

How to do business in Spain

Standards and technical regulations

Contact the DIT (formerly UKTI) team in Spain to help find tax and legal advisers before entering into agreements. See the 'Resources' section of this guide for contact information.

Products and packaging should meet EU standards. See: www.europa.eu/youreurope/business/product/ce-mark/index_en.htm for more details.

You should seek legal advice or guidance from the appropriate regulatory agency in Spain. Visit the De Cotta Law profile for more information.

Check the Spanish Chamber of Commerce website for more about regional standards and technical regulations. See: www.comercio.gob.es/en/comercio-exterior/direcciones-territoriales-provinciales/pages/red.aspx

Documentation

Labelling for all food and drinks products must be in Spanish. Labels must include:

- the expiration date
- country of origin
- all ingredients and instructions

Exports of food and agricultural products to Spain are guided by specific regulations. Read the Food and Agricultural Import Regulations and Standards (FAIRS) report for full details. See: www.gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Madrid_Spain_10-16-2013.pdf

A local distributor will be able to help with advice regarding import and other regulations in Spain.

Investment

There is generally no requirement for prior approval of investments from EU companies in Spain. However, there are some exceptions depending on the size and nature of the investment.

Investments must be registered with the Directorate General of Trade Policy and Foreign Investments. All legal businesses must be registered with the Spanish Ministry of Finance Hacienda y Administraciones Públicas. See: www.minhap.gob.es/en-GB/EI%20Ministerio/Paginas/EI%20Ministerio.aspx

[Source: DIT/gov.uk (Feb 2016)]

Intellectual Property (IP)

Trademarks, designs, patents and copyright are the principal forms of Intellectual Property (IP) protection available to companies and individuals.

Having the right type of intellectual property protection helps you to stop people stealing or copying:

- the names of your products or brands
- your inventions
- the design or look of your products
- things you write, make or produce

Copyright, patents, designs and trademarks are all types of intellectual property protection. You get some types of protection automatically, others you have to apply for.

You own intellectual property if you:

- created it (and it meets the requirements for copyright, a patent or a design)
- bought intellectual property rights from the creator or a previous owner
- have a brand that could be a trade mark, e.g. a well-known product name

You usually will not own the intellectual property for something you created as part of your work while you were employed by someone else.

Intellectual property can:

- have more than one owner

- belong to people or businesses
- be sold or transferred

However, IP law – especially for patent protection – is not yet totally harmonised within the EU.

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Spanish intellectual property laws are harmonised with those of the other EU member states and Spain has ratified the main international treaties in this field.

Spain follows the 'first-to-file' system whereby the first person to apply for registration will have priority rights. Oficina Española de Patentes y Marcas (OEPM) has responsibility for IP protection in Spain. See: www.oepm.es/en/invenciones/index.html

IP rights are territorial, that is they only give protection in the countries where they are granted or registered. If you are thinking about trading internationally, then you should consider registering your IP rights in your export markets. For information on registering your Trademark in Spain, you should contact:

Office for Harmonisation in the Internal Market: Avenida de Europa 4 03008 Alicante Spain

T: +34 96 513 9100 **F:** +34 96 513 1344

Email: informacion@oami.europa.eu **Website:** www.oami.europa.eu

For information on obtaining a patent in Spain, you should contact the Spanish Patent Office Oficina Española de Patentes y Marcas: www.oepm.es/es/index.html. Refer also to the website of the World Intellectual Property Organisation (WIPO), and the Madrid Protocol for the international registration of marks. See: www.wipo.int/portal/en and www.wipo.int/madrid/en.

Contact the Intellectual Property Office (IPO), the official UK government body responsible for intellectual property (IP) rights including patents, designs, trademarks and copyright, for further information or advice: www.gov.uk/government/organisations/intellectual-property-office

[Source: DIT/gov.uk/IPO (Feb 2016)]

Tax and customs considerations

The UK and Spain have signed a double taxation convention. The UK Government has a 24 page document “2013 Spain-UK Double Taxation Convention” downloadable at: www.gov.uk/government/publications/spain-tax-treaties-in-force

Customs

The internal market of the European Union (EU) is a single market in which the free movement of goods, services, capital and persons is assured, and in which citizens are free to live, work, study and do business.

Since its creation in 1993, the single market has opened itself more to competition, created jobs, and reduced many trade barriers. The Single Market Act (see: www.ec.europa.eu/growth/single-market/smact/index_en.htm#maincontentSec3) was put forward in two parts, in 2011 and 2012, containing proposals to further exploit the opportunities afforded by the single market, in order to boost employment and improve confidence in European business.

Therefore as a single market allowing the free movement of goods and services, no import duties are applicable.

Weights and measures should be metric and temperatures given in centigrade.

Value Added Tax (VAT)

VAT in Spain is known as IVA. The usual VAT rate is 21%. The reduced rates of 10% and 4% apply for products such as:

- food
- drinks
- some educational material
- medical aid

When you supply goods to a VAT registered customer in Spain you should:

- get the Spanish importer's VAT number from the invoice
- keep documentary evidence that the goods have left the UK

This information enables you to zero-rate your goods for UK VAT purposes.

Check with HM Revenue and Customs (HMRC) regarding VAT refund of business expenses incurred in Spain. See:

www.gov.uk/government/publications/vat-notice-723a-refunds-of-vat-in-the-european-community-for-ec-and-non-ec-businesses

Excise duty is levied on certain goods including alcoholic drinks and cigarettes.

Corporate tax

You can transfer capital, dividends, proceeds of sale abroad without any limitations or taxes if you are a holder of registered foreign investments. You only need to complete certain minor bank formalities for statistical information.

Corporate income tax in Spain is 30%. The rates can be less for enterprises of reduced size.

Read more about corporate tax in Spain at Confédération Fiscale Européenne (CFE). See: www.cfe-eutax.org/taxation/corporate-income-tax/spain

Income tax

Personal income tax applies to tax-residents in Spain. These include:

- those resident for more than 183 days per year in Spain
- those with business and economic interests based in Spain

Agencia Tributaria provides more information on resident and non-resident income tax. See: www.agenciatributaria.es

[Source: DIT/FCO/gov.uk/HMRC (Apr 2016)]

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