that due to the multitude of situations that arise in practice, this is merely a guide and individual guidance should be obtained from international taxation experts. This guide does not constitute legal advice nor does it create any obligation between the reader or recipient and the firm.



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Appendices and acronyms



APPENDICES AND ACRONYMS 57



APPENDIX I. Double Taxation Agreement

COUNTRY	Date	Publication (in force)
Albania	02-07-2010	15-03-2011
Germany	05-12-1966 03-02-2011	08-04-1968 30-07-2012
Andorra	08-01-2015	07-12-2015
Former USSR	01-03-1985	22-09-1986
Saudi Arabia	19-06-2007	14-07-2008
Algeria	07-10-2002	22-07-2005
Argentina	21-07-1992 11-03-2013	09-09-1994 14-01-2014
Armenia	16-12-2010	17-04-2012
Australia	24-03-1992	29-12-1992
Austria	20-12-1966	06-01-1968
Azerbaijan	23-04-2014	06-11-2020
Barbados	01-12-2010	14-09-2011
Belgium	14-06-1995	04-07-2003
Belarus	14-06-2017	02-03-2021
Bolivia	30-06-1997	10-12-1998
Bosnia and Herzegovina	05-02-2008	05-11-2010
Brazil	14-11-1974	31-12-1975
Bulgaria	06-03-1990	12-07-1991
Canada	23-11-1976	06-02-1981
Qatar	10-09-2015	15-12-2017
Chile	07-07-2003	02-02-2004
China	22-11-1990 28-11-2018	25-06-1992 30-03-2021
Cyprus	14-02-2013	26-05-2014
Colombia	31-03-2005	28-10-2008
Korea	17-01-1994	15-12-1994
Costa Rica	04-03-2004	01-01-2011
Croatia	19-05-2005	23-05-2006
Cuba	03-02-1999	10-01-2001

Denmark	03-07-1972	28-01-1974
Ecuador	20-05-1991	05-05-1993
Egypt	10-06-2005	11-07-2006
United Arab Emirates	05-03-2006	23-01-2007
Slovakia	08-05-1980	14-07-1981
Slovenia	23-05-2001	28-06-2002
United States	22-02-1990	22-12-1990
Estonia	03-09-2003	03-02-2005
Russian Federation	16-12-1998	06-07-2000
Philippines	14-03-1989	15-12-1994
Finland	15-11-1967 15-12-2015	11-12-1968 29-05-2018
France	10-10-1995	12-06-1997
Georgia	07-06-2010	01-06-2011
Greece	04-12-2000	02-10-2002
Hong Kong	01-03-2011	14-04-2012
Hungary	09-07-1984	24-11-1987
ndia	08-02-1993	07-02-1995
ndonesia	30-05-1995	14-01-2000
ran	19-07-2003	02-10-2006
reland	10-02-1994	27-12-1994
celand	22-01-2002	18-10-2002
srael	30-11-1999	10-01-2001
taly	08-09-1977	22-12-1980
Jamaica	08-07-2008	12-05-2009
Japan	13-02-1974 16-10-2018	02-12-1974 26-02-2021
Kazakhstan	02-07-2009	03-06-2011
Kuwait	26-05-2008	05-06-2013
atvia	04-09-2003	10-01-2005
atvia	22-07-2003	02-02-2004
Luxembourg	03-06-1986	04-08-1987
Macedonia	20-06-2005	03-01-2006
Malaysia	24-05-2006	13-02-2008
Valta	08-11-2005	07-09-2006
Morocco	10-07-1978	22-05-1985



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Mexico	24-07-1992	27-10-1994
Moldavia	08-10-2007	11-04-2009
Nigeria	23-08-2009	13-04-2015
Norway	06-10-1999	10-01-2001
New Zealand	28-07-2005	11-10-2006
Oman	30-04-2014	08-09-2015
The Netherlands	16-06-1971	16-10-1972
Pakistan	02-06-2010	16-05-2011
Panama	07-10-2010	04-07-2011
Poland	15-11-1979	15-06-1982
Portugal	26-10-1993	07-11-1995
United Kingdom	21-10-1975 14-03-2013	18-11-1976 15-05-2014
Czech Republic	08-05-1980	14-07-1981
Republic of Cape Verde	05-06-2017	02-12-2020
República Dominicana	16-11-2011	02-07-2014
Rumanía	24-05-1979 18-10-2017	02-10-1980 03-12-2020
Salvador, El	07-07-2008	05-06-2009
Senegal	05-12-2006	29-12-2014
Serbia	09-03-2009	25-01-2010
Singapore	13-04-2011	11-01-2012
South Africa	23-06-2006	15-02-2008
Sweden	16-06-1976	22-01-1977
Switzerland	26-04-1966	03-03-1967
Thailand	14-10-1997	09-10-1998
Trinidad and Tobago	17-02-2009	08-12-2009
Tunisia	02-07-1982	03-03-1987
Turkey	05-07-2002	19-01-2004
Uruguay	09-10-2009	12-04-2011
Uzbekistan	08-07-2013	10-09-2015
Venezuela	08-04-2003	15-06-2004
	00012000	

APPENDIX II. List of countries and territories with the status of non-cooperative jurisdiction pursuant to the amendments arising from the provisions of Royal Decree 116/2003

CLARIFICATION: the concept of a non-cooperative jurisdiction is technically assimilated to that of a tax haven.

COUNTRY	COUNTRY		
Emirate of the State of Bahrain	Montserrat		
Sultanate of Brunei	Republic of Nauru		
Gibraltar	Solomon Islands		
Anguilla	Saint Vincent and the Grenadines		
Antigua and Barbuda	Saint Lucia		
Bermuda	Turks and Caicos Islands		
Cayman Islands	Republic of Vanuatu		
Cook Islands	British Virgin Islands		
Republic of Dominica	United States Virgin Islands		
Grenada	Hashemite Kingdom of Jordan		
Fiji	Lebanese Republic		
Falkland Islands	Republic of Liberia		
Isle of Man	Principality of Liechtenstein		
Mariana Islands	Масао		
Mauritius	Principality of Monaco		
Guernsey and Jersey (Channel Islands)	Sultanate of Oman		
	Republic of Seychelles		



APPENDIX III. Limits and taxation of dividends, interest, royalties and other income and royalties in the agreements

		Dividends			
COUNTRY	Parent company- subsidiary			Interest	Fees
	General	% minimum participation	Туре		
Albania	10	75/10	0/5	0/6	0
Germany:					
Old Agreement	15	25	10	10	5
New Agreement	15	10	5	0	0
Andorra	15	10	5	5	5
Saudi Arabia	5	25	0	0/5	8
Algeria	15	10	5	0/5	7/14
Argentina:					
Old Agreement	15	25	10	0/12,5	3/5/10/15
New Agreement	15	25	10	0/12	3/5/10/15
Armenia	10	25	0	5	5/10
Australia	15	-	-	10	10
Austria	15	50	10	5	5
Azerbaijan	10	25 e investment >250.000€	5	0/8	5/10
Barbados	5	25	0	0	0
Belgium	15	25	0	0/10	5
Belarus	10	10	5/0 si invest. >1 million €	0/5	5
Bolivia	15	25	10	0/15	15/0

Bosnia and Herzegovina	10	20	5	0/7	7
Brazil	15	-	-	10/15	10/15
Bulgaria	15	25	5	0	0
Republic of Cape Verde	10	25	0	0/5	5
Canada	15/0	10	5	15/10/0	0/10
Qatar	5	1/5/10	0	0	0
Czech Republic	15	25	5	0	0/5
Cyprus	5	10	0	0	0
Chile	10	20	5	5/15	5/10
China:					
Old Agreement	10	-	-	10	10
New Agreement	10/0	25	5	10/0	10
Colombia	5	20	0	10	10
Korea	15	25	10	10	10
Costa Rica	12	20	5	0/5/10	10
Croatia	15	25	0	0/8	0/8
Cuba	15	25	5	10	0/5
Denmark	15	-	0	10	6
Dominican Republic	10	75	0	0/10	10
Ecuador	15	-	-	5/10	5/10
Egypt	12	25	9	10	12
United Arab Emirates	15	10	5	0	see note
Slovakia	15	25	5	0	0/5
Slovenia	15	25	5	5	5
United States:					
Up to 26- 11-19	15	25	10	10	5/8/10
From 27- 11-19	0/15	10/80	5/0	0/10	0
Estonia	15	25	5	0/10	5/10



Philippines	15	10	10	10/15	10/15/20
Finland:					
Old Agreement	15	25	10	10	0/5
New Agreement	15/0	10	5	0	0
France	15	10	0	10	0/5
Georgia	10	10	0	0	0
Greece	10	25	5	0/8	6
Hong Kong	10	25	0	0/5	5
Hungary	15	25	5	0	0
India	15	-	-	15	10/20
Indonesia	15	25	10	10	10
Iran	10	20	5	7,5	5
Ireland	15	25	0	0	5/8/10
Iceland	15	25	5	5	5
Israel	10	-	-	5/10	5/7
Italy	15	-	-	12	4/8
Jamaica	10	25	5	0/10	10
Japan:					
Old Agreement	15	25	10	10	10
New Agreement	0/5/10	10	0/10	0/10	0
Kazakhstan	15	10	5	0/10	10
Kuwait	5	10	0	0	5
Latvia	10	25	5	0/10	5/10
Lithuania	15	25	5	0/10	5/10
Luxembourg	15	25	10	10	10
Macedonia	15	10	5	5	5
Malaysia	5	5	0	0/10	5/7
Malta	5	25	0	0	0
Morocco	15	25	10	10	5/10

Mexico:					
Up to 26- 09-17	15	25	5	10/15	0/10
From 27- 09-17	10/0	10	0	4,9/10	0/10
Moldova	10	25/50	5/0	0/5	8
Nigeria	10	10	7,5	7,5	3,75/7,5
Norway	15	25	10	0/10	5
New Zealand	15	-	-	10	10
Oman	10	20	0	5	8
Netherlands	15	25/50	5/10	10	6
Pakistan	10	25/50	7,5/5	0/10	7,5
Panama	10	40/80	5/10	0/5	5
Poland	15	25	5	0	0/10
Portugal	15	25	10	15	5
United Kingdom:					
Old Agreement	15	10	10	12	10
New Agreement	10/15/0	10	0	0	0
Romania:					
Old Agreement	15	25	10	10	10
New Agreement	0/5	10	0	0/3	3
Russian Federation	5/10/15	-	-	5	5
Former USSR	18	-	-	0	5
El Salvador	12	50	0	0/10	10
Senegal	10	-	-	0/10	10
Serbia	10	25	5	0/10	5/10
Singapore	5	10	0	0/5	5
South Africa	15	25	5	0/5	5
Sweden	15	50	10	15	10
Switzerland	15/0	25/10	10/0	10/0	5/0



GUÍA FISCAL_NO RESIDENTES

Tailandia	10	0	-	10/15	5/8/15
Trinidad y Tobago	10	25/50	5/0	0/8	5
Túnez	15	50	5	5/10	10
Turquía	15	25	5	10/15	10
Uruguay	5	75	0	0/10	5/10
Uzbekistán	10	25	5	5	5
Venezuela	10	25	0	0/4,95/10	5
Vietnam	15	25/50	10/7	10	10

ACRONYMS

AEAT	State Tax Administration Agency		
AJD	Tax on Documented Legal Acts		
AN	National Court		
Art.	Article		
DGT	General Department of Taxation		
EP	Permanent Establishment		
IBI	Real Estate Tax		
IIVTNU	Tax on Increases in the Value of Urban Land.		

IP	Wealth Tax			
IRNR	Non-Resident Income Tax			
IRPF	Personal Income Tax			
IS	Corporate Income Tax			
VAT	Value Added Tax			
LIP	Law 19/1991 of 06 June 1991 on Wealth Tax			
LIRNR	Royal Legislative Decree 5/2004 of 05 March, approving the consolidated text of the Law on Non- Resident Income Tax			
LIRPF	Law 35/2006 of 28 November on Personal Income Tax and partially amending the laws on Corporate Income Tax, Non-Resident Income Tax and Wealth Tax			
LIS	Law 27/2014 of 27 November on Corporate Income Tax.			
LITP	Royal Legislative Decree 1/1993 of 24 September, approving the consolidatd text of the Law on Transfer Tax and Stamp Duty			
LIVA	Law 37/1992 of 28 December 1992 on Value Added Tax			
MCOCDE	Model Tax Agreement on Income and Capital proposed by the OECD.			
OECD	Organisation for Economic Cooperation and Development.			
Par.	Paragraph			
RD	Royal Decree			
RDL	Royal Decree Law.			
RIRPF	Royal Decree 439/2007 of 30 March approving the Regulations on Personal Income Tax and amending the Pension Plan and Fund Regulations, approved by Royal Decree 304/2004 of 20 February.			
SAN	National Court Ruling			
STS	Supreme Court Ruling			
ТРО	Property Transfer Tax			
TRLRHL	Royal Legislative Decree 2/2004 of 05 March, approving the consolidated text of the Law on the Regulation of Local Treasuries.			

Accounting – Tax

To achieve the greatest benefits of your business, it is important to have your accounting, financial and tax statements up to date. We offer a full range of tax advice services, always up to date with the most recent changes.

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