



## **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).