



TAX AND CORPORATE DEPARTMENT

Constitution of a Company-
Corporate and tax issues

1. **To obtain the Foreigner Identification Number (NIE).**
2. **By Laws:**
 1. Company name
 2. Company purpose
 3. Number of shares
 4. Share capital
 5. Registered office of the company
3. **Manager:**
 1. Sole manager
 2. Joint managers
 3. Separate managers
 4. Board of directors
4. **Shareholders**
5. **Certified of Bank Entity (3.000.-€ minimum share capital)**
6. **Public deed before notary including all the previous documents.**

TAX ISSUES

- **Corporate tax:**
 - The general CIT rate in Spain is 25%. 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 form is filed on an annual basis each 25th July in relation to the last tax year.
- **VAT:**
 - The general VAT rate in Spain is a 21% (it is determined from the difference between the VAT from the sales and the VAT from the purchases).
 - This tax form is filed on a quarterly basis.
- **IAE:**
 - This tax is exempt during the first 2 years from the initial of activity and it is paid once the company arrives to a total income of 1 million Euros
- **Social security:**
 - The company should pay a fixed quote for each manager (tax resident in Spain) of 315 Euros on a monthly basis.
 - The company should pay for each employee (not manager) a 32% of their gross salary (approximately).