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Tax and legal planning for an effective  
change of residency to Spain

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# Tax and legal planning for an effective change of residency to Spain

01

## What is happening in LATAM? Why Spain?

- Starting situation and personal, business and business objectives

02

## Which are the protection alternatives?

Depending on objectives, some possibilities:

- Investing in Spain by acquiring a residence authorisation without losing your current tax residency
- Relocating your and your family's tax residence to another jurisdiction and optimising your taxation
- Protecting family/business wealth from far-left governments

03

## Contact information



**01**

**What is happening in LATAM?  
Why Spain?**

# What is happening in LATAM? Why Spain?



In recent years we have detected the **need of some families residing in LATAM in general who wish to protect part of their assets or move to Spain**, for various reasons.



**We have** gained extensive experience in tax planning for these families and offer a comprehensive service:

- Facilitate legal and economic security, enjoying the benefits of living in Spain.
- To obtain heritage protection under European regulations.
- Optimise taxation of worldwide income and wealth, ensuring low-impact succession.



The biggest beneficiaries are those customers who want to:

- **Invest in Spain by acquiring a residence permit without losing your current tax residence.**
- **Relocate your and your family's tax residence to another jurisdiction to optimise your taxation.**
- **Protect family/business wealth from a far-left government.**



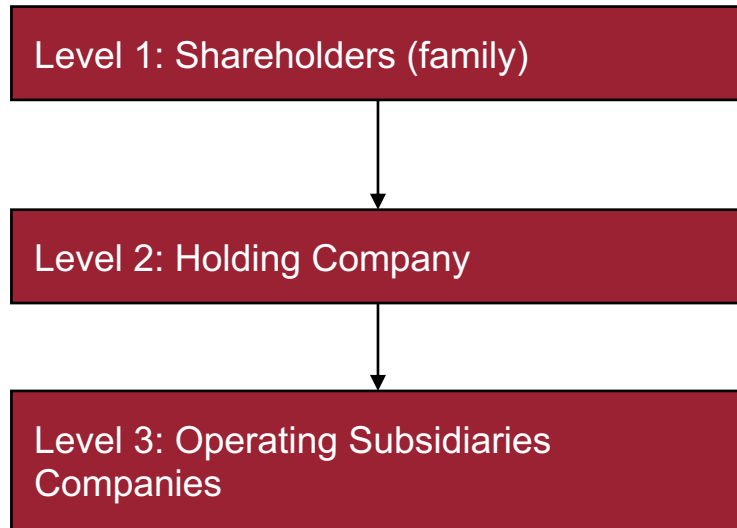
# What is happening in LATAM? Why Spain?



Where do these Clients come from?

# What is happening in LATAM? Why Spain?

## What are the major demands of the Clients?



Global service covering all three levels.



Full legal advisory services that includes not only taxation advice but also migratory, international corporate reorganization, international succession scheme, etc..



Preserve Financial Wealth

Service aimed at protecting and preserving family assets

# What is happening in LATAM? Why Spain?

## What are the major demands of the Clients?

1

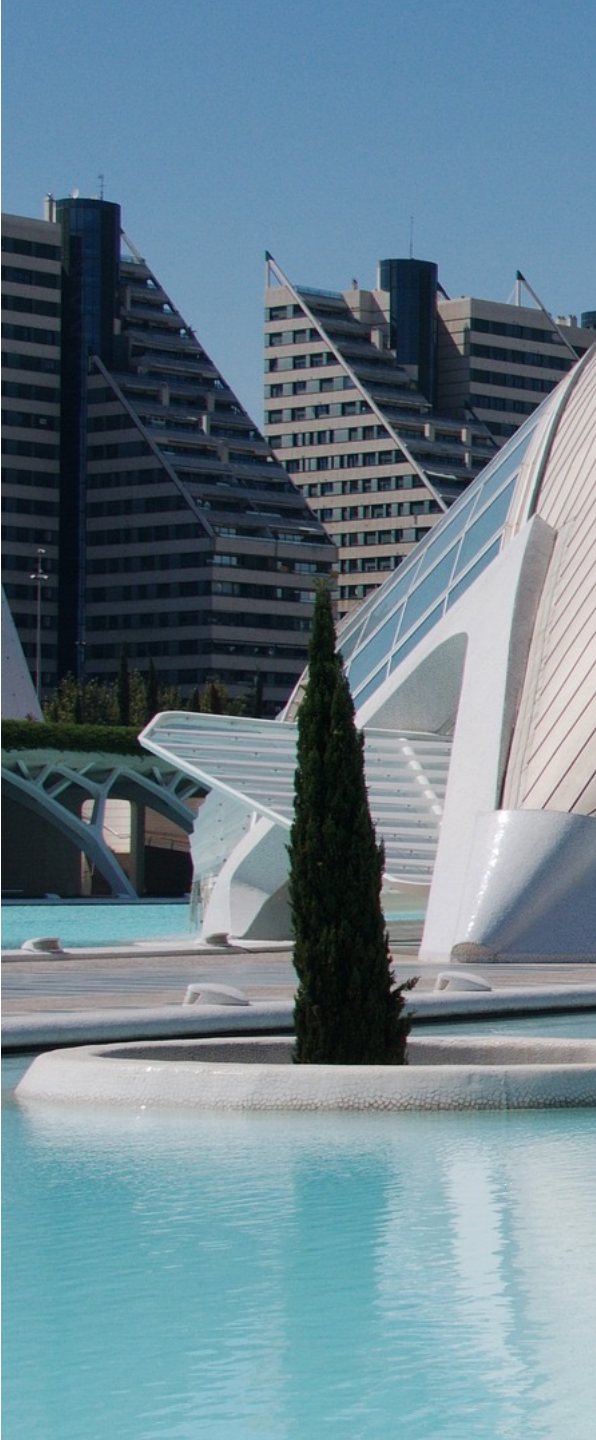
I want to invest in Spain by acquiring a residence permit **without losing my current tax residence.**

2

I want to move my and my family's tax residence to another jurisdiction: **Tax optimisation at a personal level.**

3

I want to protect my business assets: **Tax optimisation and business protection with the application of the ETVE Regime (Entity for holding securities abroad) and an APRI (Reciprocal Protection of Investments Agreement).**



**02**

**Which are the protection alternatives?**



# Which are the protection alternatives?

1. We have to be able to understand what their needs are.
2. Although our work is about tailoring suits, we have identified three common needs in advising family businesses

## Needs

## Spain as a good option

1<sup>st</sup> need: Personal wealth protection without losing their current tax residence



Golden Visa



School Year

2<sup>nd</sup> need: Change its current tax residence



Spanish Tax: The Beckham Law



Amended in 2023

3<sup>rd</sup> need: Business asset protection



Transfer the holding company to Spain

ETVE Regime

+20 Bilateral FIPAS

# Which are the protection alternatives?

## 1st Need: Personal wealth protection without loosing their current tax residence



### 1st Step

#### Tax Analysis

- (i) How to perform the investment: Directly or through a Company.
- (ii) Report with the proposed structure
- (iii) Tax obligations after the investment



### 2nd Step

#### Formal proceedings in Spain

- (i) Assistance and drafting of a POA in our favour in order to represent the client in the following steps
- (ii) Assistance in the opening of the bank account.
- (iii) Assistance in obtaining the NIE



### 3rd Step

#### Due Diligence

- (i) Legal due diligence on the building or the subject of the investment (ownership titles, encumbrances, urban licenses, condominium rules, etc.).
- (ii) On site inspection of the building prior to the reservation and to the purchase



### 4rd Step

#### Purchase of the building

- (i) Private documents for the purchase (promise of purchase and sale, etc.).
- (ii) Drafting of the purchase public deed and coordination of its signature before a notary public.
- (iii) Liquidation of taxes
- (iv) Registration within the Land Registry.



### 5th Step

#### Golden Visa

- (i) Document compilation.
- (ii) Fulfilment of the relevant official forms, filing the application.
- (iii) Obtaining the visa/residence authorisation.
- (iv) Obtaining the TIE.
- (v) Appointment with the police.

# Which are the protection alternatives?

## 2nd Need: Change its current tax residence



### 1<sup>st</sup> Step

#### Confirmation of immigration status

Do you have your immigration status in order?



### 2<sup>nd</sup> Step

#### Choosing the destination: In Spain there are 17 Regions (CCAA)

Which is the more attractive ccaa from a tax perspective?



### 3<sup>rd</sup> Step

#### Estimating the tax cost without any planning

Which taxes will apply?



### 4<sup>rd</sup> Step

#### Seeking for tax optimization alternatives

How to optimize your taxation?



# Which are the protection alternatives?

## Alternatives once you become Spanish tax resident: Special inpatriate tax regime

## 2nd Need: Change its current tax residence

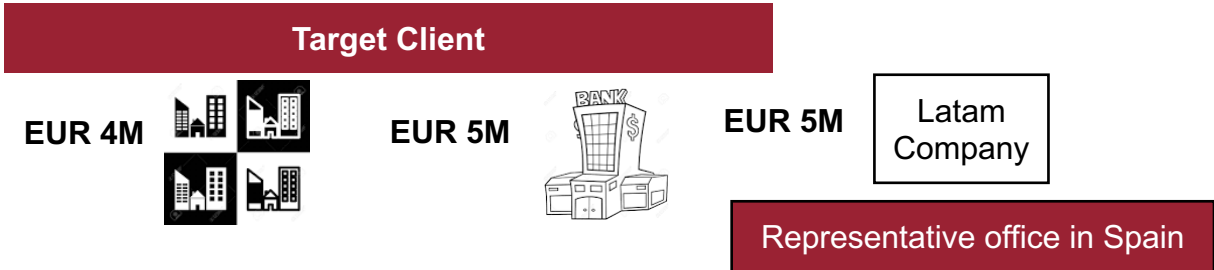
- **What is** known as "Beckham's Law"?
- **What are the benefits?**
  - **Personal income tax:** only taxed on income from Spanish sources (except for earned income, which is taxed on income received worldwide) at 24% for the first €600K and 47% thereafter. Dividends, interest and capital gains between 19% and 26%.
  - **IP:** only Spanish assets. CA relief (Madrid)
  - **ISGF:** More than 3M Equity in Spain
  - **Form 720:** No obligation to report foreign assets and rights.
  - Possibility of application by extension to the applicant's spouse and economic dependants.
- **For how long?** Application year + 5 years thereafter
- **What are the requirements?** Individuals:
  - Non-residence for tax purposes in Spain during the previous 5 tax years.
  - Transfer to Spain as a consequence of one of the following causes:
    - 1) Formalisation of an employment contract in Spain.
    - 2) Appointment as "director" of a non-proprietary company.
    - 3) Carrying out "entrepreneurial" economic activity.
    - 4) Carrying out economic activity as a highly qualified professional in start-up companies.
    - 5) International teleworking activity (digital nomad).
  - Not to obtain income that is classified as obtained by a permanent establishment located in Spain, except when it is transferred in causes 3) to 5).



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# Which are the protection alternatives?

## 2nd Need: Change its current tax residence



### Example of an individual with the following date :

**Assets:** 14 million

**Revenue:**

- 3% of the financial investments (5 million USD): 150.000 EUR/year
- Dividends from a foreign company : 200.000 EUR/year
- Salary: 100.000 EUR/year

Estimated Income tax under general regime	
Taxes EUR	Liability EUR
Income Tax (Impuesto sobre la Renta de las Personas Físicas)	140.000
Property tax (Impuesto sobre el patrimonio)	269.000
<b>Total taxes</b>	<b>409.000</b>
Form 720	Yes, penalties applied if there are errors in its fulfilment
Solidarity temporary tax	Higher than 3.7M€ Worldwide

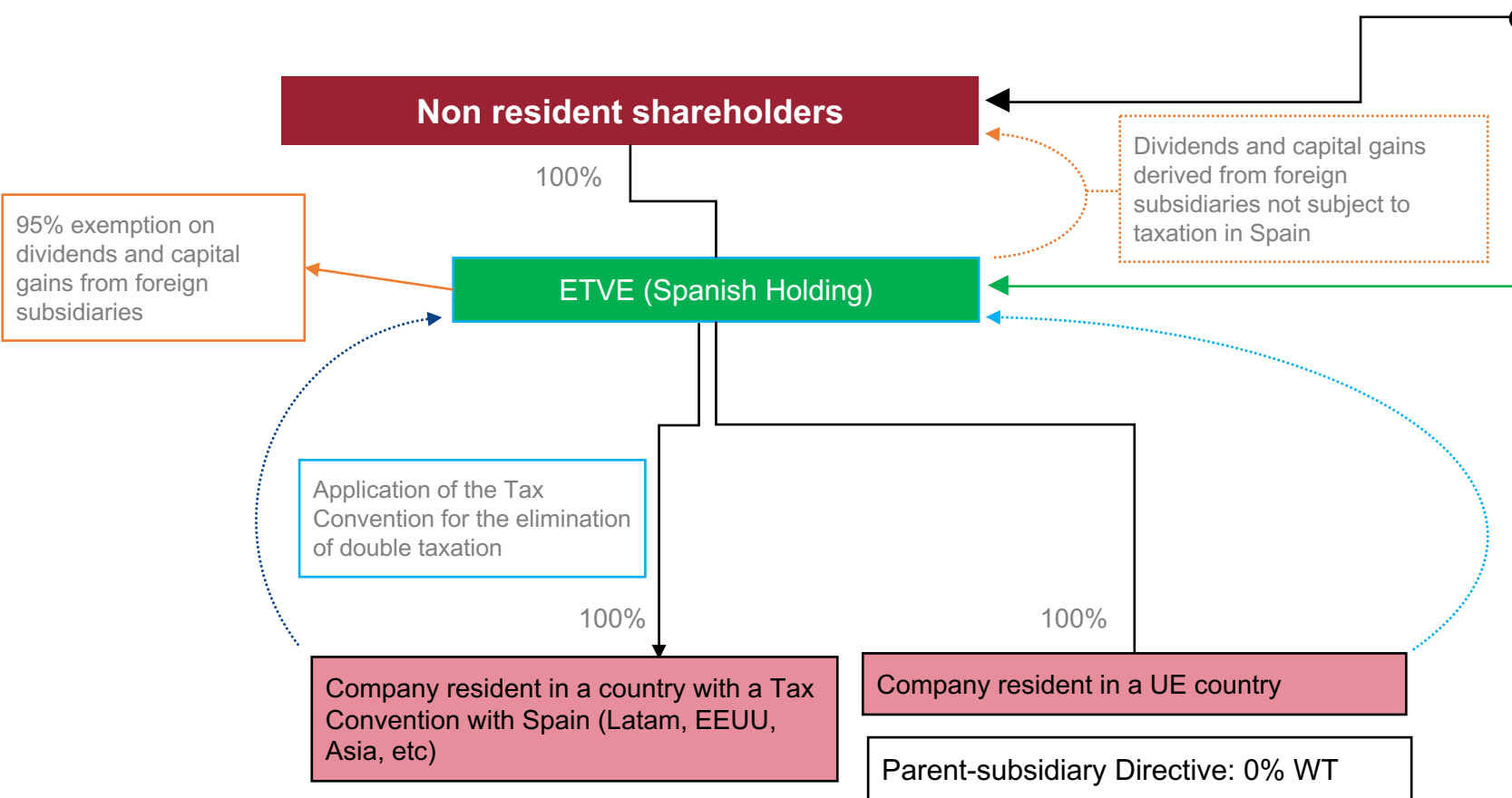
Estimated Income tax under Beckham law	
Taxes EUR	Cuota EUR
Income tax (Impuesto sobre la renta de las personas físicas)	24.000
Property tax (Impuesto sobre el patrimonio)	Not applicable
<b>Total taxes</b>	<b>24.000</b>
Form 720	Not applicable
Solidarity temporary tax	Higher than 3M€ Spain

Tax summary	EUR
Total annual savings	385.000
Savings during 6 fiscal years, applicable timeline of the special regime	2.310.000

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# Which are the protection alternatives?

## 3rd need: Business asset protection



### Applicable advantages to the ETVEs' non-resident shareholders

There is no withholding tax as they are not considered as an income obtained in Spanish territory.

- There is no withholding tax in Spain on profits distributed by ETVEs to their non-resident shareholders.
- There is no withholding for shareholders who obtain capital gains when selling shares of an ETVE.
- There is no withholding for partners who obtain capital gains in a separation of shareholders or liquidation of an ETVE.

### Applicable advantages to the Spanish ETVEs

**95% Exemption (As a general rule it implies an effective taxation of 1,25%)**

- 95% exemption on the amount of the dividends received from Spanish and foreign companies.
- 95% exemption on the amount of the capital gains arising from the sales of shares in Spanish and foreign companies.





**03**

**Contact Information**





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***THANKS***