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Spain
Private Client

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This country-specific Q&A provides an overview of private client laws and regulations applicable in Spain.

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Spain: Private Client

1. Which factors bring an individual within the scope of tax on income and capital gains?

Spanish residence for tax purposes means being taxed in Spain in respect of the taxpayer's worldwide income and capital gains.

Habitual residence, which is the first and most important factor in deciding a person's tax residence, is determined by an individual's presence in Spanish territory for more than 183 days during the calendar year (January to December). Sporadic absences are not included.

Another factor for determining tax residence is if the main centre of business, professional activities or economic interests is in Spain.

In addition, there is a presumption of residence, whereby the spouse and minor children are considered to be tax resident in Spain, although this presumption is rebuttable.

The availability of a permanent home, centre of vital interests, habitual residence and nationality are used as a tiebreaker in the event of a conflict of residence under the double taxation agreements (DTAs) signed by Spain, as stated in Article 4 of the Model Tax Convention of the Organisation for Economic Co-operation and Development (OECD).

Non-residence in Spain for tax purposes means being taxed in Spain only in respect of Spanish-source income and capital gains. In this case the main factor is the location of the assets or rights in Spanish territory (eg real estate, shares in Spanish companies, etc).

2. What are the taxes and rates of tax to which an individual is subject in respect of income and capital gains and, in relation to those taxes, when does the tax year start and end, and when must tax returns be submitted and tax paid?

Natural persons resident in Spain for tax purposes are subject to Individual Income Tax (IRPF) on both income and capital gains. In general terms:

– Income is included in the general taxable base and charged at a progressive tax rate ranging from 19% to 48% or 50% (in some Autonomous Regions).

– Capital gains are included in the savings tax base and charged at a tax rate ranging from 19% to 30%.

The tax year starts on 1 January and ends on 31 December. The period for filing income tax returns is from April (the precise date varies each year) to 30 June of the following year.

Non-resident natural persons who reside in non-treaty countries are subject to Non-Resident Income Tax (IRNR) on Spanish-source income and capital gains subject to a final limited income tax at the following rates:

- Income is taxed at 24%.
- Capital gains and savings are taxed at 19%.

With respect to income obtained by residents of the European Union or of a state that belongs to the European Economic Area with which effective exchange of information exists, the tax rate is reduced to 19%.

Moreover, individual residents and non-residents who transfer real estate are subject to a municipal capital gains tax (Impuesto sobre el Incremento de Valor de los Terrenos de Naturaleza Urbana, IIVTNU) that is charged on the gain realised upon the transfer of land classified as urban land. The tax is payable by the seller or by the recipient of the property where no consideration has been paid. The tax rate is fixed by each municipality and may be up to 30%. This tax is a deductible expense when calculating any capital gain on the sale of immovable property.

3. Does your jurisdiction provide advantageous tax regimes for individuals directly investing in or holding certain types of assets from an income tax or capital gains tax perspective?

Spain offers several advantageous tax regimes for individuals investing in or holding certain types of assets. Here is a high-level overview of some key programs:

- Start-Up Investments: Spain provides tax incentives for individuals investing in start-up companies. Investors can benefit from a 30% deduction on the amount invested in new or recently created companies, with a maximum deduction base of EUR 60,000 per year.
- Holding Companies (ETVE): Spain has a

special tax regime for companies holding foreign securities (Entidades de Tenencia de Valores Extranjeros, ETVE). This regime allows dividends and capital gains obtained from the transfer of shares in non-resident subsidiaries to be exempt from taxation2 . This is particularly beneficial for individuals holding significant investments through a holding company structure.

- Patent Box Regime: Spain offers one of the most advantageous "patent box" regimes in the EU, providing up to a 60% exemption on net income derived from the use or transfer of certain intangible assets, such as patents and designs.
- Wealth Tax Benefits: Investments through holding companies can also offer advantages in terms of wealth tax. Assets managed by the holding company are not directly part of the shareholder's estate, potentially reducing the wealth tax base.

These programs are designed to encourage investment and innovation, providing significant tax benefits to individuals who meet the necessary requirements.

4. Are withholding taxes relevant to individuals and, if so, how, in what circumstances and at what rates do they apply?

Withholding taxes are relevant because they are paid on behalf of the taxpayer in a simpler way and at an earlier stage, when the income is earned.

Spanish-source income from employment, self-employment and capital earned by resident individuals is subject to a withholding tax, which is generally offset against the individual's final tax liabilities as follows:

a. Employment income is first reduced by deductible expenses and by personal, family, and additional allowances. It is then subject to the general withholding tax as per the general progressive rates set out in the table used for annual income tax.

Directors' fees are subject to withholding tax at the rate of 35%.

b. Dividends, interest and royalties are subject to withholding tax at the rate of 19% (except royalties paid for the use of intellectual property by an individual other than the author, which are subject to withholding tax at the rate of 15%).

c. Other income (among other cases):

- Income from the sale of the right to use their image by artists, athletes and bullfighters is subject to withholding tax at the rate of 24%.
- Payments to self-employed professionals, artists and athletes in consideration of independent professional, artistic or sporting activities are subject to withholding tax at the rate of 15%. The rate is 7% during the first 3 years of their business activity.
- Income from forests is subject to withholding tax at the rate of 2%.
- Income from the lease of urban real estate intended for a business activity is subject to withholding tax of 19%.
- Capital gains from the sale of stakes in investment funds are subject to withholding tax at the rate of 19%, except where rollover relief applies.

5. How does the jurisdiction approach the elimination of double taxation for individuals who would otherwise be taxed in the jurisdiction and in another jurisdiction?

As a unilateral measure for the avoidance of double taxation of income, Spain uses the ordinary credit method. Under this method, a resident taxpayer with foreign-source income may offset against his/her Spanish tax liability on worldwide income the lower of:

- the tax paid abroad on the foreign-source income or capital gains. Any foreign tax paid (either through withholding or assessment) which is similar in character to the Spanish income tax may be offset; and
- the Spanish income tax attributable to the foreign-source income or capital gains.

Carrying over any excess credits is not possible. Under the network of comprehensive tax treaties, the method generally used by Spain for the avoidance of double taxation is the ordinary credit method as described above.

Spain has signed the Multilateral Instrument (MLI), negotiated in the context of the OECD BEPS Framework, which entered into force on 1 January 2022.

6. Is there a wealth tax and, if so, which factors bring an individual within the scope of that tax, at

what rate or rates is it charged, and when must tax returns be submitted and tax paid?

There is a wealth tax in Spain.

Residents: The tax is imposed on worldwide net wealth.

For resident taxpayers, there is a general exemption of EUR 700,000 (this figure may vary depending on the Autonomous Region). The taxable base will encompass the value of the net assets held on 31 December of each of the taxable years.

Exemptions include unquoted shares and comparable interests in companies (other than portfolio or real estate management companies).

The Autonomous Regions are authorised to set their own tax rates and allowances within certain limits. If an Autonomous Region does not set such rates, the standard progressive rate table currently ranging from 0.2% (on the first EUR 167,129.45) to 3.5% (on the excess over EUR 10,695,996.06) applies. Some Autonomous Regions have approved different measures which include charging a zero rate on their residents (e.g. Andalusia).

The aggregate burden of income tax and net wealth tax to be paid by a resident taxpayer must not exceed 60% of their total taxable income for income tax purposes. If it exceeds this amount, the taxpayer may reduce his/her net wealth tax liability by the excess amount. However, a minimum tax of 20% of the net wealth tax liability as originally calculated (i.e. before the application of the 60% rule) must be paid.

Non-Residents: Non-resident individuals are subject to net wealth tax on the assets or rights they possess in Spain.

Non-resident owners of property in Spain, when calculating the value of their wealth, may deduct only those burdens and encumbrances affecting Spanish assets or rights which are situated or may be exercised or fulfilled in Spain, as well as borrowed capital invested in such assets. Foreign mortgages used for the acquisition of Spanish real estate is deductible.

The maximum burden of income and net wealth tax does not apply to non-residents.

The general allowance of EUR 700,000 is also applicable to non-residents.

Some tax treaties also cover taxes on capital (net wealth).

In addition, the Temporary Solidarity Tax on Large Fortunes (ITSGF) was introduced in Spain under Law 38/2022 and came into force on 29 December 2022, being calculated as at 31 December. Initially conceived as a temporary measure for the tax years 2022 and 2023, it has since become permanent. The tax applies to individuals with a net wealth exceeding EUR 3 million, subject to progressive rates ranging from 1.7% to 3.5%. It operates as a complement to the regional Wealth Tax, allowing deductions for amounts paid at the regional level, which makes its impact particularly significant in regions granting full exemptions, such as Madrid and Andalusia. Returns are filed electronically using Form 718 in July of the following year. While its stated purpose is to promote fiscal equity and harmonise wealth taxation across Spain, the measure remains controversial and faces ongoing legal scrutiny regarding potential conflicts with regional competences.

7. Is tax charged on death or on gifts by individuals and, if so, which factors cause the tax to apply, when must a tax return be submitted, and at what rate, by whom and when must the tax be paid?

Inheritance and gift tax exists in Spain.

In Spain, Inheritance and Gift Tax (ISD) is based on the principle of the effective residence of the recipient taxpayer.

A recipient who is a resident in Spain is thus liable to the tax with regard to property and associated rights located in Spain or abroad which are acquired through a transfer for no consideration.

Non-resident recipients are subject to this tax:

- with regard to any assets which are located in Spain or rights which may be exercised in Spain; and
- with regard to proceeds under a life insurance policy which was taken out with a Spanish insurance company or with a Spanish branch of a foreign company.

ISD is applied to unpaid transfers of assets and/or rights between individuals. There are deductions and tax allowances on certain assets or in the case of family relationships.

As this is a tax transferred to the Autonomous Regions, tax liability varies significantly, even within Spanish borders.

8. Are tax reliefs available on gifts (either during the donor's lifetime or on death) to a spouse, civil partner, or to any other relation, or of particular kinds of assets (eg business or agricultural assets), and how do any such reliefs apply?

Tax relief will vary significantly depending on the Autonomous Region where the taxpayer is resident or, in the case of non-residents, where most of the assets are located.

Tax relief applies to relatives, unmarried partners, and a particular kind of assets, i.e. family-owned companies, agricultural assets, and assets considered to form part of Spain's cultural and historical heritage.

9. Do the tax laws encourage gifts (either during the donor's lifetime or on death) to a charity, public foundation or similar entity, and how do the relevant tax rules apply?

For contributions to such entities, there are some tax allowances for corporate income tax, personal income tax and non-resident income tax.

Associations declared to be of public utility and foundations can apply a more advantageous special tax regime. In addition, there are some tax incentives for these charities or investments in patronage activities.

10. How is real property situated in the jurisdiction taxed, in particular where it is owned by an individual who has no connection with the jurisdiction other than ownership of property there?

If an individual owns real estate in Spain, he/she will be liable to pay the following taxes:

- Non-Resident Income Tax, whether the property is rented or vacant.
- Property Tax (Impuesto sobre Bienes Inmuebles, IBI), which is charged annually by the municipal authorities on the possession of both urban and rural immovable property located within the municipality.
- If the property is sold, a withholding tax of 3% of the price is applied as an advance payment of the capital gains part of Non-Resident Income Tax and for the IIVTNU (the municipal capital gains tax).

For Non-Resident Income tax purposes, the declared value should be the market value if it is higher than the consideration agreed between the parties.

For the IIVTNU, Wealth tax and Transfer Tax, the Spanish Tax Authority has created a reference value which is calculated following an analysis of the prices of all real estate sales and purchases made before a Notary Public, which will be used to determine the taxable base for these taxes.

11. Does your jurisdiction have any specific rules in relation to the taxation of digital assets?

In Spain, the digital revolution has led to the establishment of new technological tax incentives such as tax deductions for R&D&I, patent boxes, and the promotion of the creation of technological start-ups.

A digital services tax also exists but only for high turnover companies.

12. Are taxes other than those described above imposed on individuals and, if so, how do they apply?

- An Additional Wealth Tax on Large Estates *(Impuesto de Solidaridad de las Grandes Fortunas, ISGF)* became effective from 1 January 2022, for tax periods ending on 31 December 2023. The ISGF is a direct tax that supplements the tax levied on the net wealth of individuals above EUR 3 million.
- VAT is charged at a general rate of 21%. There are also two reduced rates of 10% and 4%, which are applied to certain goods or services of general use or which are considered basic necessities.
- The Spanish tax system provides for a series of excise taxes on the sale of certain goods, including hydrocarbons, alcoholic beverages, and the registration of certain means of transport. The amount of the tax varies according to the different goods. VAT is often charged at the same time.
- Transfer Tax and Stamp Duty (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados, ITP and AJD*) are applied to the sale and purchase of all types of goods and rights, to certain operations carried out by companies, and to acts or transactions that must be documented by a notary. The amounts raised through these taxes is

attributed to the Autonomous Regions, and rates vary between 6% and 11%.

13. Does your jurisdiction provide advantageous special tax regimes for individuals from a wealth tax, inheritance/estate tax or gift tax perspective?

There is a special regime for workers, professionals, entrepreneurs and investors moving to Spain, commonly known as Beckham's law, which has a dual advantage: first, the taxpayer only pays tax in Spain on income obtained in Spanish territory (income earned worldwide not being taxed), while he/she is allowed to prove his/her tax residence in Spain; and second, tax rates lower than the maximum marginal personal income tax rates are applied.

14. What steps might an individual be advised to consider before establishing residence in (or becoming otherwise connected for tax purposes with) the jurisdiction?

For tax purposes, the natural person has to ensure that he/she is not considered a tax resident in any other country. Where dual residency exists, the tie breaker rules for determining residence in a given country that are established in the double tax treaties will apply.

A person can have a residence permit or administrative residence in a country yet not be considered a tax resident there.

A good tax adviser should be consulted to ensure that the requirements for residence in Spain are met as well as to advise on the reorganisation of income and assets held outside Spain and to consider whether any special lower tax regime is applicable in Spain, taking into account Spanish and foreign income and the location of the assets owned.

In order to obtain residency, it is essential to follow some specific steps beforehand:

- NIE (foreigner identification number) requirements: As a foreigner in Spain, the NIE is required; it can be obtained at the police station or consulate.
- Registering and notifying tax residence to the Spanish Tax Authority through form 030.
- Registration of the fact that a natural person lives in a given area with the local authority (*empadronamiento*).

15. Once an individual has left (and is no longer connected for tax purposes with) the jurisdiction, does the jurisdiction charge any form of exit tax or retain taxing rights over the individual's directly held assets or structures which they created or have an interest in?

Spain imposes an exit tax on individuals who cease to be tax residents. This tax applies to latent or unrealised capital gains on certain assets when an individual changes their tax residence to another country. The exit tax is designed to prevent tax avoidance by ensuring that capital gains accrued while the individual was a Spanish tax resident are taxed before they leave.

Specifically, the exit tax affects individuals who have been tax residents in Spain for at least 10 of the 15 tax periods prior to their departure and who hold shares or participations in entities with a market value exceeding €4 million, or who hold at least 25% of shares in a company with a market value exceeding €1 million.

16. What are the main rules of succession, and what are the scope and effect of any rules of forced heirship? Do any forced heirship rules apply automatically, or is it necessary for heirs to bring claims to enforce their rights?

Spain is a multi-law state with respect to inheritance law and matrimonial property law, in which the individual regulations of the Autonomous Regions can take precedence over the application of general Spanish inheritance law. Therefore, there is no standardised Spanish inheritance law, but rather various regional legal systems. Only if no regional inheritance law applies will the regulations of the general Spanish inheritance law in the Spanish Civil Code of 1889 apply.

Aragon, the Balearic Islands (Mallorca, Menorca, Ibiza and Formentera), the Basque Country (Biscay, Alava, Guipuzkoa), Galicia, Catalonia and Navarre have specific regional rights in inheritance matters.

According to the Spanish Civil Code, ownership of the estate and the rights to the estate pass directly to the heirs at the time of the deceased's death, provided that they accept the inheritance.

The heir inherits from the deceased by the mere fact of the latter's death. This means that succession commences upon the death of the deceased.

Both natural persons and legal entities can inherit a

deceased's property. Natural persons appointed as heirs must have been born at the time of the inheritance, i.e. have lived 24 hours outside of the womb. In the case of the aforementioned requirement, children conceived are treated in the same way as children who have already been born, insofar as they only have a legal advantage from the inheritance.

In the absence of a last will and testament, the legal succession in Spain is determined by the degree of kinship to the deceased. The legal heirs are, in order of priority, as follows:

1. children and their descendants
2. parents and their ascendants
3. surviving spouse
4. relatives up to the fourth degree
5. the state

The deceased's relatives in the descending line – i.e. the children of the deceased and their descendants – therefore take precedence over other potential heirs.

According to the rules of the Spanish Civil Code the following relatives are entitled to a part of the estate (forced heirship):

1. the children and their descendants
2. parents and grandparents
3. the spouse

Children and descendants are entitled to two thirds of the estate as a right of inheritance. One third is to be divided equally among the children, while the second third can be used to improve the estate of individual children. Only the final third may be freely disposed of by the testator.

If there are no children or descendants of the deceased, the parents and more distant ancestors are entitled to half of the estate. If there is a surviving spouse, his/her compulsory part is only one third.

An important unusual feature of Spanish inheritance law is that the spouse is only entitled to a mere usufructuary right to part of the deceased's estate because blood ties take precedence. There is no entitlement to any of the deceased's estate if the spouses were separated (legally or *de facto*). How much the spouse is entitled to receive is determined by the number of other mandatory heirs.

The spouse receives a usufruct over the third of the estate intended to supplement the compulsory share of the descendants, provided there are children or grandchildren.

If there are only ancestors (parents, grandparents) of the deceased, the surviving spouse's right of usufruct is increased to half of the estate and if there are neither descendants nor ancestors, the compulsory part consists of a right of usufruct over two thirds of the estate.

In this context, it should be noted that some regional laws provide special regulations for spousal inheritance rights and sometimes even give priority to the surviving spouse (e.g. in Aragon).

17. Is there a special regime for matrimonial property or the property of a civil partnership, and how does that regime affect succession?

The distribution of the estate under inheritance law is preceded by the division of the matrimonial property regime under Spanish matrimonial property law. The following matrimonial property regimes exist under the general Spanish civil law:

The legal status of property in the Spanish Civil Code is that of the matrimonial joint property regime (regimen matrimonial de gananciales). In this case, what each spouse receives as profit or income during the marriage is joint property. If the joint property regime is dissolved, the surviving spouse therefore receives half of the joint assets, while the other half goes to the estate. In the absence of proof to the contrary, all assets are deemed to be joint assets. In practice, this means that all assets are normally treated as joint property, unless, for example, property is acquired by one of the spouses with his/her own funds before the marriage and the acquisition is defined as a “private asset".

The statutory matrimonial property regime can only be deviated from by means of a notarised marriage contract, which is recorded in the civil register when the marriage is registered and in the land register when property is acquired.

General Spanish civil law also recognises the property regime of participation in profits (participación en las ganancias), in which each spouse acquires the right to participate in the profits made by the other during the marriage. There are no joint assets in this matrimonial property regime. Each spouse manages his/her own assets. At the end of the marriage, the initial and final assets are compared and the spouse who has realised the greater gain must pay half of the difference to the other spouse in cash.

Finally, the Spanish Civil Code also regulates the matrimonial separate property regime (separación de bienes), which also applies if the spouses have excluded

the statutory matrimonial joint property regime by means of a marriage contract without choosing another one. The separate property regime applies in Catalonia according to the provisions of the Catalan Civil Code.

It should also be noted that there may also be different regional regulations regarding matrimonial property law and that the EU Matrimonial Property Regulation applies to marriages between people of different nationalities.

18. What factors cause the succession law of the jurisdiction to apply on the death of an individual?

The application of succession law in Spain is determined mainly by the habitual residence of the deceased at the time of death or, where applicable, by the express choice of national law (*professio iuris*). In the absence of such a choice, the applicable law shall be that of the State of the deceased's last habitual residence, unless there are manifestly closer links with another State. Domestically, civil residence (*vecindad civil*) is the criterion for determining the applicable law among the different Spanish civil laws.

If the deceased is a foreign national and their last habitual residence was in Spain, Spanish law applies, but the question arises as to which Spanish civil law (common or regional) is applicable. Given that foreign nationals do not have civil residence, the law of the territorial unit corresponding to the place of habitual residence of the deceased at the time of death applies, in accordance with Article 36.2 of the Regulation. In the case of Spanish nationals, the applicable law shall be that of the civil residence of the deceased at the time of death.

There are exceptions and nuances: if the deceased had manifestly closer ties to another State, the law of that State shall apply. Furthermore, the principle of unity of succession law implies that a single law will govern the entire succession, without any distinction being drawn between movable and immovable property. As for the rights of the surviving spouse, these are governed by the same law of succession.

19. How does the jurisdiction deal with conflict between its succession laws and those of another jurisdiction with which the deceased was connected or in which the deceased owned property?

Spanish courts deal with conflicts between Spain's succession laws and those of other jurisdictions by applying, as a general rule, Regulation (EU) 650/2012 (the European Succession Regulation), which determines the law applicable to succession based on the habitual residence of the deceased at the time of death, unless, as mentioned above, national law is expressly chosen (*professio iuris*). In the event of *renvoi* by foreign law to Spanish law, Spanish doctrine and case law allow for first-degree *renvoi*, but only if the unity of the succession law is not broken. Furthermore, Spanish courts apply conflict rules *ex officio* and recognise the primacy of EU regulations over domestic law. International treaties and conventions may supersede the application of domestic or EU rules if they are applicable to a given case.

Since the entry into force of Regulation (EU) 650/2012, Spanish courts generally apply the law of the State of the deceased's last habitual residence, unless the deceased has made a *professio iuris* choosing the law of their nationality. If there is no express choice, the applicable law will be that of the habitual residence, with the possibility of applying the law of the closest ties in exceptional cases. In successions opened before 17 August 2015, Article 9.8 of the Spanish Civil Code applies, which refers to the national law of the deceased.

Spanish law allows first-degree *renvoi*, i.e. if the foreign law designated by the conflict rule refers to Spanish law, this referral may be accepted, provided that it does not fragment the unity of the succession law. Thus, the Supreme Court has ruled that *renvoi* is only admissible if it maintains the unity and universality of the succession. Within the scope of Regulation (EU) 650/2012, referral is only permitted under the terms of Article 34 of the Regulation and does not apply in cases of *professio iuris* or choice of law based on closest connections.

The main applicable instrument is Regulation (EU) 650/2012, which is *erga omnes* in nature and supersedes domestic law on international succession. In the absence of application of the Regulation, the international conventions in force between Spain and the foreign State concerned apply, and, failing that, the domestic rules of the Spanish Civil Code (Art. 9.8). The Organic Law on the Judiciary (Art. 22 *quater*) regulates international jurisdiction in matters of succession.

20. In what circumstances should an individual make a Will, what are the consequences of dying without having made a Will, and what are the formal requirements for making a Will?

If there is no will the consequences are distribution of the estate according to legal rules, more complex procedures, higher costs and possible disputes.

The formal requirements are capacity, proper form, free will, respect for legitimate rights and compliance with formalities depending on the type of will. The normal form of will in Spain is the open notarial will (*testamento abierto*), which is not very expensive.

Non-residents with real estate should consider drawing up a Spanish will to simplify inheritance, avoid duplication and ensure that their wishes regarding these assets are effectively carried out. Notarised wills are automatically registered publicly.

21. How is the estate of a deceased individual administered and who is responsible for collecting in assets, paying debts, and distributing to beneficiaries?

The administration of the estate of a deceased person falls, in the first instance, to the executor, the administrator of the estate or the partitioner, as determined by the testator or, failing that, by the judicial or notarial authority. The person responsible for collecting the assets, paying the debts and distributing the property among the beneficiaries is the estate administrator, who must preserve the estate, represent the estate and render accounts of its management. Until all creditors and legatees have been paid, the estate is considered to be in administration. The process is carried out under specific rules, including the drawing up of an inventory, the settlement of debts and the subsequent distribution of the remaining assets among the beneficiaries.

The administration of the estate of a deceased person may be the responsibility of the executor, the administrator of the estate or the partitioner, as determined by the testator or, failing that, by the judicial or notarial authority. If the testator has not designated anyone, the administration may become the responsibility of the heir, in agreement with the creditors and legatees. In the absence of any agreement, judicial or notarial appointment of the testator may take place. In cases of an undistributed estate, the administration may be assumed by the person who de facto exercises the management, or by a court-appointed administrator.

The main duties of the administrator of the estate are to preserve the estate, represent the estate in all acts and lawsuits, and render accounts of their management. They may not dispose of inventoried assets except with respect to perishable assets or for justified necessity. The administrator must first pay known creditors and then legatees; only after these obligations have been met may the heirs dispose of the remainder. If the assets are insufficient to cover debts and legacies, the administrator is liable for damages caused by fault or negligence.

The process begins with the preparation of an inventory, which must include all the property, rights, debts and obligations of the deceased. The administrator collects the assets, settles the debts and pays the legacies in accordance with the legal order of priority. The costs of administration, drawing up the inventory and defending inheritance rights are borne by the estate. Once creditors and legatees have been paid, the remainder is distributed among the heirs in accordance with the approved partition.

Under common Spanish civil law, the administration of the estate follows the Roman law system, which prioritises the preservation of the estate until liquidation and distribution, with the intervention of an executor, administrator or partitioner, as appropriate. In regional laws, there may be additional figures such as contractual executors, trusted heirs or fiduciary wills, with particularities in the appointment and functions of the administrators.

22. Do the laws of your jurisdiction allow individuals to create trusts, private foundations, family companies, family partnerships or similar structures to hold, administer and regulate succession to private family wealth and, if so, which structures are most commonly or advantageously used?

Spanish law does not provide a single, unified legal framework specifically governing private or commercial structures designed exclusively for the holding, administration and succession of family wealth. Instead, family wealth planning is governed by a fragmented body of rules contained in the Spanish Civil Code and the regional civil codes of certain Autonomous Regions, the Spanish Companies Act, and the applicable tax legislation (including Personal Income Tax, Wealth Tax and Inheritance and Gift Tax), with material variations depending on the relevant Autonomous Region.

Within this framework, Spanish law does not recognise a domestic trust comparable to the concept of trust existing in common-law jurisdictions. The separation between legal and beneficial ownership that characterises the latter is foreign to the Spanish civil-law system, and a “Spanish trust” cannot be created as such. While foreign trusts (for example, UK or US trusts) may be acknowledged for private international law purposes, they are typically redefined under Spanish civil and tax law

according to their substantive features (for instance, as gifts, usufructs, contractual arrangements or corporate structures). This frequently generates legal uncertainty, particularly in tax and succession matters, and makes trusts a challenging instrument for Spain-based wealth structures.

Similarly, Spanish law does not recognise private interest foundations in the sense commonly understood in common-law jurisdictions. Although foundations may be established by private individuals under the Foundations Act (Law 50/2002), their purposes must be exclusively of a general or social interest. Consequently, foundations cannot be validly constituted as vehicles to hold, manage or transfer private family wealth for reasons related purely to assets per se or succession planning, as any income or returns must be reinvested in the foundation's philanthropic activities.

As a result, family wealth planning in Spain is primarily carried out through partnerships and commercial companies, structured with different corporate purposes depending on the nature of the assets involved. Among these, the most common and efficient structures are commercial companies, particularly private limited liability companies (Sociedad Limitada – SL) and public limited companies (Sociedad Anónima – SA), often organised as family holding companies.

Although the concept of a "family business" is not expressly defined in the Spanish Companies Act, it is widely recognised both from a commercial and a tax perspective. A broad definition can be found in Royal Decree 171/2007, of 9 February, regulating the publicity of family protocols, which refers to companies in which ownership or decision-making power belongs, wholly or partially, to a group of individuals related by blood or marriage. Family protocols play a central role in this context, operating as governance instruments regulating the relationships among family shareholders and between them and the companies in which they participate.

In practice, family holding companies are used to centralise the ownership of operating businesses, financial investments and real estate (often through subsidiary special-purpose vehicles), to structure governance and decision-making, to restrict transfers of shares, and to plan intergenerational succession by separating ownership from control through mechanisms such as different share classes, usufruct arrangements, voting rights and board composition.

These holding structures integrate effectively with the Spanish "family business" tax framework, under which qualifying participations may benefit—subject to strict technical requirements—from significant reliefs in Inheritance and Gift Tax and exemptions in Wealth Tax. In many cases, compliance with these requirements becomes the decisive factor in the design of the structure.

In summary, while Spanish law does not allow the creation of domestic trusts or private interest foundations for family wealth purposes, it offers a well-developed combination of corporate, contractual and succession tools. Family holding companies, supported by tailored governance instruments and succession planning mechanisms, constitute the most used and advantageous structures for holding, administering and transferring private family wealth in Spain.

23. How are these structures constituted and what are the main rules that govern them?

In Spain, private family wealth structures are constituted and governed through a combination of civil law, company law and tax law, rather than under a single, dedicated wealth-structuring statute. Their legal validity and effectiveness derive from the coordinated application of these bodies of law, supplemented by contractual governance instruments.

1. **Commercial companies (family companies and holding companies)**: The most commonly used structures for holding and transmitting family wealth are commercial companies, primarily private limited liability companies (*Sociedad Limitada – SL*) and, less frequently, public limited companies (*Sociedad Anónima – SA*).

- Incorporation: Companies are incorporated by public deed before a notary, executed by one or more founders. The deed must include, among other things, the company's Articles of Association, share capital, corporate purpose, governance structure and shareholder details. The company acquires legal personality upon registration with the Commercial Registry. Share capital requirements are minimal for SLs, making them particularly attractive for family structures.
- Governing rules: These entities are primarily governed by the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*), the company's Articles of Association, and, where applicable, shareholders' agreements.

In family contexts, shareholders' agreements and family protocols play a key role in regulating: transfer restrictions and exit mechanisms, decision-making and control, succession of shares, and dispute resolution.

From a tax perspective, holding companies are subject to corporate income tax and, where applicable, to the specific requirements of the family business tax regime, which may provide significant inheritance, gift and wealth tax benefits if certain conditions are met.

2. **Partnerships and other collective ownership arrangements**: Partnerships and co-ownership arrangements may also be used, particularly for specific assets or professional activities.

- Formation: These business organisations can generally be created by private agreement, although public deeds are advisable where real estate or registrable assets are involved. Registration is not always mandatory; it depends on the nature of the entity and its activities.
- Governing rules: They are governed primarily by the Spanish Civil Code and, where applicable, regional civil legislation. While flexible, these entities often lack the robustness as regards governance which is required for multi-generational wealth planning and are therefore less frequently used as core succession vehicles.

3. **Foundations**: Foundations are constituted under the Foundations Act and may be formed as entities with legal personality, but only for purposes of general interest.

- Formation: Foundations are created by public deed or by will. A minimum endowment is required which must be permanently allocated to the foundation's stated purposes. Registration in the relevant Foundations Registry is mandatory.
- Governing rules: Foundations are governed by their founding deed, articles of association and mandatory public-law supervision. Their governing body (*patronato*) must manage the assets exclusively in furtherance of the foundation's general or social purpose. Foundations cannot be governed or used for the private economic benefit of a family, nor as pure succession-planning vehicles.

4. **Trust-like mechanisms under Spanish law:** Although Spanish law does not recognise trusts, certain civil-law mechanisms may be used to achieve limited trust-like effects. Some examples are as follows: usufruct arrangements; substitution mechanisms under succession law; or contractual arrangements allocating income or use rights over assets.

These mechanisms are governed by the Spanish Civil Code and, where applicable, regional civil legislation. They do not create a separate estate comparable to a trust and must respect mandatory inheritance rules.

In Spain, family wealth structures are not governed by a single regime but by a layered legal framework in which incorporation formalities establish the legal entity, company law and civil law define internal governance and asset ownership, contractual arrangements tailor family control and succession matters, and tax law significantly influences the design and sustainability of the structure.

This integrated approach explains why family holding companies, supported by robust governance and succession planning tools, are the predominant and most effective structures for administering and transmitting private family wealth under Spanish law.

24. What are the registration requirements for these structures and what information needs to be made available to the relevant authorities? To what extent is that information publicly available?

In Spain, the registration requirements and disclosure obligations applicable to the above-mentioned structures depend on the legal nature of the vehicle used.

1. **Commercial companies (family companies and holding companies):** Commercial companies, including family holding companies (SL or SA), must be incorporated by public deed before a notary and registered with the Commercial Registry corresponding to the company's registered office. A company only acquires legal personality upon registration. Where the company acquires registrable assets (such as real estate or other rights subject to public registration), such assets are registered in the name of the company itself, as legal owner, and not in the name of its shareholders.

The following information must be filed with the Commercial Registry: company name, registered office and corporate purpose; share capital and shareholding structure; identity of directors and representation powers; articles of association and any amendments thereto and

annual accounts (balance sheet, profit and loss account, notes to the accounts, and where applicable, management report and audit report).

In addition, companies must identify their ultimate beneficial owners in the Central Register of Beneficial Ownership, which can be accessed by the competent authorities and, to a limited extent, by obliged entities for anti-money laundering purposes.

Core corporate information (company details, directors, articles of association, filed accounts) is publicly accessible through the Commercial Registry.

Beneficial ownership information is not fully public; access is restricted and subject to anti-money laundering legislation.

2. **Unlimited companies and other non-corporate arrangements:** Partnerships and co-ownership arrangements generally do not require registration in the Commercial Registry. However, where real estate or other registrable assets are involved, the relevant deeds must be executed in public form and registered with the Land Registry or other applicable asset registries. In such cases, the registrable assets are recorded in the name of the individual co-owners or participants, rather than in the name of the partnership itself, as the latter lacks separate registrable legal personality for these purposes.

Certain partnerships carrying out economic activities may be required to register for tax purposes as well as in certain administrative registries in some cases. Information registered in asset-specific registries (such as the Land Registry) is publicly available, subject to legitimate interest requirements.

Contractual arrangements between private parties are not public unless incorporated into registrable deeds.

3. **Foundations:** Foundations must be constituted by public deed or by will and registered with the relevant Foundations Registry (state or regional, depending on the scope of their activities). Registration is mandatory and constitutive. Where foundations acquire registrable assets (such as real estate or other rights subject to public registration), such assets are registered in the name of the foundation itself, as an independent legal entity, and not in the name of the founder or members of the governing body.

Foundations must file the founding deed and articles of association; identification of the governing body (*patronato*); annual accounts and activity reports and information required by supervisory authorities regarding compliance with their general-interest purpose.

Basic registration data and articles of association are generally publicly accessible. Financial and activity information is subject to oversight and may be accessible to varying degrees depending on the registry and applicable regulations.

4. **Trusts and trust-like arrangements:** Spain does not recognise domestic trusts, and therefore there is no trust register as such. Foreign trusts with a Spanish nexus may trigger tax reporting obligations; disclosure of assets or income attributable to Spanish taxpayers; beneficial ownership reporting for anti-money laundering purposes.

Such information is made available to tax and supervisory authorities but is not public.

Regardless of the structure used, the above-mentioned vehicles are subject to tax registration with the Spanish tax authorities; periodic tax filings (corporate income tax, personal income tax, wealth tax, inheritance and gift tax, where applicable); reporting obligations regarding foreign assets or cross-border structures. These filings are confidential and accessible only to the competent authorities.

In Spain, registration and disclosure requirements for family structures are entity-specific and function-driven, rather than wealth-driven. Commercial companies are subject to the highest level of public disclosure through the Commercial Registry, while civil arrangements and tax filings remain largely private. Foundations are subject to enhanced transparency and supervision due to their public-interest nature. As a result, the degree of public visibility varies significantly depending on the legal structure chosen, with corporate holding structures offering a balance between legal certainty, governance efficiency and controlled transparency.

25. How are such structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

The Spanish tax authorities do not recognise trusts and the relationships between the contributors of assets and rights and their recipients are considered to be carried out directly between them as if the trust did not exist,

thus imposing a regime of fiscal transparency.

Consequently, transfers of assets and rights of the person who set up the trust – or of the income produced by such assets and rights – ordered by the trustee in favour of the beneficiaries, for the purposes of Spanish tax law, are considered to be direct transfers from the settlor to the beneficiary.

- Inheritance and gift tax implications

Upon the death of the settlor, the assets and rights contributed to the trust are transferred *mortis causa* to the extent that the transfer is not deemed to have taken place by the contribution of the assets to the trust.

If, after the contribution of assets to the trust, a donation of all or part of the assets contributed is formally executed in a document to that effect in which the beneficiaries accept the donation, an *inter vivos* transfer will be deemed to have taken place directly from the settlor to those beneficiaries who have accepted the donation, since such transfer is not deemed to have taken place with the contribution of the assets to the trust.

- Personal income tax implications

Interest received by the trust as a result of the granting of a loan is included in the beneficiary's personal savings taxable income.

The income from movable capital must be attributed to the year in which it becomes chargeable, and a subsequent material delivery to the beneficiary from the trust of the funds corresponding to this income does not give rise to fresh taxation.

Although the creation of a trust does not have any tax benefits in Spain, it can be useful for those who have significant international assets when planning their future succession.

26. Are foreign trusts, private foundations, etc recognised?

Spain adopts a restrictive and substance-based approach to foreign trusts and private foundations. While such structures may be recognised for conflict-of-laws purposes, they are not fully integrated into the Spanish legal system and are frequently redefined for civil and tax purposes.

For civil-law purposes, the trust is not a recognised concept under Spanish law. Spain has not ratified the 1985 Hague Convention on the Law Applicable to Trusts and on their Recognition, which means that, in principle, trusts do not produce direct legal effects under Spanish law. As a result, transfers carried out through a trust are generally treated as having been made directly between the parties involved (namely, settlors and beneficiaries), as if the trust itself did not exist, unless the Spanish authority redefines or adapts the arrangement to an equivalent domestic legal institution, in accordance with the legally recognised powers of adaptation.

There are, moreover, certain forms of functional recognition (for example, for registration purposes, in matters of voluntary jurisdiction or in the context of international judicial cooperation, according to article 57 of the Law 29/2015, of 30 July, on International Legal Cooperation in Civil Matters). However, such recognition is always carried out by way of substitution, by assimilating the trust to Spanish legal structures pursuing a comparable purpose, rather than by acknowledging the trust as an autonomous legal figure.

Recent Spanish case law and administrative doctrine confirm that the absence of the legal recognition of trusts under Spanish law does not prevent their taxation. In its decision of 30 May 2025 (TEAC, case RG 5163/2024), the Central Economic-Administrative Court reaffirmed the long-standing position of the Spanish tax authorities that trusts are subject to a tax transparency approach. For Spanish tax purposes, assets and income settled into a foreign trust are deemed to be transferred directly from the settlor to the beneficiary, without recognising the trust as a separate taxable entity. Accordingly, upon the settlor's death, the transfer of assets to a Spanish-resident beneficiary is treated as a *mortis causa* acquisition, subject to Spanish Inheritance and Gift Tax on a worldwide basis, regardless of the location of the assets. The lack of civil-law recognition of the trust therefore reinforces, rather than excludes, its direct tax attribution to the beneficiary. Deductions are strictly limited to those expressly permitted under Spanish inheritance tax regulations, costs arising from the administration or liquidation of the trust being excluded.

Foreign foundations may also be recognised in Spain, provided they have been validly constituted under their governing law and their purposes are compatible with Spanish public policy. However, Spanish law only recognises foundations with general or public interest purposes.

Structures that operate as private interest or family wealth foundations, even if valid abroad, may face limitations in Spain, particularly in terms of asset ownership, succession effects and tax treatment.

As with trusts, Spanish authorities may analyse the foundation's substance to determine whether it should be treated as a separate legal person or whether its assets should be attributed directly to founders or beneficiaries.

27. How are such foreign structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

See the answer to question 25.

28. To what extent can trusts, private foundations, etc be used to shelter assets from the creditors of a settlor or beneficiary of the structure?

As trusts are not recognised as autonomous legal institutions under Spanish law, they do not create a separate patrimonial sphere capable of insulating assets from creditors. In civil and insolvency contexts, Spanish authorities typically apply a substance-over-form and transparency approach, treating assets settled on trust as remaining within the settlor's or beneficiary's estate, depending on the factual circumstances.

As a result, assets transferred to a trust may remain exposed to the settlor's creditors, particularly where the settlor retains control, powers of revocation, and/or economic enjoyment or influence over the assets.

Where a beneficiary has an enforceable right to trust assets or income, those rights may be enjoyed by the beneficiary's creditors.

Accordingly, trusts are generally ineffective as asset-protection tools vis-à-vis Spanish creditors where there is a relevant Spanish nexus.

29. What provision can be made to hold and manage assets for minor children and grandchildren?

Under Spanish law, assets may be held and managed for the benefit of minor children and grandchildren through a combination of civil-law protective mechanisms, succession planning tools and corporate structures.

Generally, assets belonging to minors are administered by their legal representatives, typically parents exercising parental authority or, where applicable, appointed guardians. Certain acts of disposal or encumbrance—such as the sale of real estate, businesses or other significant assets—require prior court authorisation, ensuring judicial oversight and protection of the minor's interests.

Where parents are deceased or unable to act, a guardian or curator, depending on the circumstances, may be appointed to manage the minor's assets. The guardian's powers are subject to ongoing judicial supervision, and asset management is generally conservative, with limited investment discretion.

Spanish national and regional succession laws also allow for significant flexibility through wills and inheritance planning, within the boundaries of mandatory forced heirship rules. Common planning techniques include granting minors bare ownership while assigning a usufruct—often to the surviving parent or another trusted person—to manage and enjoy the assets until a certain age, introducing age-based distribution clauses that delay full control or disposal powers, and appointing administrators (albaceas) with extended powers to administer estate assets during a transitional period.

Another relevant mechanism is the use of fideicommissary substitutions, which allow assets to pass successively to different beneficiaries (for example, children first and grandchildren thereafter), subject to statutory limits. These arrangements make it possible to defer ultimate ownership or control and are particularly effective in preserving family assets across generations.

In addition, Spanish law provides for the creation of protected estates, primarily designed for persons with disabilities but, in certain cases, adaptable to enhanced asset protection scenarios. These structures involve the segregation of assets and their management under specific statutory rules.

In practice, one of the most effective ways to manage assets for minors and grandchildren is through family holding companies, often combined with the succession and civil-law mechanisms described above. Shares may be allocated to minors, while management and control remain with adult directors or shareholders. Voting rights, economic rights and transfer restrictions can be structured to prevent premature disposal, and shareholders' agreements and family protocols can regulate governance matters, education or involvement requirements, dividend policies and succession planning.

This combined approach allows for professional and orderly asset management, while ensuring full compliance with the Spanish inheritance rules and the protection of minors' interests.

From a tax perspective, transfers of assets to minors are generally subject to Inheritance and Gift Tax, either upon death (mortis causa) or through lifetime transfers (inter vivos), with the applicable tax regime determined by the beneficiary's residence and, in some cases, the location of the assets. Income generated by assets held on behalf of minors is typically attributed to the minor for tax purposes, although specific attribution rules may apply where parents retain usufruct or management rights. Where family holding companies are used, dividends and capital gains attributable to minor shareholders are taxed in accordance with personal income tax rules, while the structure may benefit from favourable inheritance, gift or wealth tax treatment if the requirements of the family business regime are met.

30. Are individuals advised to create documents or take other steps in view of their possible mental incapacity and, if so, what are the main features of the advisable arrangements?

In Spain, it is highly recommended that individuals take preventive measures with respect to possible future mental incapacity. The main legal instruments are:

- Preventive (or advanced) powers of attorney

These powers allow you to delegate authority to a trusted person to act on your behalf and manage your assets if you ever need support.

They can be set up in two ways:

1. Enduring power of attorney: the power of attorney exists from the moment it is granted and remains in force if the person granting it loses capacity.
2. Pure preventive power of attorney: this only comes into effect when loss of capacity is verified.

They are executed in a public deed and must be registered in the Civil Registry.

You can define the exact powers (asset management, real estate transactions, medical situations, everyday decisions) and when they come into effect.

Control clauses may be included, informing the judge or imposing accountability obligations.

The notary registers the power of attorney, which avoids initiating a legal process of incapacitation, which is longer and more costly.

– Living will (advance directives)

A document that details your medical preferences (treatments, palliative care, organ donation, sedation, euthanasia where applicable) in the event that you are unable to decide for yourself.

In addition to the National Register of Advance Directives, each Autonomous Region has its own register and model.

It can be granted by any person of legal age with capacity, and in certain circumstances even emancipated minors.

It can be formally executed before a notary, health official, or witnesses (depending on the Autonomous Region) and then registered in the corresponding registry.

It is revocable and modifiable as long as grantor has capacity.

- Guardianship/self-guardianship and legal measures

If a person has not made any provisions in advance, in the event of incapacity, a judge may appoint a guardian (to support, rather than replace, him/her) or a curator in the most serious cases.

Current measures seek to respect a person's wishes and flexibility, not to completely replace his/her autonomy.

Real estate transactions: If a person loses capacity, without a preventive power of attorney, his/her heirs or relatives will have to initiate legal proceedings to sell or rent his/her property. An advance power of attorney makes it possible to delegate these powers easily and to control them, avoiding lengthy procedures, high costs and judicial intervention.

Medical decisions and residences: A living will ensures that an individual's preferences regarding medical treatment (such as resuscitation, admission to the ICU, sedation) are respected. It is also possible appoint a representative to liaise with doctors and make decisions on behalf of the individual in question.

Parallel instruments: It is advisable to combine a preventive power of attorney (for property, personal and family organisation matters) with a living will (for healthcare decisions) to deal with situations where a person cannot express his/her wishes.

- Key points when drawing them up:

They must be granted at a time of full mental capacity.

They must be executed in a public (notarised) deed, and there are specific formats and registers for living wills.

The power of attorney must be registered in the Civil Registry and the living will in the regional or national register.

31. What forms of charitable trust, charitable company, or philanthropic foundation are commonly established by individuals, and how is this done?

In Spain, philanthropic activities are structured primarily through foundations and non-profit associations, rather than through charitable trusts. Spanish law does not recognise charitable trusts as a domestic legal institution and, as a result, individual philanthropy is channelled through entities expressly regulated by statute.

The foundation is the principal and most widely used philanthropic vehicle for individuals and families wishing to pursue charitable, cultural, educational, scientific or social objectives. Foundations are independent legal entities endowed with their own assets which must exclusively pursue general or public interest purposes (such as social welfare, education, culture, research, health or environmental protection). Consequently, they cannot be established for the private economic benefit of the founder or the latter's family.

Foundations are governed by a patronato (board of trustees), whose members are subject to duties of diligence and loyalty. They are also subject to administrative supervision and ongoing reporting obligations, including the filing of annual accounts and activity reports. In practice, foundations are frequently used by high-net-worth individuals and families to institutionalise long-term philanthropy, structure charitable giving and ensure continuity of philanthropic projects beyond the founder's lifetime.

Another commonly used philanthropic vehicle is the non-profit association. These are membership-based entities created to pursue non-profit purposes, which may include charitable or social activities. They are generally simpler and more flexible than foundations, although less suitable for structures involving substantial endowments or long-term asset management.

Non-profit associations are constituted by the written agreement of at least two founders and acquire legal personality upon registration with the relevant Associations Registry. They are often preferred for participatory, community-based or operational charitable activities rather than for long-term asset endowment.

Spanish law does not provide for a specific form of charitable entity comparable to those found in common-law jurisdictions. Commercial companies, by definition, pursue profit-oriented objectives and cannot themselves be established for charitable purposes. Nevertheless, companies may support philanthropic initiatives through corporate social responsibility (CSR) programmes or by acting as funding or operating vehicles for foundations or non-profit associations.

32. What is the jurisdiction's approach to information sharing with other jurisdictions?

Please provide details of any beneficial ownership registers in force in your jurisdiction, including details of whether information on them is publicly available (with or without conditions) or not.

The General Tax Law approved in December 2003 established that “those countries or territories that sign an agreement with Spain to avoid double international taxation with an information exchange clause or a tax information exchange agreement expressly stating that they will cease to be considered tax havens, from the moment these agreements or treaties are applied, will cease to be considered tax havens".

From that moment on, Double Taxation Avoidance Agreements and information exchange agreements began to be signed with different countries that until now had been considered tax havens.

In Spain, the term “tax haven” was updated to mean non-cooperative jurisdictions and the references in the legislation made to states with which there is an effective exchange of tax information or in tax matters are now understood to be made to states with which there are regulations on mutual assistance in the exchange of tax information.

Information exchange agreements are currently in force with Andorra, Aruba, Bahamas, Curaçao, San Martin and San Marino, as well as the Agreement with the United States of America for the improvement of international tax compliance and the implementation of the Foreign Account Tax Compliance Act (FATCA). Information exchange agreements with Bermuda, Guernsey, Cayman Islands, Cook Islands, Isle of Man, Jersey, Macao, Monaco, St Vincent and the Grenadines, St Lucia and St Vincent and the Grenadines are at various stages of the legislative process.

In addition, on a multilateral basis, the Multilateral Agreement between Competent Authorities on Automatic Exchange of Financial Account Information, done in Berlin on 29 October 2014, is in force.

The EU Directive on Administrative Cooperation (DAC) applies in Spain.

33. What important legislative changes do you anticipate so far as they affect your advice to private clients?

Due to the fact that trusts are not expressly recognised under Spanish law, predicting specific legislative changes in trust law in Spain is uncertain. However, it is worth noting that, due to the government, the new administration may focus its attention on changes to tax rates and tax thresholds in areas such as succession, corporations and wealth management in general.

Given the evolving nature of legislation and regulatory environments, as advisors of private clients involved in trusts, it is crucial that we remain vigilant and stay informed of all potential changes in tax law in Spain so that we can adjust strategies accordingly to ensure compliance with the law and optimisation of wealth management structures.

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