

Moving to Spain: immigration and Personal Income Tax

Summary of most requested permits

This list showcases what, according to our experience, are the most requested permits in moving to Spain. We divided it into the type of permits better suited for investors, companies when hiring foreign employees and individuals. Specific cases may entail additional requirements, but these are the main general ones.

Common requirements

- Being in Spain under a valid immigration permit or situation.
- Not having a criminal record in Spain or in the countries where the applicant has previously been a legal resident. Apostilled criminal record.
- Not being banned from entering Spain and not being refused entry in any Member States of the Schengen Area.
- Having sufficient financial means to cover the costs of their own stay and return and those of their family members.
- Having a health insurance policy with an insurance company authorized to operate in Spain.
- Copy of all pages of the applicant's passport.
- Marriage and birth certificates of all family members of the applicant intending to reside in Spain.

Specific requirements

INVESTOR	Golden Visa	Investments of €500k in real estate; or €1M in shares in Spanish companies, investment funds or bank deposits; or €2 million in public debt.	<ul style="list-style-type: none"> • Proof of investment through specific documents for each type of investment: (i) property deed with certificate of ownership of real estate property; (ii) deed of capital increase and D1A certificate; (iii) fund investment certificate; (iv) bank deposit certificate; (v) public debt investment certificate.
	Non-lucrative visa	Sufficient financial means of more than €40k for one year and double this amount on renewal of the permit.	<ul style="list-style-type: none"> • Application must be filed from Spanish consulate at country of origin. • Medical certificate of not suffering from any serious pathology or contagious disease in accordance with the International Health Regulations 2005. • Financial means of more than €45k.
	Entrepreneur visa	Business project of particular economic interest for Spain or of scientific and technological appeal	<ul style="list-style-type: none"> • Incorporation of a company in Spain. • Business plan with activity of particular economic interest for Spain or of scientific and technological appeal. • Business project approved by ENISA: Empresa Nacional de Innovacion, S.A.

Specific requirements

Highly qualified worker

Residence and work permit for member of senior management or highly qualified professionals, with high salaries (over €42k), demonstrable experience or graduates of schools and universities.

- Legalized, apostilled and accredited university degree / Academic and professional qualification.
- Company documents in Spain: Deed of incorporation, tax ID, Employer identification number, AEAT obligations current certificate, SS obligations current certificate, Annual accounts.
- Employment contract. Salaries above €42k (non-management position) and €56k (management position).
- Job offer.
- Job description.
- Employee's resume.

Digital nomad visa or remote workers visa

The following two scenarios are possible:

- Working remotely as an employee for a company outside the EU
- Providing services remotely as a self-employed individual for one or more companies outside the EU

- Last three invoices or payrolls generated in favor of the entities for which it provides professional services. At least € 26k. This document can be substituted or accompanied with the bank statements that prove regular income for € 2,160/month.
- Proof that the company or companies for which the professional or employee provides services has been in operation for more than one year (certificate of incorporation/activity).
- Professional or employment contract signed with the entities at least 3 months prior to application.
- In the case of freelance professionals, a commitment to register with the RETA (Special Regime for Self-Employed Workers in Spain's social security system) must be provided; or certificate of maintenance of the Social Security of origin in the case of employees.
- 3 years of work-related experience prior to application, or a graduate or post-graduate degree from a reputable university, vocational training, and business schools of recognized prestige.
- Letter from the company authorizing the remote work, with the conditions of its development and the functions to be performed.

Intra-company transfers

Transfers from a non-EU company to a Spanish company.

- Company documents in Spain and from the company from which the employee is transferred, located outside the EU: Deed of incorporation, tax ID, Employer identification number, AEAT obligations current certificate, SS obligations current certificate, Annual accounts
- Documents proving the relationship between the companies.
- Employment contract and seniority for more than three months of the posted worker.
- Maintenance of Social Security in origin or complement in Spain.
- Proof of existence of real business activity in Spain.
- Employee's university degree or equivalent or proof of having at least 3 years of professional experience with company certificate or the equivalent to the Spanish social security's Work History Report (Vida Laboral).

Posting of workers

Temporary (less than 90 days) intra-EU transfers within the EU to Spain.

- The worker shall be in the possession of a valid passport or identity document.
- Such stay will not be computed for the purposes derived from the residence status.

Specific requirements

Nationals of EU Member States and European national family members

Nationality of one of the EU member states.

- Certificate of census registration (padrón), issued within the last 90 days.
- Depending on whether the EU citizen will be residing without or with a job, he/she will have to prove: (i) sufficient economic means or (ii) original and copy of the employment contract as proof of economic means.
- European Health Insurance Card.
- Filled in social security forms from the country of origin (employment reasons).

Foreign family members of European citizens

Family members of one of the EU member states.

- Proof of the family relationship with the EU citizen: birth certificate, marriage, legal partnership.
- Proof of economic means and health insurance for the family group.
- Registration of the census (padrón) of the family group.
- No criminal record certificate is required.

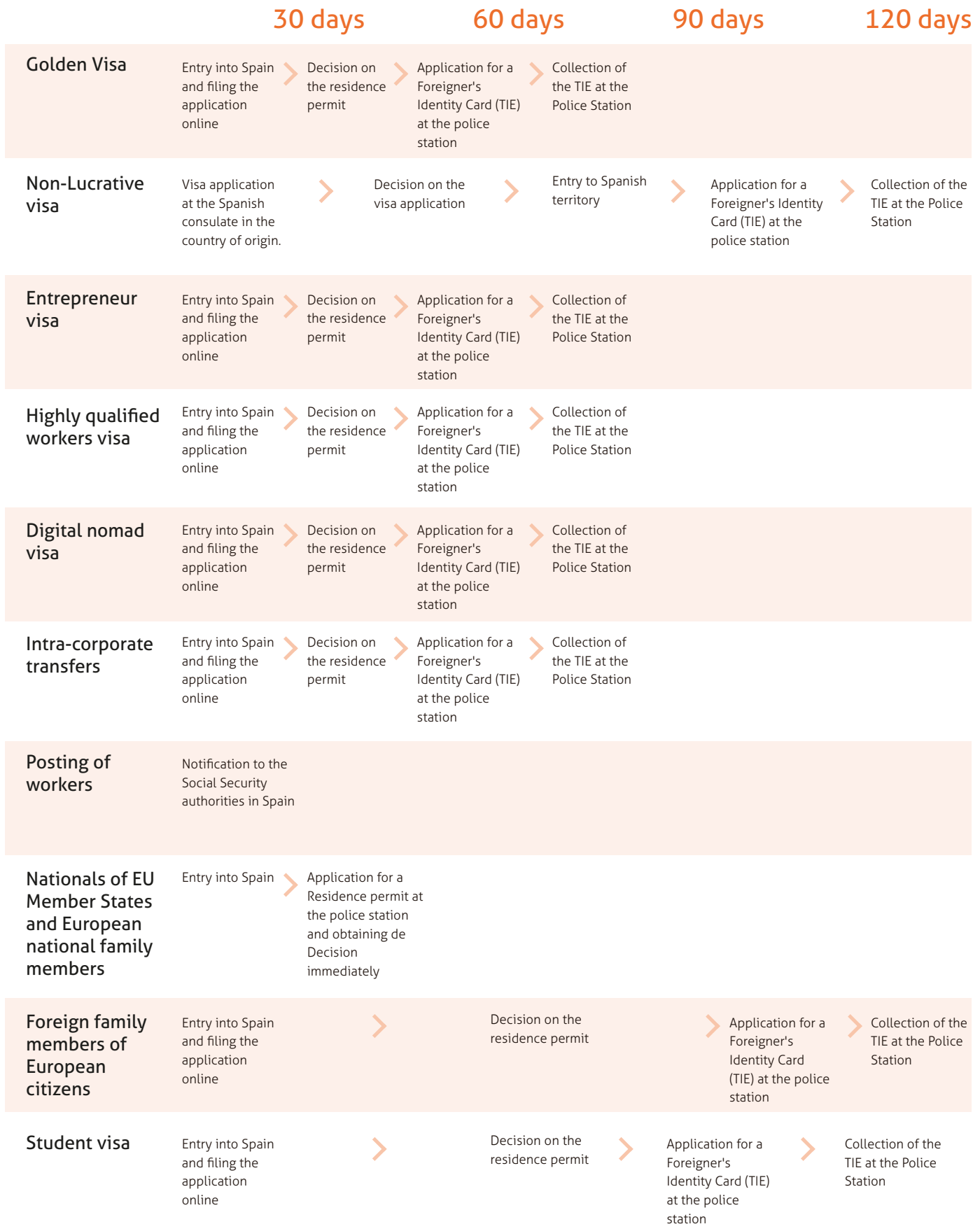
Student visa

Students admitted by a university in Spain for bachelor's, master's and vocational training studies.

- Admission for the corresponding study.
- Sufficient economic means.
- Medical certificate of not suffering from any serious pathology or contagious disease in accordance with the International Health Regulations 2005.

Timeline

These are all indicative timelines and do not reflect the particularities that may arise in each case. The public authorities may require more information, which would lengthen the timeframe.



Spanish nationality by residence. Application scenarios

Application to nationality by residence under the general regime:

- 10 years of legal residence Spain.

Special nationalities in Spain:

- Reduced residence of 2 years for all Latin American countries, the Philippines, Equatorial Guinea and descendants of Sephardic Jews.
- Reduced residence of 1 year for the spouse or widow of a Spaniard and adult children of Spaniards.
- Law of Democratic Memory: grandchildren or children of Spanish émigrés.

Requirements for citizenship by residence

- Copy of all pages of all passports for all years of residence in Spain.
- Residence permits and identity cards (TIE) in Spain.
- Criminal records from all countries in which the applicant has been a resident (valid for 90 days and apostilled).
- Apostilled birth certificate (6 months issued).
- Individual and collective padrón registry certificate.
- Spanish language test for those persons originally from a country with an official language other than Spanish.
- Test of Cultural and Constitutional Knowledge (CCSE).
- Signed nationality application and oath form.
- Documents proving family ties: birth certificates, marriage certificates, ID cards of family members.
- For descendants of Sephardic Jews: certificate from the Federation of Jewish Communities of Spain (FCJE).

Special cases of incompatibilities

- Nationalities of countries other than Portugal, Latin America, the Philippines, Equatorial Guinea and Sephardic Jews are not compatible with Spanish nationality.
- Spain has signed international treaties with other countries that also allow for the maintenance of the nationality of origin. For example: France.
- Spaniards who were not born in Spain (such as those who acquire nationality by residence) must express their wish to maintain their Spanish nationality when they arrive at legal age (18 years old).

Personal Income Tax (PIT) in Spain

Persons subject to the tax

Individuals regularly resident in Spanish territory. The three rules to determine Spanish tax residence of individuals:

- Presence: When an individual is present in the Spanish territory for more than 183 days during any calendar year
- Center of economic interest: When the individual's main center of business activities or interests is, directly or indirectly, located in Spain
- Center of family interest: In the absence of proof to the contrary, when the spouse, not legally separated, and underage dependent children, reside in Spain

General structure of the personal income tax

The tax base is divided into two blocks: (i) general taxable income and (ii) savings taxable income. The applicable rates in Spain will depend on the type of income. According to the PIT rules, the rates are:

Tax Base	Type of income	Applicable rates
General	Employment income (salaries, wages, tips) / Self-employment and personal business activity income / Directors' fees / Pensions / Real estate income, such as rent / Etc.	From 19% to 47%
Savings	Dividends and similar income from holdings in companies / Interests / Income from life assurance policies / Capital gains from transfers of assets / Etc.	From 19% to 26%

Consequences of being considered Spanish resident for tax purposes

An individual will be taxed in Spain on all his income, capital gains and losses, assets and income allocations established by law. Tax residents must file informative and income tax returns in Spain, such as the 720 and 100 tax returns.

Regime	Form	Name of return	Due date
Ordinary regime	100	Personal Income Tax Return	April 1st to June, 30th
	720	Informative declaration about assets abroad	January 1st to March 31th

Beckham Law (Special Tax Regime) applicable to:

- Workers recruited in Spain with a high professional profile.
- Remote workers in an employment relationship.
- Company directors.

Benefits:

- Foreign sources of income are kept out of taxation.
- Taxation at a reduced flat rate.
- Reduced tax compliance: e.g. reporting of assets abroad (720 informative return).

The rules applicable to individuals under the Special Tax Regime (i.e. taxation at a flat 24% rate for the first 600,000.00 € and at a 47% rate for the excess but without deduction of expenses or allowances) for the tax year moving to Spain and for the following 5 tax years.

FAQs

<p>What is the NIE?</p>	<p>It is the Foreigner's Identification Number with which any non-Spanish individual is identified. This number is not an authorization to reside in Spain, although the number will eventually be included in the document that appears on the residence permit.</p>
<p>Am I a tax resident because I have a residence permit in Spain?</p>	<p>No. Tax residence is only conditioned by meeting the specific criteria of Spanish law or the applicable Double Taxation Treaty. For example, by staying more than 183 days per year in Spain, and having the main center of interests, such as the spouse and kids, in Spain.</p>
<p>What is the "Padrón"?</p>	<p>It is an official register of the residents in a municipality in Spain.</p>
<p>Does appearing in the "Padrón" imply tax residency?</p>	<p>No. The Directorate General of Taxation has determined, in accordance with the Law, that being registered in the Padrón is not valid means for proving tax residence.</p>
<p>Can I apply for Spanish nationality after residing in Spain?</p>	<p>The general rule is 10 years of continuous residence (without prolonged exits from Spain). But there are special rules of only 2 years for Latin Americans or 1 year for those married to a Spaniard.</p>
<p>May I travel across Europe as a resident?</p>	<p>Yes, any residence permit grants freedom of movement throughout the Schengen Area (the UE except Cyprus and Ireland, and Iceland, Norway, Liechtenstein, Switzerland, Monaco, San Marino and Vatican City).</p>
<p>Does the residence permit grant me the right to free health care?</p>	<p>Only in some Autonomous Communities such as Andalusia, Valencia and Catalonia. The general rule requires prior work and Social Security contributions.</p>
<p>Can I work with my residence permit?</p>	<p>Almost all residence permits grant the possibility to work, except for the non-profit residence visa.</p>
<p>What steps should I take in making my decision to move to Spain?</p>	<p>First, determine the appropriate permit to pursue for moving to the EU, and then, determine the tax implications of the relocation.</p>
<p>What is the rule to determine tax residence in Spain?</p>	<p>At least 183 days residence in Spain, as well as place of economic and family interests.</p>
<p>What is the special taxation regime in Spain (Beckham Law)?</p>	<p>As a general rule, foreign sources of income are exempt. Taxation at a reduced flat rate and subject to reduced tax compliance.</p>
<p>What is the taxation of non-residents in Spain?</p>	<p>Non-residents in Spain are taxed only for income effectively generated in Spain (24%).</p>
<p>What are the legal benefits associated with the posting in Spain?</p>	<p>Possibility of obtaining nationality by residence, Access to health care and social security system, free movement throughout the EU and Schengen area</p>
<p>Can I work with the Golden Visa?</p>	<p>The Golden Visa is a residence permit that allows the holder to work, both as an employee and as a self-employed professional, throughout Spain.</p>
<p>Is it possible for my family members to join me in Spain?</p>	<p>Each residence permit provides for alternatives for the reunification of family members. The permits for investors, highly qualified professionals, entrepreneurs (among others) allow the application for joint residence. Other permits, which are less favorable, require a residence permit for the holder and then a visa for the family member.</p>
<p>How long can I stay in Spanish territory without a residence permit?</p>	<p>The general rule is to stay as a tourist for up to 90 days in a range of 6 months within the Schengen area. Therefore, stays in other EU states are considered to be the same as a stay as a tourist in Spain.</p>
<p>Does Spanish nationality give rise to tax obligations in Spain?</p>	<p>No. Unlike in other countries such as the United States, nationality does not automatically generate tax obligations in Spain.</p>



The information highlighted is not exhaustive and corresponds to the general incorporation and maintenance of a generic company and, thus, do not include details of all requirements, content of obligations and particularities that may arise from certain specific transactions. The steps and obligations included are only those deriving from corporate regulations and do not include tax or administrative obligations that may arise in certain circumstances or industries. This work is for information purposes only and does not constitute legal advice. This guide is made in April 2024 and, to the best of our knowledge, is correct at the moment drafted. It is, however, written as a general guide so it is necessary that specific professional advice be sought before any action is taken.

Seegman is a law firm located in Madrid and Lisboa, with a multidisciplinary and international team, with experience in providing personalized legal advice to foreign clients who wish to invest in Spain.

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