

# SETTING UP A SPANISH LTD

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When thinking about starting your business in Spain, it is necessary to bear in mind that the Spanish system is not as straightforward as the British system. First of all, it is necessary to choose the type of structure most suitable to your project's needs.

Mainly, there are four types of companies known as: (1) *Sociedad anónima*, (2) *Sociedad limitada* (known as SL), (3) *Sociedad colectiva* and (4) *Sociedad comanditaria*. However, a SL (which is equivalent to a UK LTD) is the most common type of company chosen by our clients.

To set up a Spanish SL it is required:

- A certification from Spanish Companies House (known as Registro Mercantil) to save the name of your company.

- A bank account in order to deposit the company's share capital.

- To grant a Deed of Incorporation before a Notary Public. This Deed should express:

- Shareholders's identity
- Contributions and share capital
- Articles of association which should express the following details:
  - Name of the company.
  - Nature of business
  - Domicile.
  - Share capital.
  - How the company is going to be managed.
  - How the company will make decisions.
- Directors identity.
- Shareholder's NIF (*Número de Identificación Fiscal* or tax identification number). If the said shareholders are not Spanish, they will need to obtain a NIE number (*Número de Identificación Extranjeros*).

Once all the formalities are met and the Deed of Incorporation granted, the Notary will communicate this to the *Registro Mercantil*. Once this communication has been processed, the company will be officially incorporated and ready to trade.

Setting up a Spanish LTD raises a tax known as *Actos Jurídicos Documentados*. The amount to be paid by the shareholders depends on the Autonomous Community in which the company has been incorporated which ranges from 0.5% to 1.5% of the Share Capital value.

If you wish to obtain further information, please do not hesitate contacting us.

Written by Adria Moral and Beatriz Leiva.