



Accounts_Tax_Audit_Business Consultancy

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FISCAL ADVANTAGES FOR EXPATS

It is not the first time that we inform about the special regime applicable to fiscal residents who live in Spain permanently due to their jobs. The Spanish Government set in motion the relevant Decree-law for the application of this regime, and the following requirements must be complied with:

- Not to have been resident in Spain for at least 10 years prior to their relocation.
- The move to Spain must be as a result of a work assignment.
- The work must be carried out in Spain
- The work must be carried out for a company resident in Spain, or a non-resident company with a permanent establishment located in Spain

(This regime will only be in force during a period of five years.)

The above mentioned regime is not only used for executives seconded to Spain but for professional sportsmen who become residents in Spain as well.

Nevertheless, not only has the Spanish Government provided an advantageous fiscal regulation to attract this type of professional or executive, but also other countries such as the United Kingdom, Switzerland, Luxembourg, Malta, Belgium etc... have felt encouraged to do so.

An analysis of different tax rates applicable is shown in order to give you an idea of how the different countries deal with personal income tax for residents and non residents and also how the application to the special regime of relocations.

Countries	Special Regime	Income tax for residents	Income tax for non residents	Corporation tax
Spain	24%	24%-43%	18% ⁽¹⁾ or 24%	25% or 30% ⁽²⁾
United Kingdom	25% ⁽³⁾	10%-40%	To be consulted	28%
Switzerland	19%-48%	19%-48%	17%-32%	12%-24%
Luxembourg	10%	38,95% ⁽⁴⁾	38,95% ⁽⁴⁾	29,63%
Malta	15%	35% ⁽⁴⁾	35% ⁽⁴⁾	35%
Belgium	18%	25%-50%	25%-50%	33,99%

Notes:

- (1) Interests, Dividends without Double taxation treaty applicable
- (2) 25% up to 120.202€, the excess to 30%
- (3) Only the income generated or relocated into the UK are taxable
- (4) Top rate

Should you have any queries Asec Group is pleased to help you.

Oficina Principal · C/Lagasca 79 · San Pedro Alcántara · 29670 Málaga · España · Tel +34 902 995 993 · Fax +34 952 785 644
Sucursal · Avda. Ventisquero de la Condesa 13, Despachos 17-18 · 28035 Madrid · España · Tel +34 91 376 41 53 · Fax +34 91 739 43 82
info@asec.es · www.asec.es

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