

**Open Up New Perspectives
For Your Company In**

Spain



LETRADOX
ABOGADOS

The Best Contact Partner for Business Set up

Letradox offers you comprehensive service especially in areas of International & European laws, Civil, Commercial, Litigation, Tax, Mortgage-Banking, Data Protection, New Technologies, Sports, Luxury Sector and others.

**Get your advice from a leading law firm
LETRADOX®.**



+16 Years
of dedication to law

+10000 Hours
of experience

+400
Publications

Learning about your options in establishing a global strategy for operations in Europe.

Spain is famous for its Mediterranean climate, high mountain and rich cultural heritage, but the country can offer more.

In 2018 the World Bank group ranked Spain at 28th in the ease of doing business.



ECONOMIC ENVIRONMENT

The Spanish economy increased in the last years and expanded at a fast pace. Despite the internal frictions, GDP grew by 2.5% in 2018, making it one of the fastest-growing developed countries, and substantially above average for the EU.

With a gross domestic product (GDP) of USD \$1.419 trillion in 2018 and a population of 46.94 million, the Spanish economy is the 4th largest economy in the Euro zone and the 14th in the world.

The quality of life is generally considered high in Spain, and the economy is quite diversified. The sectors that contribute most to Spain's GDP are services sector, followed by industry, and both represent almost 91% of Spain's GDP with agriculture's share today representing a 2.92% of GDP.

Spain has asserted its potential and becomes one of the most attractive business markets in Europe, providing a set of competitive advantages.



Why you should Invest in Spain?

Legal and political climate

Successful efforts over the years to improve the legislation related to foreign investment. Starting a business on average requires 9.4 procedures, 17 days, 4.2% of income per capita, and a paid-in minimum capital of 13.8% of income per capita.



Infrastructure

Spain has railway transport with high-speed networks have become a priority with, currently it has a network of 16,000 kilometers.

Madrid high-speed train connections to 31 Spanish cities. The Barcelona-Paris line has enabled a high-speed rail connection between the Spanish and French capitals. The Spanish high-speed network is constantly being expanded. The Madrid-Granada section was inaugurated in June 2019.

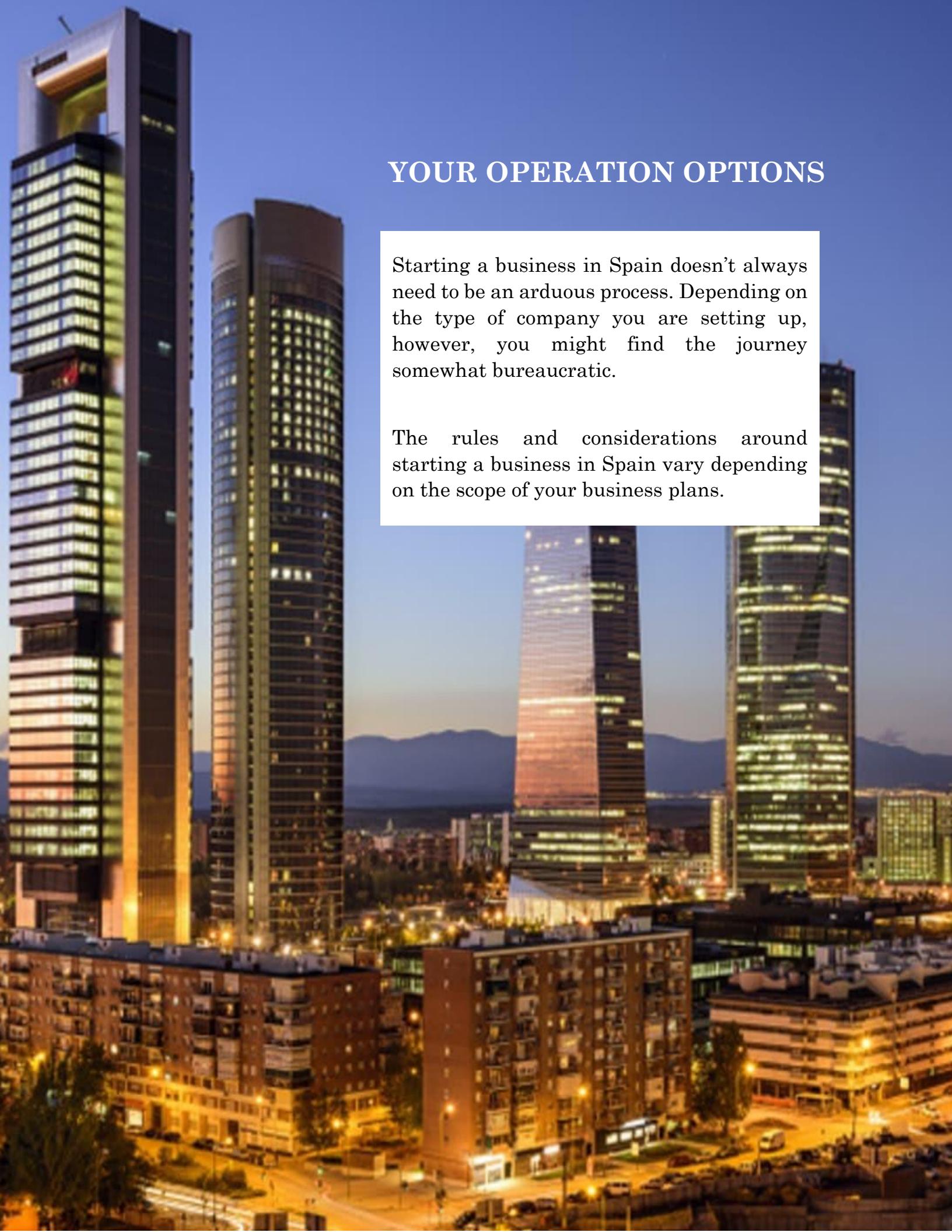


Finally, the freight sector liberalization since 2005, has led to the creation of private enterprises that transport goods by railroad. The Spanish Government plans to approve a series of measures to promote this type of transport.



Skilled Worker.

In tandem with the economy, the Spanish market has qualified workforce and highly motivated with practice-oriented vocational training.



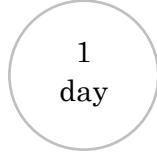
YOUR OPERATION OPTIONS

Starting a business in Spain doesn't always need to be an arduous process. Depending on the type of company you are setting up, however, you might find the journey somewhat bureaucratic.

The rules and considerations around starting a business in Spain vary depending on the scope of your business plans.

Procedure and Time

The rules and steps for starting a business in Spain differ depending on the scope of your plans. If you want to set up a limited liability company in Spain, there is a specific path to follow. Some of the actions to be taken are as follows:

-  2 days
Obtain a certificate of availability for the proposed company name (certificación negativa de la denominación social).
-  1 day
Open a company bank account and deposit capital.
-  1 day
File the Single Electronic Document (Documento Único Electrónico - DUE) and make an appointment with a notary.
-  7 days
Obtain through a notary the registered public deed of incorporation and the fiscal identification number (Código de identificación fiscal - CIF)
-  1 day
Payment of the municipal tax for urban services (tasa por prestación de servicios urbanísticos).
-  1 day
Submit a notification of start of operations (declaración responsable) to the Town Council.
-  1 day
Notify the Ministry of Labor and Industry of the start of operations.

FAVORABLE TAX SYSTEM

Corporates pay 19% or 25 % depending on the type of company and its type of business.

Newly created companies are taxed at a 15% tax rate for both the first tax period in which they obtain a profit and the following tax period. This tax rate is not applicable to equity companies.

The business and professional activities performed in Spain are taxed at a rate that may not exceed 15%. The payable tax depends on the professional performance, or artistic activities, whether or not they are carried out on a particular premises in addition to other factors.

There are other taxes that might be applicable, depending on your business setup and operation.

Finally, the **Spanish tax treaty network is made up of more than 90 treaties**.

Hiring Options

As an employer in Spain, you could find yourself hiring team members in any of the main categories permitted in country, which we will explore in the following lines. However, it is necessary to differentiate between national or central government sources of employment law and international sources of employment law.

In Spain there are four categories of workers, which include:

1. Employees
2. Agency workers
3. Self-employed
4. Independent contractors

Employees under a contract of employment are subject and entitled to all statutory rights established by applicable labor laws in Spain. Agency workers are employed by companies and work for companies on a temporary basis. Whilst, self-employed and independent contractors are similar in that they both work without a contract of employment. These classifications of workers have no entitlement to statutory employment rights and work for more than one client.

It is important to know that the qualification of the category does not depend on how it was determined by the parties but by the effective configuration expressed agreement and its performance – “primacy of facts”. To this extent, it is important to consult with a lawyer to discuss your options and best practice.

Foreign employees

Foreign employees who are not nationals of E, EEA or Switzerland must obtain a work permit before working in Spain. There are two ways to obtain a work permit:

1. **General system:** the initial work permit is granted for one year and it is renewed until a permanent one is granted after five years.
2. **Entrepreneurs' Law system:** this is a specific regime to support Entrepreneurs and their Internationalisation, which allows companies investing in or attracting talent to Spain, to access a more flexible system for hiring managers and highly-qualified employees.

Our Expertise

Breadth of insight to meet your needs.

Our lawyers deliver real results. With expertise tested in the Spanish to the highest court in Europe, we match our clients' insights with deep legal knowledge and understanding.

You can rest assured that our legal services are always relevant to your personal need and strategy.

Combining our legal capabilities with expertise from areas such as tax, advisory and litigator, we provide advice that is practical, relevant and anchored in meeting your personal objectives.

Our experts

Unparalleled and integrated support



**Alfonso de Parada
President of Honor**

He has been a State Treasury Inspector, head of the Regional Inspection Unit and head of Customs.

He is a member of the Royal Association of Hidalgos of Spain (Nobility of Spain). Alfonso is an expert in Fiscal and Tax Law. Special taxes, commercial, tariff regime and



**Mercedes de Parada
Rodríguez
Founder y CEO**

Long years in private and international practice, Mercedes has extensive experience in immigration, civil and administrative law matters, including property sale and purchase



**Marcos Rivas Fernández
Partner y COO**

Long experience in the Finance and Banking sector; specifically, in Private Banking in BBVA bank in the Mortgage department. Marcos is highly qualified with a relevant experience in legal advice to companies and entrepreneurs.

ADDRESS

Jorge Juan St. 141, 28028 Madrid

CONTACT US

Phone (+34) 912980061 or (+34)
645958948

e-mail: info@letradox.es



www.letradox.com

@ Letradox 2020 All rights reserved.

IMPORTANT DISCLAIMER: This report is a copy right of Letradox. No reader should act on the basis of any statement contained herein without seeking professional advice. The authors and the firm expressly disclaim all and any liability to any person who has read this report, or otherwise, in respect of anything, and of consequences of anything done, or omitted to be done by any such person in reliance upon the contents of this report.