

# Mbappé Law: Tax benefits for foreign investment

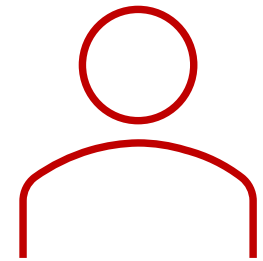
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# What is the Mbappé Law?

- Is a Law proposal made by the Community of Madrid
- Aims to attract foreign investment through tax incentives
- It is named after the famous footballer Kylian Mbappé, new player of Real Madrid





# Who can benefit from the Mabappé Law?

1. People who hasn't lived in Spain the last 5 years
2. New tax residents in Madrid who makes investments in certain entities or financial assets
3. The investment must be maintained for 6 years



**Comunidad  
de Madrid**

# What type of investment is needed?

- **Public or private Bonds (i.e. Spanish public debt bonds, corporate bonds listed on private equity market, etc.)**
  
- **Investment in equity of Spanish or foreign entities (listed or nor listed)**
  - If they are not listed entities, there are other requirements:
    - The entity cannot be on a Tax Heaven
    - The investment cannot exceeds 40% of the share capital
    - The investor cannot have an employment relationship with the entity



# Spanish Income Tax: Regional differences

- **Spanish income tax → Unified Tax form (Modelo 100)**
- **Tax is paid to two different administrations:**
  - Autonomous Administration
  - State Administration
- **Each Autonomous community can modify the tax rates and the deductions corresponding to their part.**
- **This is why there are differences on the Income Tax to pay for a Spanish resident living in Madrid or Barcelona**

## Mbappe Law: Example

- Assumption: Investment of 100,000€ for 30% of Spanish Company
- Base of deduction: 100,000€
- Percentage of deduction: 20%
- You can deduct 20,000€ from your Income tax quote (only the Autonomous part)

# Beckham Law vs Mbappé Law

- Mbappé Law similar to the original Beckham Law
- Beckham Law is applicable to the whole Spanish territory
- Beckham Law cannot be applied to football players or other high-income athletes
- You cannot apply both Tax regimes at the same time

# Conclusions

- Potential impact on Madrid's economy and the rest of Spain
- Long-term benefits for investors and the region?
- Will other Spanish communities follow Madrid steps?
- Will this measure attract more football players to Madrid clubs?



# Questions?

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