SPAIN

1. INTRODUCTION

a. Forms of Legal Entity

The two main types of companies which can be incorporated under Spanish law are: (i) the sociedad limitada ("S.L."), or limited liability company and (ii) the sociedad anónima ("S.A."), or public limited company. S.L.s are the most common type of company in Spain. The minimum capital of an S.L. is EUR3,000, while the minimum capital of an S.A. is EUR60,000. The liability of shareholders in both types of companies is limited to their capital contributions. From a tax perspective, there are no differences between both types of legal entities.

b. Taxes, Tax Rates

The general Corporate Income Tax ("CIT") rate is 25%. A reduced rate of 15% applies to newly created entities, which are not part of a corporate group, in the first fiscal year in which a profit is made and in the subsequent fiscal year. Financial entities are subject to an increased rate of 30%.

Taxable income is determined on the basis of income shown on the local financial statements, which is adjusted following the CIT Act provisions. Amongst the most common types of expenses which are non-deductible are the penalties, the CIT expense, write downs of fixed assets (including the participation in other entities) or losses arising from intragroup transfers of fixed assets.

In addition, as of 1 January 2022, a minimum tax rate of 15% is applied to companies with net revenues over EUR20 million in the previous 12 months from the date in which the fiscal year began, or if they are taxed as groups. Some entities are exempt from this minimum tax rate, most notably, REIT type entities.

In general terms, the determination of said minimum tax rate is applied by comparing the due tax (total tax liability minus tax deductions and credits) with the so called "minimum tax due", which is 15% of the taxable base (comprised of the final taxable base, minus specific reductions related to the "reserva de nivelación", which is similar regime to a tax losses carryback, and an investment reserve regulated in the Canary Islands' special tax regime). The minimum due tax rate shall be 10% in the case of newly created entities that apply the aforementioned reduced rate of 15%.

Specific CIT legislation is applicable in the Basque Autonomous Community, which has autonomous legislative powers in tax matters. Companies subject to Basque autonomous regulations may benefit of significant tax advantages: the general CIT rate is 24%; write downs of fixed assets are tax deductible; dividends received and capital gains on transfers of participations are generally 100% exempt, while impairments and losses on the transfer of the participations can be deducted; goodwill embedded in the acquisition price of the participations may be deducted; losses of foreign permanent establishments may be deducted, while the income is exempt. We explain the main specialties of Basque tax regulations below.

2. RECENT DEVELOPMENTS

The most recent changes to CIT were introduced between 2014, with the approval of a new CIT Act which entered into force on 1 January 2015, and December 2016 when certain amendments to such CIT Act were approved, mainly aimed at broadening the scope of the CIT taxable base (e.g. limitations to the tax deductibility of losses on the transfers of shares qualifying for the participation exemption).

With effect as from July 2018, certain changes were introduced on the patent box regime, with the aim of aligning it with the BEPS Action 5 Report.

No more relevant developments have occurred since this last amendment of the CIT Act.

Other recent developments include a limitation to the Spanish participation exemption on capital gains and dividends, applying for fiscal years starting as of 1 January 2021. The enacted changes are:

- Previously to qualify the shares sold had to represent at least 5% of the target share capital or have an acquisition cost of EUR20 million. The Spanish participation exemption will no longer apply to a participation whose acquisition cost is at least EUR20 million unless grandfathering rules apply. Thus, the minimum 5% stake will be required for all investments.
- The dividend and gain exemption has been reduced by 5% from 100% to 95% for management expenses related to said participations.

This limitation does not apply under the Basque CIT legislation, where dividends and capital gains of qualifying participations are 100% exempt.

In March 2021, Spain approved its “hybrid mismatch” regulation, implementing “ATAD2”.

The Spanish government approved a number of measures to alleviate the economic and social impact of COVID-19. The most relevant measures have been related to labour law aspects and the concession of financing (subsidised loans). The tax measures have not directly impacted M&A transactions since they basically aimed at providing taxpayers with short-term liquidity, extending legal terms of administrative and judicial procedures and for payment of certain taxes (focused on small and medium entities). The Autonomous Regions and City Councils approved measures in similar terms as well. However, the measures may of course be relevant in the context of tax due diligence processes linked to M&A transactions.

An extension of the statute of limitations period during the state of alarm was also established as part of the package of legal measures adopted in the context of the COVID-19 pandemic.

As of 1 January 2022, and for the following fiscal years, a minimum tax of 15% has been implemented. Under this regime, companies with a net revenue over EUR20 million in the 12 previous months from the date in which the fiscal year begins, as well as tax groups, will have to pay a minimum 15% tax rate, with some exceptions.

3. SHARE ACQUISITION

a. General Comments

Acquisitions of shares generally do not have immediate implications for the buyer. In share deals the acquired entity (target) remains in existence and any of its historical or contingent liabilities remain with it after the completion of the transaction.

b. Tax Attributes

The target is entitled to carry over its tax attributes (such as NOLs or tax credits). In Spain NOLs (i.e.. tax losses) can be carried forward with no time limit (carryback of losses is not permitted). However, the amount of NOLs which can be offset in each fiscal year is limited to certain percentages of the taxable base. Under certain circumstances, the right to offset NOLs can be limited ("anti-NOLS trafficking rules"). Under the Basque CIT legislation, the amount of NOLs that can be annually offset is limited to 50% of the taxable income and the period in which NOLs can be carried forward is 30 years.

Spanish corporate income tax law includes rules which limit the right to offset tax losses when a transfer of shares takes place and all of the following circumstances occur:

- The majority of the share capital of the target is obtained by a person or entity or group of persons or entities after the end of the fiscal year in which the tax losses were generated.
- The persons/entities stated above (i.e.. those taking control of the company) held less than 25% of the share capital in the company at the end of the fiscal year in which the tax loss was generated.
- The acquired entity falls into one of the following categories:
- It had not been carrying out an economic activity in the 3 months prior to the acquisition;
- It carries out an economic activity in the 2 years following the acquisition which is different from or additional to the one carried out before the acquisition, which implies a net revenue in the years following the acquisition which is 50% higher than the average net revenue obtained by the entity in the 2 years preceding the acquisition;
- It is qualified as an instrumental entity; or
- The entity has been de-registered from the tax entities' registry.

Under the Basque CIT legislation, restriction rules apply only if the acquired entity did not carry out an economic activity in the 6 months prior to the acquisition.

c. Tax Grouping

Spanish companies can form a group and apply a special tax unit regime for CIT purposes. In order to form part of the same tax unit, companies must be subject to same CIT Law (Basque or common territory). Certain formal requirements must be fulfilled the year before its application.

The tax group is formed by a dominant company and its dependent companies. The dominant company of the tax group must hold a 75% or higher interest, either directly or indirectly and the majority of the voting rights in the dependent companies at the beginning of the first tax year in which the tax unit regime is applied and this interest and voting rights must be maintained during the year unless the dependent company is dissolved. The interest requirement is reduced to 70% for companies listed on a stock exchange.

A non-resident company can also be the dominant company of a tax consolidation group, provided that it has legal personality, is subject and not exempt to a tax akin to Spanish CIT, and is not resident in a tax haven. In such cases, a representative company in Spain must be appointed.

d. Tax Free Reorganisations

Spain has implemented the provisions of the EU Merger Directive in its domestic system. Consequently, Spanish companies can reorganise their Spanish activities in a tax neutral manner. This is configured like the standard regime for restructuring transactions (under Basque CIT legislation, an election for the tax neutrality regime is required) and there is a general obligation to inform the tax authorities when transactions eligible for the regime are carried out. The main caveat to consider for tax neutral restructurings under the Spanish tax regime based on the EU Merger Directive is the specific anti-abuse provision that requires the transaction to be carried out under valid economic purposes and not with the sole purpose of obtaining a tax advantage.

This regime provides for a tax neutral treatment for restructuring transactions (both from a CIT and indirect tax perspective), by providing that:

- Capital gains or losses realised on the transferred assets are not included in the CIT taxable base of the transferor party;
- The acquiring entities receive a carryover basis in the assets acquired. The rules governing the qualification of a transaction for purposes of the mentioned regime are complex, and its applicability should be carefully analysed on a case by case basis.

e. Purchase Agreement

There are no special provisions beyond the typical requirements that are seen internationally that should be considered to protect against tax exposures specific to the jurisdiction. Notwithstanding the above, there are two aspects to bear in mind when negotiating the terms of the SPA:

- Companies which form part of a tax unit for CIT or VAT purposes are jointly and severally liable for tax liabilities of the tax group. Thus, this potential responsibility should be taken into consideration when a company which shall be excluded from a tax unit for CIT or VAT purposes is acquired.
- The statute of limitations in Spain is four years. Thus, a review of all tax obligations of the last four tax periods open to tax audit is required. Exceptionally in Spain, the right of the Spanish Tax Authorities to audit NOLS and tax credits which have been offset or which are carried forward prescribes 10 years, starting to count from the date after filing the CIT return corresponding to the fiscal year in which the tax loss or tax credit was generated. Once the 10 year period has expired, the Spanish Tax Authorities are not entitled to audit NOLS or tax credits; nevertheless, the taxpayer must be capable of demonstrating the origin of the tax losses or tax credit which it is wanting to offset with the ability to provide, for example the relevant tax return and accounting records.

Under Basque tax rules, Basque Tax Authorities can audit the reality, origin and amount of tax losses and tax credits which the taxpayer intends to offset, regardless of the year in which the tax loss or tax credit was generated.

The impact of the extension of administrative procedures due to the COVID-19 related measures should be taken into consideration to compute the statute of limitation term. As discussed above, the statute of limitation period was extended (i.e.. the term ceased to be computed) during the period of time in which the state of alarm for COVID-19 was in force.

f. Transfer taxes on share transfers (including mechanisms for disclosure and collection)

The sale of shares of a Spanish company is, generally speaking, not subject to any indirect tax, although TT (from 6% to 11%) or VAT can be levied if the purpose of the sale is to avoid the tax (i.e. TT or VAT) that would have been payable in the direct transfer of the real estate properties owned by the companies whose shares are transferred. It will be presumed that the purpose of the sale is to avoid tax in the following cases:

- When the transaction results in the buyer gaining control of an entity whose real estate assets located in Spain not destined to a particular economic activity are at least 50% of the total market value for all assets or, in the case that the buyer already has a controlling stake, when that stake is increased;
- When the transaction results in the buyer gaining control of an entity whose assets include a controlling stake in an entity with real estate assets which fit the previous description;
- When the shares received are the consequence of real estate contributed for the incorporation of entities or capital increases, if this real estate is not destined to an economic activity and three years have not elapsed between the date it was contributed and the transaction date.

g. "Purchase accounting" applicable to share acquisitions

Spanish accounting legislation was adapted to European legislation by Law 16/2007, which had the aim of reforming commercial accounting rules and harmonising them with EU rules. The General Accounting Plan was approved by Royal Decree 1514/2007.

For accounting purposes, an acquisition may be deemed as a business combination. In the business combinations, the investing company, in its individual annual accounts, will value the investment for the acquisition price (including transaction costs).

Distribution of pre-acquisition retained earnings of the acquired company should be recorded as a reduction in the value of the participation acquired (for both accounting and tax purposes).

h. Share Purchase Advantages

The main advantage of the share purchase alternative is that the target company can preserve its tax attributes (such as NOLs or tax credits). We refer to section 3.b. above.

The acquiror can request a certificate issued by the tax authorities attesting that the target is up to date on payment of taxes. However, this certificate does not limit acquiror's or target entity responsibility. Thus, the said responsibility must be covered in the SPA.

i. Share Purchase Disadvantages

In share deals the acquired entity (target) remains in existence and any of its historical or contingent liabilities remain with it after the completion of the transaction.

The basis in the target's underlying assets carries over and is not stepped up. Consequently, it is not possible for the buyer to benefit from the additional tax amortisation or depreciation of underlying assets, if any. Nor can they benefit from the additional price paid that should be attributable to the goodwill of the business carried out by the entity whose shares the buyer acquires. The rules foreseen in the previous CIT Act which allowed for the step up and deduction of merger goodwill have been abolished.

Under Basque CIT legislation, subject to certain requirements, difference between transaction price and equity of the target, reduced in the amount allocable to its assets or rights (i.e. financial goodwill) is CIT deductible up to a maximum annual limit of a 12.50%, via book to tax adjustment. Also, merger goodwill may be depreciated for tax purposes at a yearly rate of up to 12.5%.

4. ASSET ACQUISITION

a. General Comments

In asset deals, the acquiring entity is as a general rule a Spanish entity. If the acquiring entity is a non-resident entity the potential risk that the activities that it will perform in Spain determine the existence of a permanent establishment should be carefully reviewed.

The basis in the acquired assets can be stepped up based on the price paid. Consequently, the buyer can benefit from the additional tax amortisation or depreciation of underlying assets. It can also benefit from the additional price paid that should be attributable to the goodwill of the business carried (or any intangible assets not reflected on the seller's accounts) and depreciated for tax purposes.

On the other hand, the sale of assets normally produces a taxable capital gain for the selling company (25% CIT rate), which might be difficult to mitigate. This may have an impact on pricing.

The acquiror of isolated assets does not assume the tax risks of the selling company unless the acquisition is made by one or several persons or entities that continue a going concern. In this later scenario, the acquiror is jointly and severally liable for pre-closing tax liabilities. This responsibility can be limited if the acquiror obtains a certificate issued by the tax authorities confirming that the seller does not have pending liabilities.

b. Purchase Price Allocation

In a taxable asset acquisition the purchase price paid should be allocated to each asset and the resulting value will be regarded as its tax basis. Such allocation is often a contentious issue for parties to the transaction, as the buyer and seller's interests in this respect may differ. The tax basis of the assets acquired should be stepped up to represent the assets' fair market value and will be used as the basis to amortise and depreciate the asset for tax purposes.

c. Tax Attributes

The target's existing tax attributes, such as net operating losses ("NOLs") do not carry over to the buyer.

d. Tax Free Reorganisations

Spanish companies can reorganise their Spanish activities in a tax neutral manner. This is configured like the standard regime for restructuring transactions (under Basque CIT legislation, an election for the tax neutrality regime is required) and there is a general obligation to inform the tax authorities when transactions eligible for the regime are carried out. The main caveat to consider for tax neutral restructurings under the Spanish tax regime based on the EU Merger Directive is the specific anti-abuse provision that requires the transaction to be carried out under valid economic purposes and not with the sole purpose of obtaining a tax advantage. This regime provides for a tax neutral treatment for restructuring transactions (both from a CIT and indirect taxes). For more details see section 3.d. above.

e. Purchase Agreement

There are two relevant aspects to cover in the Purchase Agreement:

- The responsibility of the acquiror, particularly, in those cases where there may be a potential transfer of a going concern.
- The purchase price should be allocated to the acquired assets in order to determine the tax basis for their future deprecation or amortisation

and determine the resulting goodwill, if any.

f. Depreciation and Amortisation

The tax basis of the assets acquired would be stepped up to represent the assets' fair market value. This step-up may increase the amount of the future tax depreciation or amortisation deductions corresponding to the assets acquired. The portion of the purchase price not allocated to specific assets will be deemed to be attributable to goodwill in the case of the acquisition of a business from an accounting point of view which can be depreciated for tax purposes over 20 years (8 years under Basque CIT legislation).

g. Transfer Taxes, VAT

Asset sales may also be subject to Value Added tax ("VAT") at the applicable VAT rate (the general VAT rate is 21%). If what is being transferred is a going concern, VAT would not apply. If real estate property is transferred within the context of a going concern, the transfer would in principle be subject not to VAT but to Transfer Tax ("TT") at a rate that would vary between 6% and 11% (depending on the Spanish region that would be entitled to tax the transfer). Likewise, the transfer of real estate may lead to the accrual of local taxes such as the tax on the increase of the value of urban land.

h. Asset Purchase Advantages

From a buyer's perspective it is generally preferable to acquire business assets directly (to the extent the buyer can obtain a step-up in the assets' tax basis and could record amortisable goodwill). In Spain sellers are generally not inclined to structure sales transactions as asset deals, as a seller might prefer to avoid the double layer of taxes (at the level of seller and its shareholders if they are not exempt) that could result from an asset deal. However circumstances that might make the seller lean towards an asset deal include the existence of a pending offsetting of NOLs (although the potential limitations to offset them should be taken into consideration), or, from an economic perspective, when the seller can factor into the sale price the buyer's potential savings in connection with the step-up in tax basis of the assets transferred, among others.

i. Asset Purchase Disadvantages

Under Spain's general tax law rules an acquiror party (the buyer) may be deemed to be jointly liable for pre-closing tax liabilities of a target business if the transfer is deemed to constitute a transfer of an on-going concern. In such a case the buyer may be deemed to be the successor of the seller in the business acquired.

Consequently, it is crucial to analyse in detail the nature of assets acquired in every due diligence process. If the assets acquired are standalone assets not deemed to constitute an on-going concern the pre-closing tax liabilities related to such transferred assets, in principle, will remain with the seller unless there is a contractual agreement specifically providing for the transfer of such liabilities to the buyer.

To limit potential tax liabilities resulting from the asset acquisition the buyer may request from the Spanish tax authorities a certification in respect of the tax liabilities and pending penalties due by the seller. This certificate has a binding effect for the Spanish tax authorities and a tax audit could only demand payment for the amounts shown therein.

Asset purchases may also give rise to relevant non-tax issues. For instance from a corporate law perspective an asset purchase may sometimes not be advisable where licenses, agreements and contracts might not be transferred (or renegotiated) without incurring additional costs or resulting in a cumbersome administrative procedure.

5. ACQUISITION VEHICLES

a. General Comments

As a general rule, there are no restrictions to invest in Spain for foreign investors and there are several acquisition vehicles available to invest in Spain.

The most common investment structure consists on investing through a domestic regular company both under an asset deal or a share deal.

However, foreign investors can also invest through non-resident vehicles. In the framework of an asset deal, the potential existence of a permanent establishment in Spain should be carefully reviewed.

b. Domestic Acquisition Vehicle

There are two main types of limited liability companies: Sociedad Anónima ("S.A.") and Sociedad de Responsabilidad Limitada ("S.L.") and both have their own legal personality. They have the same tax treatment and will be subject to Spanish CIT at its general tax rate.

The Spanish company can be a venture capital company and apply a special tax regime. However, these entities are regulated and supervised by the Spanish Comisión Nacional del Mercado de Valores and have certain investment restrictions. The Spanish regime of these entities is harmonised as per EU Directives.

c. Foreign Acquisition Vehicle

There are no restrictions to invest in Spain through a foreign vehicle. Any foreign citizen or legal entity may freely be a shareholder of a Spanish company provided that he/she/it applies for a tax identification number ("N.I.E.." or "N.I.F".).

In our experience, in the framework of share deals, acquirors tend to invest in Spain through an EU holding entity. The substance and structure of the foreign holding as well as the business reasons to invest though the said jurisdiction should be duly reviewed. Otherwise, the foreign investor may suffer withholding taxes at source on Spanish source income. Conversely, assets deals are generally made by Spanish companies.

Assets or shares can be acquired through a branch. Although branches are taxed in a similar way to resident companies, they have the advantage of not attracting withholding taxes on remittance of profits abroad, provided the foreign company resides in a tax treaty country (with some exceptions) or in the EU.

d. Partnerships and joint ventures

Partnerships as such are not regulated under Spanish Civil Law or Spanish tax law. However, Spanish tax law foresees a special regime for "look-through" entities which applies to the following entities:

- Spanish partnership type entities (i.e. "sociedades civiles") under the Spanish Civil Code (as long as they do not have legal personality and do not have a commercial purpose); estates; joint property entities; and, in general, entities which, despite not having separate legal personality, constitute an economic unit or a separate set of assets capable of being taxed.
- Entities formed abroad whose legal nature is akin to that of "look through" entities formed in Spain.

The main feature of this regime is that these entities are treated as look-through vehicles and the income obtained by them is attributed to their members as stated in the Spanish regulations. Consequently, if Spanish resident or non-resident persons or entities invested in whichever type of assets through an entity formed abroad, whose legal nature is akin to that of said look-through entities formed in Spain and with no permanent economic presence in Spain (i.e. no permanent establishment), such entity would be disregarded for tax purposes and its members would be taxed on the entity's income according to the rules set forth in the Spanish Law.

6. ACQUISITION FINANCING

a. General Comments

There are no restrictions to bring funds into the country. Certain foreign investment should be communicated to the Spanish authorities. A Spanish company can be incorporated in two months.

b. Equity

No tax incentives exist for equity financing.

However, the CIT Law includes the so called "capitalisation reserve" as an incentive for the reinvestment and capitalisation of companies. Taxpayers subject to the standard tax rate can reduce their tax base by 10% of the increase in their equity provided that (i) this increase is maintained over a period of five years and (ii) a reserve is created for the amount of the reduction, duly separated and restricted (as non-distributable) over the five year period.

The reduction cannot exceed 10% of the positive tax base prior to the application of this reduction, the inclusion of adjustments for deferred tax assets and the offset of tax losses. If there is insufficient tax base, the outstanding amounts can be applied over the next two years, together with that of the year itself, subject to the same limit.

c. Debt

The use of a Spanish special purpose vehicle ("SPV") by a foreign buyer to carry out the acquisition of a Spanish target, coupled with the Spanish tax unit regime, has traditionally allowed for debt pushdown of the indebtedness relating to the acquisition of a Spanish target.

These strategies have to be carefully analysed to ensure that they are not challenged on the basis of the general anti-abuse provisions, as well as to comply with the transfer pricing rules and most significantly, with the requirements and limitations recently introduced regarding interest deductibility, which have substantially restricted the ability of companies to push down debt connected to acquisitions of equity interests by Spanish companies.

In this respect, a specific anti-debt pushdown restrictions are laid down in cases of acquisitions of holdings in other entities if, thereafter, the acquiring entity is included in a tax group or is subsequently merged, with a view to preventing the acquired activity from bearing the finance cost incurred on its acquisition. In this situation, borrowing costs related to the acquisition of these holdings over and above a ceiling equal to 30% of the operating income of the acquiror for the period are not deductible. For these purposes:

- The restriction is limited in the case of a merger or an inclusion in a consolidated tax group taking place within four years following the purchase.
- It is possible to offset the finance costs that are not deductible for this reason in the following years (according to the general rules on deductibility of finance costs).
- This limitation on the deduction of finance costs will not apply if the debt incurred to finance the transaction does not exceed 70% of the acquisition cost of the shares and the debt is repaid at the rate of at least 5% annually for eight years (until the debt reaches 30% of the acquisition price).

d. Hybrid Instruments

Spain has adapted the CIT regulations to the measures proposed under some of the OECD BEPS action plans, and certain new amendments have been be implemented in the short term. Spanish regulations set rules aimed at tackling hybrid instruments, as follows:

- An anti-abuse rule regarding “hybrid instruments”, implemented by ATAD2, which limits the deductibility of certain expenses. The term “hybrid mismatches” refers to scenarios in which non-taxation or double deduction of expenses occurs as a result of legal characterisation differences in more than one country or territory. As the new royal decree mentions in its preamble, the purpose of transposition of the ATAD2 Directive is to prevent these scenarios in transactions between Spain and other member states, as well as between Spain and third countries or territories, (i) where between the parties acting in the transaction there is an associated entity relationship, significant influence is exerted or they act together with respect to voting rights or capital ownership; and (ii) where the mismatch takes place under a structured arrangement.
- A limitation on the ability to access to the participation exemption regime for hybrid instruments has been introduced, by which the participation exemption does not apply when dividends distributed by a non-resident subsidiary generate a deductible expense at the level thereof.
- Specific restrictions are laid down as regards the tax treatment of some hybrid instruments (i.e. participating loans, return on certain types of equity instruments, among others).

e. Other Instruments

Issuance of bonds may be used as a way to raise funds in Spain. The new tax regime in force since 2014 for qualifying bond traded in an organised secondary market sets forth a withholding tax exemption for non-resident investors.

f. Earn-outs

The acquiring entity shall register the investment applying provisional values. The provisional values will be adjusted in the period necessary to obtain the information required to complete the initial accounting (i.e. the valuation period). The said period shall in no case be greater than one year from the date of acquisition.

In any case, adjustments to provisional values shall only result from facts and circumstances that existed on the date of acquisition and that, if they were known, would have affected the amounts initially recognised on that date.

However, earn-outs resulting from events that occur after the acquisition date, such as reaching a determined price per share or a specific milestone in a research and development project, are not adjustments of the valuation period.

During the first year, adjustment of the valuation period shall be registered retroactively by the acquiring entity and modify the provisional values registered. After the first year period, they directly impact the P&L account.

7. DIVESTITURES

a. Tax Free

Capital gains obtained by Spanish residents from sales of shares are generally subject to a 25% CIT rate (24% CIT rate under Basque CIT law). However, a participation exemption regime may apply if the following requirements are met:

- The shares sold must represent at least 5% of the target share capital, (please note that for fiscal years starting from 1 January 2021 it is no longer possible to qualify if the acquisition cost is at least EUR20 million, as was the case previously, so unless specific grandfathering rules apply, the minimum 5% stake will now be required for all disposals of investments) and must have been acquired at least one year prior to the sale;
- If the target is a non-resident it must be subject to a tax similar to Spanish CIT with a tax rate of at least 10%. This requirement is deemed to be met if there is a tax treaty providing for an exchange of information clause in place between Spain and the target's country of residence. The exemption will not be applicable when the subsidiary is resident in a tax haven;
- The exemption will not be applicable to capital gains obtained on the sale of stake held directly or indirectly in instrumental entities.
- The exemption will not be applicable to capital gains obtained on the sale of stake held directly or indirectly in entities which fall under the scope of the Spanish CFC rules and the said regime applies, at least, to 15% of their income.

Until the amendments which took effect for fiscal years starting from 1 January 2021, the participation exemption was 100% and if the sale met the above criteria it was not taxable. However, following an amendment effective for fiscal years starting from 1 January 2021, the dividend and gain exemption has been reduced by 5% from 100% to 95% for management expenses related to said participations. This reduction does not apply under Basque CIT law, where a full exemption is available.

Taxable gains obtained by non-residents are taxed at a flat 19% rate. However an exemption might be available further to the provisions of a tax treaty or to domestic law. If the target is a holding company that benefits from the Spanish ("Entidad de Tenencia de Valores Extranjeros", or "ETVE") regime, the capital gain obtained by the seller derived from the sale of the target shares might not be taxed in Spain, to the extent of the amount of the target's accumulated tax exempt reserves (i.e. reserves that ultimately derive from tax exempt dividends and capital gains obtained by the target as a consequence of the applicability of the Spanish participation exemption regime) and hidden reserves attributable to foreign subsidiaries of the ETVE. For clarity, the Spanish ETVE regime applies to companies whose corporate objectives include managing and administrating shares in non-resident entities and meet certain requirements. The main benefit of said regime is a relief on gain and dividends obtained out of exempt profits on non-residents shares (dividends and gains that have access to the participation exemption).

Basque tax regulations provide for the exemption of dividends and gains derived by non-resident shareholders from their participation in Basque holding companies that are ultimately related to tax exempt reserves.

Domestic law foresees that capital gains resulting from the transfer of movable property, obtained without a permanent establishment, by residents in an EU member state or by EU permanent establishments of residents in EU member states, will be tax exempt. This exemption will not apply to capital gains obtained in the transfer of shares when one of the following circumstances occurs:

- When the assets of the company consist principally, directly or indirectly, in real estate situated in Spain.
- For individuals, when in the 12 months prior to the transfer, the taxpayer held, directly or indirectly, at least 25% of the stake in the transferred entity.
- In the case of non-resident companies, when the requirements to apply the participation exemption regime for CIT purposes are not met.

b. Taxable

In the case of asset sales, where the seller is a Spanish resident company, capital gains derived from asset sales are generally subject to CIT at a 25% rate (24% CIT rate under Basque CIT law). Any potential capital gain can be offset against NOLs and other negative income, considering the limitations already described. Additionally, the capitalisation reserve can be applied (see section 6.b. above).

c. Cross Border

Taxable gains obtained by non-residents are taxed at a flat rate of 19%. However an exemption might be available further to the provisions of a tax treaty or to domestic law. If the target is a holding company that benefits from the Spanish ETVE regime, which may apply to companies whose corporate objectives include managing and administrating shares in non-resident entities and meet certain requirement, the capital gain obtained by the seller derived from the sale of the target's shares might not be taxed in Spain, to the extent of the amount of the target's accumulated tax exempt reserves (i.e. reserves that ultimately derive from tax exempt dividends and capital gains obtained by the target as a consequence of the applicability of the Spanish participation exemption regime) and hidden reserves attributable to foreign subsidiaries of the ETVE. Basque tax regulations provide for the exemption of dividends and gains derived by non-resident shareholders from their participation in Basque holding companies that are ultimately related to tax exempt reserves. Domestic law foresees that capital gains resulting from the transfer of movable property, obtained without a permanent establishment, by residents in an EU member state or by EU permanent establishments of residents in EU member states, will be tax exempt (with certain exceptions). We also refer to comments in section 7.a. above.

8. FOREIGN OPERATIONS OF A DOMESTIC TARGET

a. Worldwide or territorial tax system

Spanish CIT is levied on Spanish tax resident entities' worldwide income. An exemption is applied to qualifying dividends and capital gains on shares (see section 6.a. above) and income derived through a foreign permanent establishment.

b. CFC Regime

Under the "international fiscal transparency" regime, which is the equivalent of a CFC regime, a Spanish resident company may be subject to CIT on certain types of passive income of certain non-resident entities. The Spanish CFC rules are, in general, rules in line with EU Directives and BEPS recommendations.

CFC rules are applicable to Spanish companies that alone or together with other related individuals or entities control 50% of more of the voting rights, capital, assets or profits of the CFC. For the CFC rules to apply, the CFC must be low taxed (i.e. the tax paid in the CFC jurisdiction is lower than 75% of the tax that would have been paid under Spanish CIT rules).

The passive income to which the regime applies is income obtained by entities from immovable property or rights thereon not used in business activities, from financial assets, from loans between related entities, derivatives, intangibles, certain insurance operations and capital gains from the disposal of such immovable property or assets and realised by the CFC.

c. Foreign branches and partnerships

Partnerships and other foreign entities without legal personality akin to Spanish "look though" entities are treated as look though entities and the full income of such entities is attributable to their Spanish members (see section 5.d.).

Income and capital gains obtained by a domestic company though foreign branches are exempt from Spanish CIT as far as the Spanish participation exemption requirements set forth in section 7.a. are met. The Spanish company can opt to apply the tax credit method and include income obtained through the foreign branch in its CIT taxable base and deduct tax paid by the branch with the limit of taxes paid in Spain (the excess should be considered as a deductible expense).

d. Cash Repatriation

There are no legal restrictions to repatriate cash and there is no need to obtain an authorisation.

9. OTHER GENERAL INTERNATIONAL TAX CONSIDERATIONS

a. Special Rules for Real Property, including Shares of "Real Property-Rich" Corporations

Capital gains obtained by non-residents in connection with transfers of shares of companies whose main assets are directly or indirectly real estate located in Spain are deemed to be subject to tax in Spain, at a 19% rate. The domestic exemption on capital gains on the sale of qualifying subsidiaries obtained by EU tax residents does not apply if the main assets of the subsidiary are, directly or indirectly, Spanish real estate properties. In cases where a tax treaty is applicable, its provisions must be analysed to determine whether such gain should be subject to or exempt from Spanish taxes, though the vast majority of such treaties allow the source State to impose tax on those gains.

Capital gains obtained by resident entities in connection with transfers of Spanish companies whose main assets are real estate located in Spain are taxed in the same terms as capital gains on companies without real estate at the ordinary CIT rate. Thus, the capital gain may qualify for the participation exemption if the relevant requirements are met.

In either case, it is important to note that Spanish transfer tax (from 6% to 11%) may apply to transfers of shares where it is deemed that the transaction had the objective of avoiding the tax otherwise payable for the transfer of the real estate properties. We refer to our comments in section 3.f. above.

b. CbC and Other Reporting Regimes

Spain has aligned its domestic law to EU Directives and OECD guidelines.

Form 231 is the "Country by Country Report Return". This is the form through which entities obliged to submit this information ("Country by Country Report") must fulfil this obligation in Spain.

10. TRANSFER PRICING

Spanish transfer pricing rules (rules on related party transactions) are in line with OECD transfer pricing guidelines, whereby related party transactions are valued on an arm's length basis and are subject to certain documentation requirements.

11. POST-ACQUISITION INTEGRATION CONSIDERATIONS

a. Use of Hybrid Entities

No specific rules exist in the CIT Act in relation to hybrid entities. Spain has implemented EU Directive “ATAD2” as regards “hybrid mismatches” (see below 11.b. for further information).

b. Use of Hybrid Instruments

Spain has adapted the CIT regulations to the measures proposed under some of the OECD BEPS action plans and certain new amendments have been be implemented in the short term. Spanish regulations set rules aimed at tackling hybrid instruments, are as follows:

- An anti-abuse rule regarding “hybrid instruments”, implemented by ATAD2, which limits the deductibility of certain expenses. The term “hybrid mismatches” refers to scenarios in which non-taxation or double deduction of expenses occurs as a result of legal characterisation differences in more than one country or territory. As the new royal decree mentions in its preamble, the purpose of transposition of the ATAD2 Directive is to prevent these scenarios in transactions between Spain and other member states, as well as between Spain and third countries or territories, (i) where between the parties acting in the transaction there is an associated entity relationship, significant influence is exerted or they act together with respect to voting rights or capital ownership; and (ii) where the mismatch takes place under a structured arrangement.
- A limitation to the access to the participation exemption regime has been introduced for hybrid instruments, under this limitation, the participation exemption does not apply when dividends distributed by a non-resident subsidiary generate a deductible expense at the level thereof.
- Specific restrictions are laid down as regards the tax treatment of some hybrid instruments (i.e. participating loans, return on certain types of equity instruments, among others).

We refer also to comments in section 6.d. above with respect to the tax treatment under Spanish CIT Act of hybrid instruments.

c. Principal/Limited Risk Distribution or Similar Structures

Principal / limited risk distributor structures must follow Spanish transfer pricing rules.

The Spanish tax authorities have issued numerous rulings analysing restructurings of the activities of Spanish companies under the principal / limited risk distributor model which led to a substantial reduction of the Spanish CIT taxable base. The tax authorities (whose position has been supported by Spanish Courts) considered that the non-resident principal had a permanent establishment in Spain on the basis that its Spanish subsidiary was a dependent agent.

d. Intellectual property (licensing, transfers, etc.)

The Spanish patent box regime entitles Spanish companies to apply a reduction of 60% on net income that derives from the “granting of the right to use or exploit” certain intangibles. Gains on the disposal of the ownership of such intangibles are also eligible for the regime if the acquiror is a non-resident person. The applicable rules are compliant with the requirements set forth in the BEPS Report on Action 5.

The reduction applicable to income eligible for the patent box regime is computed as follows:

Reduction= Income x 60% x (Creation expenses x 1.3) / (Creation and acquisition expenses)

The Basque patent box regime, which is aligned with the OECD nexus approach, provides for a reduction of 70%.

e. Special tax regimes

Spanish companies with non-resident investors which invest in foreign vehicles can apply the Entidad de Tenencia de Valores, ("ETVE") regime. Spanish companies which apply for the ETVE regime are subject to the Spanish general CIT regime, but they can benefit from a special tax regime for dividends and gains on shares if certain requirements are met.

- In summary, the ETVE special regime provides for a special tax treatment for dividend distributions made by the ETVE itself, since it foresees that dividends distributed out of "exempt income" to the non-resident shareholders of the company (save if they are resident in a tax haven jurisdiction) are not subject to withholding taxes in Spain. Exempt income corresponds to dividends and capital gains out of participations in foreign companies held by the ETVE which are exempt from the Spanish CIT according to the general participation exemption regime.
- Likewise, the ETVE special regime foresees that capital gains derived from the transfer of the stake in the ETVE shall not be taxed in Spain provided that the capital gain can be assigned to accumulated reserves or to foreign subsidiaries which can benefit from the Spanish participation exemption.

Basque tax regulations provide for the exemption of dividends and gains derived by non-resident shareholders from their participation in Basque holding companies that are ultimately related to tax exempt reserves. Also, the deduction at a maximum 12.50% yearly rate of financial goodwill embedded in the acquisition price of the shares in the target, both in Spanish and non-resident companies, is allowed, subject to certain requirements. Accordingly, Basque holding companies are commonly used for the acquisition of the target.

12. OECD BEPS CONSIDERATIONS

Spain has partially adapted the CIT regulations to some of the measures proposed under some of the OECD BEPS action plans (and certain new amendments may be implemented in the short term) and Spanish regulations set forth a wide range of anti-abuse rules which are in line with the principles stemming from the OECD BEPS works. Reference is made to anti-hybrid rules (section 6.d. above).

The Spanish CFC rules, patent box and transfer pricing rules were modified as well to adapt them to the OECD BEPS recommendations. Spain has signed the Multilateral Instrument. Thus, the Spanish DTT network will be modified by the MLI, whose ratification entered into force on 1 January 2022.

13. ACCOUNTING CONSIDERATIONS

a. Combinations

For accounting purposes, an acquisition may be deemed to be a business combination. In business combinations, the investing company, in its individual annual accounts, will value the investment for the acquisition price (including transaction costs). Particular accounting rules apply to intragroup reorganisations.

b. Divestitures

The transferring entity must deregister its investment when it has actually transferred risks and obligations. The difference between the acquisition cost and the selling price minus cost directly related with the transaction must be registered in the P&L account.

14. OTHER TAX CONSIDERATIONS

a. Distributable Reserves

In general terms, dividends can be distributed if the following aspects are respected:

(i) Legal reserves should be covered; otherwise, a legal reserve of a minimum of 10% of the profits of the financial year should be applied, until said reserve represents at least 20% of the capital.

(ii) The legally obligatory reserves should be covered, where appropriate.

(iii) The value of net worth does not fall below the company's capital, as a consequence of the distribution of dividends.

(iv) The amount of available reserves, is, as a minimum, equal to the amount of the costs corresponding to research and development, as reflected in the assets on the balance sheet.

b. Substance Requirements for Recipients

There are not specific substance requirements set forth for regular resident companies, but the access to the domestic participation exemption when investing in companies deemed as purely instrumental as well as certain tax benefits (for instance, benefits for small and medium entities) can be denied based on domestic GAAR where an insufficient level of substance is deemed to exist. On the other hand, the ETVE regime will only be applied to holding companies whose activities (i.e. the management of the stake held in their subsidiaries) are carried out through an adequate organisation of human and material means.

As regards non-resident companies, the benefits of a domestic exemption or an applicable DTT may be denied if the foreign company does not have sufficient substance to evidence its effective tax residence in the foreign jurisdiction or if, as a consequence thereof, the relevant structure was regarded as purely tax driven (i.e. merely aimed at benefitting from the relevant DTT or domestic tax advantages) based on the domestic GAAR or on the specific anti-abuse provisions set forth either domestically or in the applicable DTT.

c. Application of Regional Rules

As regards the amendments to the EU Parent Subsidiary Directive, Spain already has an anti-abuse rule in place according to which the domestic exemption implementing the EU Parent-Subsidiary Directive does not apply if the parent company is located in a tax haven or if the majority of its voting rights are held, directly or indirectly, by an individual or legal entity not resident in the EU or a country in the European Economic Area with an effective exchange of information with Spain, unless the parent company has been established to operate on valid economic grounds and for substantive business reasons.

Finally, as a general rule, the Spanish tax regime has substantially implemented the measures which are proposed by the Anti-Tax Avoidance Directive and have recently adapted the following rules to fully align them with the said Directive:

- Implement new rules on hybrid entities (“ATAD2”); and
- Spanish exit tax and CFC rules.

Although the CIT Act rules limiting the deduction of borrowing costs allow the inclusion of (as part of the EBITDA) tax exempt dividends from qualified subsidiaries (not under Basque CIT rules), Spain will not modify its CIT Act in the short term, as it has been established that Spain has sufficiently effective measures to attain the objectives laid down in ATAD as regards the limitation to the deduction of excessive borrowing costs.

d. Tax Rulings and Clearances

Spanish taxpayers can request a binding ruling to gain certainty on the tax treatment of a particular transaction. Tax rulings should be answered within six months by the tax authorities. However, the tax authorities may take a longer period to answer. Obtaining a binding ruling is not compulsory, but it may be advisable for a restructuring transaction with no precedents or transactions whose tax treatment is uncertain.

15. MAJOR NON-TAX CONSIDERATIONS

This section is left intentionally blank.

16. APPENDIX I - TAX TREATY RATES

Jurisdiction	Dividends [1]			Interest [2]	Royalties [3]	Footnote
	General	Matrix- Subsidiary				
	(%)	(%)	Min. Part. %	(%)	(%)	
Albania	10	0 / 5	10 / 75	0 / 6	0	[6]
Algeria	15	5	10	0 / 5	7 / 14	[9] [10]
Andorra	15	5	10	0 / 5	5	[7]
Argentina	15	10	25	0 / 12	3 / 5 / 10 / 15	[11] [12]
Armenia	10	0	25	5	5 / 10	[13] [14]
Australia	15	15	-	10	10	
Austria	15	10	50	5	5	[15]
Azerbaijan	10	5	25	0 / 8	5 / 10	[121] [122] [123]
Barbados	5	0	25	0	0	
Belarus	18	18	-	0	0 / 5	[4] [17]
Belgium	15	0	25	0 / 10	5	[16]
Bolivia	15	10	25	0 / 15	0 / 15	[17] [18] [19]
Bosnia and Herzegovina	10	5	20	0 / 7	7	[20]
Brazil	15	10 / 15	25	0 / 10 / 15	10 / 15	[21] [22] [23]
Bulgaria	15	5	25	0	0	
Canada	15	5 / 0	10 / Pension Plan	0 / 10	0 / 10	[24] [25] [17]
Cape Verde	10	0	25	0 / 5	5	[124]
Chile	10	5	20	4 / 5 / 10 / 15	2 / 5 / 10	[26] [27]
China	10	10	-	10	10 / 60	[28]
Colombia	5	0	20	5 / 10	10	[29] [30]
Costa Rica	12	5	20	5 / 10	10	[32] [33] [34]
Croatia	15	0	25	0	0	[35] [35]
Cuba	15	5	25	0 / 10	0 / 5	[36] [17]
Cyprus	5	0	10	0	0	
Czech Republic	15	5	25	0	0 / 5	[5] [17]

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Jurisdiction	Dividends [1]			Interest [2]	Royalties [3]	Footnote
	General	Matrix- Subsidiary				
	(%)	(%)	Min. Part. %	(%)	(%)	
Dominican Republic	10	0	75	0 / 10	10	[86]
Ecuador	15	15	-	0 / 5 / 10	5 / 10	[37] [17]
Egypt	12	9	25	0 / 10	12	[38]
El Salvador	12	0	50	0 / 10	10	[89] [90] [91]
Estonia	15	5	25	0 / 10	0 / 5 / 10	[42] [43]
Finland	0 / 15	0 / 5	10	0	0	
France	15	0	10	0 / 10	0 / 5	[46] [47]
Georgia	10	0	10	0	0	
Germany	15	5	10	0	0	
Greece	10	5	25	0 / 8	6	[48]
Hong Kong	10	0	25	0 / 5	5	[49]
Hungary	15	5	25	0	0	
Iceland	15	5	25	0 / 5	5	[54]
India	15	15	-	0 / 15	10 / 20	[50]
Indonesia	15	10	25	0 / 10	10	[51]
Iran	10	5	20	0 / 7,5	5	[52]
Ireland	15	0	25	0	5 / 8 / 10	[53]
Israel	10	10	-	5 / 10	5 / 7	[55] [56]
Italy	15	15	-	0 / 12	4 / 8	[57] [17]
Jamaica	10	5	25	0 / 10	10	[58] [59] [60]
Japan	15	10	25	10	10	
Kazakhstan	15	5	10	0 / 10	10	[61]
Korea	15	10 / 15	25	0 / 10	10	[31]
Kuwait	5	0	10	0	5	
Kyrgyzstan	18	18	-	0	0 / 5	[4] [17]
Latvia	10	5	25	0 / 5 / 10	0 / 10 / 15	[62] [63]
Lithuania	15	5	25	0 / 10	0 / 5 / 10	[64] [65]

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Jurisdiction	Dividends [1]			Interest [2]	Royalties [3]	Footnote
	General	Matrix- Subsidiary				
	(%)	(%)	Min. Part. %	(%)	(%)	
Luxembourg	15	10	25	0 / 10	10	
Malaysia	5	0	5	0 / 10	5 / 7	[67] [68]
Malta	5	0	25	0	0	
Mexico	10	0	10 / Pension Plan	4,9 / 10	0 / 10	[70] [71]
Moldova	10	0 / 5	25 / 50	0 / 5	8	[72]
Morocco	15	10	25	10	5 / 10	[69]
Netherlands	15	10 or 5 (Spain) / 5 (Netherlands)	50 (or 25+25)	10	6	[81]
New Zealand	15	15	-	0 / 10	10	[77] [78] [79]
Nigeria	10	7.5	10	0 / 7,5	3,75 / 7,5	[73] [74] [75]
North Macedonia	15	5	10	0 / 5	5	[66]
Norway	15	10	25	0 / 10	5	[76]
Oman	10	0	20	0 / 5	8	[80]
Pakistan	10	5 / 7,5	25 / 50	10	7.5	[82]
Panama	10	0 / 5	40 / 80 (or Pension Plan)	0 / 5	5	[83] [84]
Philippines	15	10	10	0 / 10 / 15	15 / 20	[44] [45]
Poland	15	5	25	0	0 / 10	[17]
Portugal	15	10	25	15	5	
Qatar	5	0	10 / 5 / 1	0	0	[116]
Romania	15	10	25	0 / 10	10	[117]
Russia	15	5 / 10	Value of Investment	0 / 5	5	[87] [88]
Saudi Arabia	5	0	25	0 / 5	8	[8]
Senegal	10	10	-	0 / 10	10	[92]
Serbia	10	5	25	0 / 10	5 / 10	[93] [94] [95]
Singapore	5	0	10	0 / 5	5	[96] [97]
Slovakia	15	5	25	0	0 / 5	[5] [17]
Slovenia	15	5	25	0 / 5	5	[39]

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Jurisdiction	Dividends [1] General (%)	Matrix- Subsidiary (%)	Min. Part. %	Interest [2] (%)	Royalties [3] (%)	Footnote
South Africa	15	5	25	0 / 5	5	[98]
Sweden	15	10	50	0 / 15	10	[118]
Switzerland	15	0	10 / Fund Pension	0	0 / 5	[119]
Tajikistan	18	18	-	0	0 / 5	[4] [17]
Thailand	10	10	-	0 / 10 / 15	5 / 8 / 15	[101] [102] [103]
Trinidad and Tobago	10	0 / 5	25 / 50	0 / 8	5	[104]
Tunisia	15	5	50	5 / 10	10	[105]
Turkey	15	5	25	10 / 15	10	[106]
Turkmenistan	18	18	-	0	0 / 5	[4] [17]
Ukraine	18	18	-	0	0 / 5	[4] [17]
United Arab Emirates	15	5	10	0	0	
United Kingdom	10 / 15	0	10 (or Pension Plan)	0	0	[85]
United States	15	0 / 5	10	0 / 10	0	[40] [41] [115]
Uruguay	5	0	75	0 / 10	5 / 10	[107] [108]
Uzbekistan	10	0 / 5	25	0 / 5	5	[109] [110]
Venezuela	10	0	25	0 / 4,95 / 10	5	[111]
Vietnam	10 / 15	5 / 7 / 10	25 / 50 / 70	10	5 / 10	[112] [113] [114]

Footnotes	
0	The Multilateral Instrument will modify the provision of some of the Tax Treaties of the Spanish Tax Treaty network after its entry into force and applicability.
1	See, in general, article 10, section 2, of the corresponding Tax Treaty.
2	See, in general, article 11, sections 2 and 3, of the corresponding Tax Treaty.
3	See, in general, article 12, section 2, of the corresponding Tax Treaty.
4	The Tax Treaty between Spain and the USSR is in force for the former member countries of the USSR, except for those with which a new Tax Treaty already exists, and for some other country with which it has ceased to be in force and for which at the moment there is no other Tax Treaty in force. In particular, it is only applied to Belarus, Kyrgyzstan, Tajikistan, Turkmenistan, and Ukraine.

Footnotes	
5	The Tax Treaty with the former Czechoslovakia is applied to both the Czech republic and Slovakia.
6	The exemption applies in relation to: interest paid, received, or guaranteed by the Public Administrations; financial institutions; credit sales of any equipment or material, merchandise or service; pension funds are exempt.
7	The exemption applies in relation to: interest paid and received by the Public Administrations.
8	The exemption applies in relation to: interest paid and received by the Public Administrations (including public financial institutions).
9	The exemption applies in relation to: interest paid or received by the Public Administrations; credit sales of merchandise or equipment; loans granted by banks or credit institutions.
10	The highest rate is applied to copyrights, including films.
11	The exemption applies in relation to: interest paid or received by Public Administrations; loans concluded between States with a term equal to or greater than 5 years; credit sales of industrial, commercial or scientific equipment.
12	The applicable rates are: 3% (news); 5% (copyright); 10% (patents, designs and models, blueprints, formulas or secret procedures, computer programs, commercial, industrial or scientific equipment, information relating to industrial, commercial or scientific experiences, provision of technical assistance services); 15% in other cases.
13	The application of the exemption requires a minimum participation of 25% during at least the 2 years prior to the payment of the dividend and that the aforementioned dividends are not subject to the tax on benefits in the beneficial owner's Contracting State of residence.
14	The lowest rate is applied to copyrights, including films.
15	The application of the 10% rate requires a minimum participation of 50% during at least the year prior to the payment of the dividend.
16	The exemption applies in relation to: commercial loan interest, guaranteed by Public Administrations, certain interests between banks.
17	The lowest rate is applied to copyrights, not including films..
18	The exemption applies in relation to: interest paid or received by Public Administrations; loans concluded between States with a term equal to or greater than 5 years; credit sales of industrial, commercial or scientific equipment
19	Protocol 2 of the Tax Treaty contains a More Favoured Nation Clause (MFNC) for fees that has not been activated for the time being.
20	The exemption is applied in relation to: interest paid, received, or guaranteed by the Public Administrations; public financial institutions; pension funds are exempt.
21	Protocol 3 of the Tax Treaty with Brazil contains a MFNC under which applicable tax rates have been modified
22	The exemption applies in relation to: interest paid or received by the Public Administrations; the reduced rate of 10% is applied in relation to bank loans with a minimum term of 10 years in order to finance the acquisition of capital goods and equipment; otherwise the general rate of 15% is applied.
23	According to the Tax Treaty with Brazil, a rate of 10% is applied to royalty payments, including films, and 15% for the rest of the fees (which logically includes trademarks). However, under the MFNC for fees provided for in Protocol 4 of the Tax Treaty, applicable tax rates have been modified.

Footnotes	
24	Withholding taxes applicable to dividends are: 15% in general; 5% if the beneficial owner is a company (other than a partnership) that directly holds at least 10% of the capital; the application of the 0% rate requires that the effective beneficiary is a pension plan or a retirement plan that meets certain requirements.
25	The interest exemption applies when the beneficial owner of the interest is a resident of the other Contracting State and operates under full competition conditions with its debtor; and in relation to interests guaranteed by the Public Administrations related to export activities.
26	According to the Tax Treaty with Chile, the interest rate of 5% is applied to interest on bank loans or insurance companies, interest on bonds and listed securities, and interest on credit sales of machinery or equipment, and 15% is applied to the rest of the cases. However, under Protocol X of the Tax Treaty, which contains a MFNC under which applicable tax rates have been modified.
27	The lowest rate (5%) is applied in relation to industrial, commercial or scientific equipment. However, under Protocol X of the Tax Treaty, which contains a MFNC for royalties applicable tax rates have been modified.
28	The lowest type is applied in relation to industrial, commercial or scientific equipment.
29	According to the Tax Treaty with Colombia, the 0% rate is applied in relation to interests whose beneficiary is a Public Administration, in credit sales of merchandise or equipment and in bank loans, and 10% in other cases. However, under Protocol VII. 2 of the Tax Treaty, which contains a MFNC for interest, rates have been modified.
30	Protocol VIII. 3 of the Tax Treaty contains a MFNC for fees, which for the moment has not been activated.
31	The exemption is applied in relation to: interest received or guaranteed by Public Administrations; credit sales of equipment and merchandise.
32	Protocol XIV of the Tax Treaty contains a MFNC for dividends, which for the moment has not been activated.
33	According to the Tax Treaty with Costa Rica, the 0% rate is applied in relation to interest received by Public Administrations, credit sales of merchandise or equipment and bank loans; 5% in relation to interest on loans with a term equal to or greater than 5 years; and 10% for the rest of cases. However, under Protocol XIV of the Tax Treaty, which contains a MFNC, applicable tax rates have been modified.
34	Protocol XIV of the Tax Treaty contains a MFNC for royalties, which for the moment has not been activated.
35	After the period of 5 years referred to in the Protocol has elapsed, all interest and royalties are exempt.
36	The exemption is applied in relation to: interest received by the Public Administrations, credit sales of equipment and merchandise, or loans with a minimum term of 5 years.
37	The applicable rates are: 0% for interest on loans with a term equal to or greater than 5 years; 5% for credit sale interests on merchandise or equipment, and construction, installation or assembly projects; 10% in the rest of the cases,
38	The exemption applies in relation to: interest received by Public Administrations.
39	The exemption applies in relation to: interest paid or received by Public Administrations.
40	Contingent interest not qualifying as portfolio interest under the United States law may be taxed at the rate of 10%.
41	The 5% rate applies to certain copyrights, excluding films; the 8% rate applies in relation to films, equipment, and certain copyrights; in the other cases, 10% is applied.

Footnotes	
42	According to the Tax Treaty with Estonia, the exemption applies in relation to: interest received by the Public Administrations or loans guaranteed by Public Administrations (including public financial institutions), credit sales (not linked) of equipment and merchandise; for the rest of the cases, 10% is applied. However, by virtue of Protocol VII of the Tax Treaty, which contains a MFNC for interest, applicable tax rates have been modified.
43	Under the Tax Treaty with Estonia, the lowest rate (5%) is applied in relation to the use or concession of use of industrial, commercial or scientific equipment, and the rest of royalties are taxed at 10%. However, under Protocol VIII of the Tax Treaty, which contains a MFNC for royalties, applicable tax rates have been modified.
44	The applicable rates are: 0% (public debt, interest or guaranteed by Public Administrations); 10% (credit sale of equipment, bonds, obligations or similar securities); 15% in other cases.
45	The 10% rate applies to royalties paid by a company registered with the Philippine Investment Council; 20% in relation to films; 15% in the rest of the cases.
46	The exemption applies in relation to: interest paid by Public Administrations, by a company within the framework of an industrial or commercial activity, by credit sales of equipment, by loans from credit institutions.
47	The exemption in royalties applies to copyright in literary or artistic work (excluding cinematographic films and recorded sound or visual works) and also, in accordance with Protocol 10, to royalties paid for the use or concession of use of containers, ships or bareboat aircraft, operated in international traffic.
48	The exemption applies in relation to: interest paid or received by Public Administrations; loans concluded between States.
49	The exemption is applied in relation to: interest paid, received, or guaranteed by Public Administrations; financial institutions; pension funds are exempt.
50	According to the 1993 Tax Treaty with India, the royalties for the use or concession of use of industrial, commercial or scientific equipment are taxed at 10%, while the rest of royalties, and all technical services, are taxed at 20%. However, under Protocol 7 of the Tax Treaty, which contains a MFNC for royalties and technical services, applicable tax rates have been modified.
51	The exemption applies in relation to interest received by Public Administrations.
52	The exemption applies in relation to: interest received by Public Administrations, credit sales of merchandise and equipment, bank loans.
53	The applicable rates are: 5% (copyright on literary, theatre, musical or artistic works); 8% (cinematographic films or films, tapes and other means of transmission or reproduction of the image or sound, industrial, commercial or scientific equipment, and copyright on scientific works); 10% in other cases.
54	The exemption applies in relation to: interest received by Public Administrations.
55	The applicable rates are: 0% (interest on loans granted or guaranteed by Public Administrations); 5% (credit sales of merchandise and equipment, bank loans); 10% in the rest of the cases.
56	The lowest rate is applied for copyrights, including films, and industrial, commercial or scientific equipment.
57	The exemption applies in relation to: interest paid or received by Public Administrations; loans concluded between States.
58	Protocol II of the Tax Treaty contains a MFNC for dividends and consignments, that has not been activated for the moment.

Footnotes	
59	The exemption applies in relation to: interest paid, received, or guaranteed by the Public Administrations; public financial institutions; pension funds are exempt. Protocol II of the Tax Treaty contains a MFNC for interest, that has not been activated for the moment.
60	Protocol II of the Tax Treaty contains a MFNC for royalties, that has not been activated for the moment.
61	The exemption applies in relation to: interest paid, received, or guaranteed by Public Administrations, public financial institutions.
62	According to the Tax Treaty with Latvia, the exemption is applied in relation to: interest received or guaranteed by the Public Administrations (including public financial institutions), credit sales (not linked) of equipment and merchandise, and the rest of the interest would in principle be taxed at the general rate of 10%. However, under Protocol VIII of the Tax Treaty, which contains a MFNC for interest, withholding tax rates have been modified.
63	According to the Tax Treaty, a rate of 5% is applied in relation to industrial, commercial or scientific equipment, and 10% in the rest of the cases. However, under Protocol IX of the Tax Treaty, which contains a MFNC for royalties the said rates have been modified.
64	The exemption is applied in relation to: interest received or guaranteed by Public Administrations (including public financial institutions), credit sales (not linked) of equipment and merchandise. Protocol VIII of the Tax Treaty contains a MFNC for interest, which for the moment has not been activated.
65	The lowest rate is applied in relation to industrial, commercial or scientific equipment. Protocol IX of the Tax Treaty contains a MFNC for royalties, which for the moment has not been activated.
66	The exemption applies in relation to: credit sales of equipment and merchandise; 5 year minimum bank loans.
67	The exemption applies in relation to: interest received by Public Administrations. Protocol 3 of the Tax Treaty contains a MFNC for interest, which for the moment has not been activated.
68	The highest rate is applicable to royalties, the lowest rate is applied to technical services.
69	The lowest rate applies in relation to copyrights, excluding films; the highest rate applies in relation to patents, designs and models, blueprints, secret formulas or procedures, trademarks, films, information referring to experiments, technical or economic studies, agricultural, industrial, portray, commercial or scientific equipment.
70	According to the 2017 modification Protocol of the Tax Treaty with Mexico, the following withholding tax rates are applied: 0% in relation to interest paid or received by Public Administrations, interest on loans for a term greater than or equal to 3 years guaranteed by Public Administrations related to exports, and interest received by exempt pension funds; 4.9% for interest received by banks or financial institutions or insurance institutions, and interest on bonds and other listed credit instruments; and 10% residual. Clause 6 of the Tax Treaty Protocol contains a MFNC for interest, which has not been activated for the moment.
71	The lowest rate applies to copyrights, excluding films. Clause 6 of the Tax Treaty Protocol contains a MFNC for royalties, which for the moment has not been activated.
72	The exemption applies in relation to: interest paid, received, or guaranteed by Public Administrations; public financial institutions; pension funds are exempt.
73	Protocol III of the Tax Treaty contains a MFNC for dividends which for the moment has not been activated.
74	The exemption applies in relation to: interest paid to Public Administrations (including public financial institutions). Protocol III of the Tax Treaty contains a MFNC for interest which for the moment has not been activated.

Footnotes	
75	The 7,5% applies when the royalties receiver is a company; 3,75% is applied otherwise. Protocol III of the Tax Treaty contains a MFNC for royalties which for the moment has not been activated.
76	The exemption applies in relation to: interest paid, received or guaranteed by Public Administrations; long term loans (at least 5 years) granted by financial institutions; credit sales of equipment.
77	Protocol IV of the Tax Treaty contains a MFNC for dividends which for the moment has not been activated.
78	Protocol IV of the Tax Treaty contains a MFNC for interest which for the moment has not been activated.
79	Protocol IV of the Tax Treaty contains a MFNC for royalties which for the moment has not been activated.
80	The exemption applies in relation to interest paid to Public Administrations.
81	The reference included in the table means that when the Netherlands applies the Tax Treaty, it can withhold up to 5% if the participation in the capital is equal to or greater than 50% (although this percentage is allowed jointly by two companies resident in Spain, with at least 25% each); whereas when Spain is the one applying the Tax Treaty, it can retain up to 10% if the share in the capital is equal to or greater than 50% (although that percentage is allowed to be jointly reached by two companies resident in the Netherlands, with at least 25% each of them). Notwithstanding the above, article VII of the Protocol to the Treaty foresees that Spanish tax on dividends shall be reduced to 5% if the receiving company does not suffer company dividends on those dividends.
82	The exemption applies in relation to: interest paid, received or guaranteed by Public Administrations; public financial institutions.
83	The withholding tax rates applicable to distributed dividends are: 10% in general; the application of the 5% rate requires a participation greater than 40%; the application of the 0% rate requires a participation greater than 80% and the fulfilment of a series of conditions, or that it is a pension fund. See article 10 of the Tax Treaty.
84	The exemption is applied in relation to: interest paid, received, or guaranteed by Public Administrations; public financial institutions; credit sales of any equipment, merchandise or service; pension funds are exempt.
85	The withholding tax rates applicable to distributed dividends are: 10% in general (see in Article 10 of the Tax Treaty special regime applicable to REIT type entities). The application of the 0% rate requires a participation greater than 10%, or that its recipient is a pension plan. 15% when dividends are paid out of income (including gains) derived directly or indirectly from immovable property within the meaning of Article 6 by an investment vehicle which distributes most of this income annually and whose income from such immovable property is exempted from tax.
86	The exemption applies in relation to: interest paid, received or guaranteed by Public Administrations; pension funds are exempt; credit sales of any equipment, merchandise or service.
87	The application of the reduced rate does not require of the existence of a minimum percentage of participation but of a certain minimum investment volume. See article 10 of the Tax Treaty.
88	The exemption applies in relation to: interest paid or received by Public Administrations; long term loans (at least 7 years) granted by financial institutions.
89	The application of the 0% rate requires a minimum participation of 50% and that the profits of the subsidiary have been taxed. Protocol X.1 of the Tax Treaty contains a MFNC for dividends, which for the moment has not been activated.
90	The exemption is applied in relation to: interest paid, received, or guaranteed by Public Administrations; public financial institutions; pension funds are exempt. Protocol X.1 of the Tax Treaty contains a MFNC for interest, which has not been activated for the moment.

Footnotes	
91	Protocol X.1 of the Tax Treaty contains a MFNC for royalties, which for the moment has not been activated.
92	The exemption applies in relation to: interest paid or received by Public Administrations.
93	Protocol II of the Tax Treaty contains a MFNC for dividends which for the moment has not been activated.
94	The exemption is applied in relation to: interest received by Public Administrations (including public financial institutions). Protocol II of the Tax Treaty contains a MFNC for interest, which has not been activated for the moment.
95	The lowest rate applies to copyrights, including films; the highest rate applies in relation to patents, trademarks, designs, blueprints, formulas or secret procedures and computer programs, equipment, information relating to industrial, commercial or scientific experiences. Protocol II of the Tax Treaty contains a MFNC for royalties, which for the moment has not been activated.
96	See art 10 of the Tax Treaty special regime applicable to REITs.
97	The exemption is applied in relation to: interest paid, received, or guaranteed by Public Administrations; financial institutions; pension funds are exempt; Government of Singapore Investment Corporation Pte. Ltd.
98	The exemption is applied in relation to: interest received by Public Administrations; credit sales of merchandise or equipment; long term loans (minimum 7 years) granted by financial institutions.
99	The application of the 0% rate requires that the dividends be paid to a recognised pension fund or pension plan. See art. 10 of the Tax Treaty wording given by the Protocol signed in 2011.
100	The withholding tax rate applicable to royalties is 5% in general; however, royalties paid between associated companies are not subject to taxation in the State of the source (see article 12.7 of the Tax Treaty).
101	Protocol VII of the Tax Treaty contains a MFNC for the taxation of remittances of the Permanent Establishment referred to in Article 10.5 of the Tax Treaty, which has not been activated for the moment.
102	The applicable rates are: 0% (interest received by Public Administrations); 10% (interest received by financial institutions, including insurance companies); 15% in other cases.
103	The applicable rates are: 5% (copyright, excluding films and videotapes or audio); 8% ("financial leasing" relative to the use or concession of use of industrial, commercial or scientific equipment); 15% in other cases.
104	The exemption is applied in relation to: interest paid, received, or guaranteed by Public Administrations; public financial institutions; pension funds are exempt; credit sales of any equipment or material, merchandise or service.
105	The 5% rate applies when the interest comes from loans whose duration exceeds 7 years.
106	The 10% rate applies in relation to: bank loans, credit sales of merchandise or equipment.
107	The exemption is applied in relation to: interest paid, received, granted or guaranteed by Public Administrations; long term loans (minimum 3 years) granted by financial institutions; credit sales of any equipment, merchandise or service; pension funds are exempt.
108	The 5% rate applies to copyrights, including films; in the other cases, 10% is applied.
109	Under Protocol III, the 5% dividend withholding tax rate will be reduced to 0% when dividends received by a company that is a resident of Spain from a company resident in Uzbekistan are not taxed under Spanish Corporate Income Tax.
110	The exemption applies in relation to: interest paid, received or guaranteed by Public Administrations.

Footnotes	
111	According to the Tax Treaty with Venezuela, the exemption is applied in relation to: interest paid, received, granted or guaranteed by Public Administrations; pension funds are exempt; credit sales of industrial, commercial or scientific equipment; the 4.95% rate applies when the beneficial owners are financial institutions; and in the other cases a 10% rate is applied. However, under Protocol VII of the Tax Treaty, which contains a MFNC for interest, tax rates have been modified.
112	According to the Tax Treaty with Vietnam, if the beneficial owner is a company (other than a partnership) that directly owns at least 50% of the capital of the company that pays the dividends, the withholding tax rate applicable to the dividends is 7%; if the beneficial owner is a company (other than a partnership) that owns directly at least 25% but less than 50% of the capital of the company that pays the dividends, the rate will be 10%; and in all other cases 15% will be applied (participations of up to 25%, or of any percentage but held by partnerships or by individuals). However, Protocol VI of the Tax Treaty with Vietnam contains a MFNC for dividends according to which applicable rates have been modified.
113	The exemption applies in relation to: interest received or guaranteed by Public Administrations (including public financial institutions). Protocol VI of the Tax Treaty contains a MFNC for interest, which for the moment has not been activated.
114	According to the Tax Treaty with Vietnam, the withholding tax rate for royalties in the country of the source may not exceed 10%. However, Protocol VI of the Tax Treaty contains a MFNC for royalties, under which the applicable rates have been modified.
115	According to the Tax Treaty with USA, the withholding tax rate for interests coming from USA will be taxable in Spain if the beneficial owner is a Spanish resident (not applying to portfolio interests). REMIC interests will only be taxable in USA.
116	This rate applies if the recipient company holds directly at least the following percentage of the capital of the company paying the dividend: (i) 1% if the dividends are paid by a company the shares of which are substantially and regularly traded on a stock exchange; (ii) 5% if the beneficial owner of the dividends is a public body; and (iii) 10% in other cases.
117	Tax Treaty with Romania has been renegotiated but not yet in force. Withholding tax for dividends 5% or 0% when beneficial owner holds 10% of participations or pension plan. Withholding tax for interests and royalties maximum of 3%.
118	The zero rate applies to interest on government securities.
119	The dividends exemption applies if the recipient company has held directly at least 10% of the capital in the Spanish company, during 1 year prior to the distribution. The zero rate applies if royalties are paid between associated companies, provided that: (i) the companies are affiliated by a direct holding of at least 25% for at least 2 years or are both held by a third company which has directly a minimum holding of 25% in the capital of both companies for at least 2 years, (ii) under any tax treaty with a third state none of the companies is resident in that third state, and (iii) all companies are subject to corporation tax without being exempted on royalty payments and each adopts the form of a limited company.
120	Dividends: The 5% rate applies if the recipient company holds directly at least 10% of the capital in the Spanish entity. The zero rate applies if the recipient company receives dividends by a pension fund or by a company that has owned at least 80% of the capital of the Spanish entity that distributes them for a period of 12 months prior to the date on which the right to receive the dividends arises and that is not adversely affected by the new limitation on benefits ("LOB") clause (article 17 of the treaty).
121	The 5% rate is levied if the beneficial owner is a company that directly holds at least 25% of the capital of the company paying the dividends and has invested more than EUR 250,000 or the equivalent amount in any other currency, in the company paying the dividends. Otherwise, a 10% rate is levied.

Footnotes	
122	No WHT is levied on interest if the recipient is the beneficial owner and: (i) it is the other contracting state, its central bank, or its political subdivisions or local entities; (ii) the payer is a contracting state or its political subdivisions or local entities; (iii) the interest arises from a loan or credit granted by a contracting state, its political subdivisions, local entities, or export credit agency or it is granted, guaranteed, or insured by them; or (iv) the recipient is a public financial institution. An 8% WHT rate is levied if the beneficial owner is a resident of the other contracting state.
123	A 5% WHT rate is levied if the beneficiary owner is resident in the other state and the gross amount of the fees paid for the use or concession of use of computer programs, patents, trademarks, designs, plans, secret formulas or procedures, or for information relating to industrial, commercial, or scientific experience. Otherwise, if the beneficiary owner is resident in the other state a 10% rate is levied.
124	No WHT is levied on interest if the recipient of the other contracting state is the beneficial owner and: (i) it is the other contracting state, its central bank, or one of its political subdivisions or local entities; (ii) the payer is a contracting state or one of its political subdivisions or local entities or public organsations; (iii) the interest arises from a loan or credit granted or guaranteed by a contracting state or one of its political subdivisions, or export credit agencies or granted, guaranteed, or insured by any of them; (iv) the recipient is a financial institution; (v) the interest is paid in relation to the credit acquisition of any equipment, goods, or services; or (v) the recipient is a qualifying pension fund in a contracting state. Otherwise, the WHT rate is 5%, provided that the beneficial owner is a resident of the other contracting state.

17. APPENDIX II - GENERAL CORPORATE ENTITY TAX DUE DILIGENCE REQUESTS

Sub-Category	Description of Request
Financial Statements	Balance sheet and income statement for the years open to review by the tax authorities.
Financial Statements	Trial balance with the greatest amount of detail available for the years open to review.
Financial Statements	Annual accounts for the years open to review by the tax authorities.
Corporate Income Tax	Corporate income tax returns for the fiscal years open to review (forms 200 and/or 201).
Corporate Income Tax	Self-assessment returns for prepayments (forms 202 or 218) for the fiscal years open to review.
Corporate Income Tax	Proposed corporate income tax self-assessment for the fiscal years open to review.
Corporate Income Tax	Detail of the adjustments made to the tax base and the corporate income tax withholdings made in the fiscal years open to review.
Corporate Income Tax	Detail of the procedures for calculation and settlement of corporate income tax in the fiscal years open to review.
Corporate Income Tax	Table of past timing adjustments available for recovery, indicating the applicable period.
Corporate Income Tax	Plans or agreements executed with the public authorities: advance pricing proposals for transactions performed between related persons or entities; R&D expenses, management fees and thin capitalisation ratio; special depreciation plans; extraordinary repair plans; and applications for specific timing of recognition methods.
Personal Income Tax/ Nonresident Income Tax	Tax payment document for withholdings and prepayments made on earned income (form 111) in the fiscal years open to review.
Personal Income Tax/ Nonresident Income Tax	Annual summary returns on withholdings and prepayments (form 190) in the fiscal years open to review; disk or electronic format of the aforementioned form 190.
Personal Income Tax/ Nonresident Income Tax	Tax payment documents in relation to the self-assessment returns for withholdings made from income from movable capital in the fiscal years open to review (form 123).
Personal Income Tax/ Nonresident Income Tax	Annual summary self-assessment returns for withholdings from income from movable capital in the fiscal years open to review (form 193 or 194).
Personal Income Tax/ Nonresident Income Tax	Tax payment documents in relation to the self-assessment returns for withholdings made from lease payments in the fiscal years open to review (form 115).
Personal Income Tax/ Nonresident Income Tax	Annual summary self-assessment returns for withholdings made from lease payments in the fiscal years open to review (form 180).
Personal Income Tax/ Nonresident Income Tax	Pay statements relating to some of the Company employees, as well as the notifications of their family situation in the fiscal years open to review.
Personal Income Tax/ Nonresident Income Tax	Detail of compensation in kind granted to Company employees, including the valuation and calculation procedure for the purposes of calculating the withholdings.
Sub-Category	Description of Request

Sub-Category	Description of Request
Personal Income Tax/ Nonresident Income Tax	Tax payment documents in relation to the self-assessment returns for withholdings made from payments to non-resident employees in the fiscal years open to review (forms 210, 215 and 216).
Personal Income Tax/ Nonresident Income Tax	Annual summary self-assessment returns for withholdings made from payments to non-resident employees in the fiscal years open to review (form 296).
VAT	Annual VAT returns for the fiscal years open to review (forms 390).
VAT	Tax payment documents in relation to the relevant VAT returns (forms 300, 303, 320, 330 or 332, and, where applicable, 322 and 353) in the fiscal years open to review.
VAT	Ten (10) invoices issued by the Company and ten (10) invoices received by the Company.
VAT	Ten (10) self-charge tax invoices issued by the Company relating to intra-Community acquisitions of goods or the reverse-charge mechanism.
VAT	Annual statements of transactions with third parties in the fiscal years open to review (form 347).
Transfer and Stamp Tax	Transfer and stamp tax assessments in the fiscal years open to review.
Real Estate Tax	Real estate tax receipts for the current year and supporting documents for payment in the fiscal years open to review.
Tax on Business Activities	Notification of registration, removal from the register, and modifications for the purposes of the tax on business activities payable by the Company in relation to its centres of activity.
Tax on Business Activities	Receipts for the tax on business activities for the current year and documents for payment in the fiscal years open to review.
Tax on Business Activities	Tax on business activities form 848 for notification of net revenue in the fiscal years open to review.
Group of Companies (for parent companies of a consolidated tax group)	Notification to the public authorities of the option to take the consolidated tax treatment; form 036 for election to take the consolidated tax treatment.
Group of Companies (for parent companies of a consolidated tax group)	Notification to the public authorities of the members of the tax group in the fiscal years open to review.
Group of Companies (for parent companies of a consolidated tax group)	Consolidated corporate income tax returns in the fiscal years open to review (form 220).
Group of Companies (for parent companies of a consolidated tax group)	Consolidated self-assessment returns for consolidated prepayments in respect of corporate income tax (form 222) in the fiscal years open to review.
Miscellaneous	List of all of the Company's outstanding tax debts of which it is aware.
Sub-Category	Description of Request

Sub-Category	Description of Request
Miscellaneous	Annual statements of contributions to plans, pension funds and welfare mutual insurance companies (form 345) in the fiscal years open to review.
Miscellaneous	Notices of audit by the tax authorities; the relevant official notices in connection with the audit.
Miscellaneous	Most recent notices of assessment by auditors received for each tax.
Miscellaneous	Opinion of the Company's tax advisors on proceedings awaiting a final ruling.
Miscellaneous	Judgments, agreements; orders, rulings handed down in relation to the Company as a result of audits (agreements to stay tax debts, etc.).

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