

THE INWARD
INVESTMENT AND
INTERNATIONAL
TAXATION REVIEW

TWELFTH EDITION

Editor
Tim Sanders

THE LAWREVIEWS

THE INWARD
INVESTMENT AND
INTERNATIONAL
TAXATION REVIEW

TWELFTH EDITION

Reproduced with permission from Law Business Research Ltd

This article was first published in February 2022

For further information please contact Nick.Barette@thelawreviews.co.uk

Editor

Tim Sanders

THE LAWREVIEWS

PUBLISHER

Clare Bolton

HEAD OF BUSINESS DEVELOPMENT

Nick Barette

TEAM LEADERS

Joel Woods, Jack Bagnall

BUSINESS DEVELOPMENT MANAGERS

Rebecca Mogridge, Katie Hodgetts, Joey Kwok

RESEARCH LEAD

Kieran Hansen

EDITORIAL COORDINATOR

Leke Williams

PRODUCTION AND OPERATIONS DIRECTOR

Adam Myers

PRODUCTION EDITOR

Louise Robb

SUBEDITOR

Orla Cura

CHIEF EXECUTIVE OFFICER

Nick Brailey

Published in the United Kingdom

by Law Business Research Ltd, London

Meridian House, 34–35 Farringdon Street, London, EC4A 4HL, UK

© 2022 Law Business Research Ltd

www.TheLawReviews.co.uk

No photocopying: copyright licences do not apply.

The information provided in this publication is general and may not apply in a specific situation, nor does it necessarily represent the views of authors' firms or their clients. Legal advice should always be sought before taking any legal action based on the information provided. The publishers accept no responsibility for any acts or omissions contained herein. Although the information provided was accurate as at January 2022, be advised that this is a developing area.

Enquiries concerning reproduction should be sent to Law Business Research, at the address above.

Enquiries concerning editorial content should be directed
to the Publisher – clare.bolton@lbresearch.com

ISBN 978-1-83862-532-0

Printed in Great Britain by

Encompass Print Solutions, Derbyshire

Tel: 0844 2480 112

ACKNOWLEDGEMENTS

The publisher acknowledges and thanks the following for their assistance throughout the preparation of this book:

ABOU JAOUDE & ASSOCIATES LAW FIRM

ADVOKATFIRMA ET GRETTE AS

ÆLEX

AFRIDI & ANGELL

ALLENDE BASCUÑÁN & CÍA

ANDERSON MÕRI & TOMOTSUNE

BAE, KIM & LEE LLC

BAKER MCKENZIE

BIRD & BIRD ADVOKAT KB

CETINKAYA

CUVAL ABOGADOS

DAVIES WARD PHILLIPS & VINEBERG LLP

DELOITTE IMPUESTOS Y SERVICIOS LEGALES, SC (DELOITTE MEXICO)

DLA PIPER NEDERLAND NV

FOGLIA & PARTNERS

GAIA SILVA GAEDE ADVOGADOS

GORRISSEN FEDERSPIEL

HERBERT SMITH FREEHILLS CIS LLP

LOYENS & LOEFF

MOCHTAR KARUWIN KOMAR

PATRIKIOS PAVLOU & ASSOCIATES LLC

PHH TAX

QUEVEDO & PONCE

ROCA JUNYENT

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

WOLF THEISS

CONTENTS

PREFACE.....	vii
<i>Tim Sanders</i>	
Chapter 1	THE CONTINUING CHALLENGES OF TAXING THE DIGITALISED ECONOMY: AN INTRODUCTION 1
<i>Alex Jupp, Joshua Atkinson and Alex Rigby</i>	
Chapter 2	AUSTRIA..... 17
<i>Andreas Baumann and Karin Spindler-Simader</i>	
Chapter 3	BELGIUM 28
<i>Christian Chéruy and Marc Dhaene</i>	
Chapter 4	BRAZIL..... 54
<i>Heitor Cesar Ribeiro</i>	
Chapter 5	CANADA..... 67
<i>Julie Colden</i>	
Chapter 6	CHILE..... 83
<i>Francisco Javier Allende D and Mauricio Carloza C</i>	
Chapter 7	COLOMBIA..... 96
<i>Benjamin Cubides</i>	
Chapter 8	CYPRUS..... 109
<i>Stella Ssrati</i>	
Chapter 9	DENMARK..... 121
<i>Jakob Skaadstrup Andersen</i>	
Chapter 10	ECUADOR..... 136
<i>Alejandro Ponce Martínez</i>	

Chapter 11	HONG KONG	151
	<i>Steven Sieker and Wenwen Chai</i>	
Chapter 12	HUNGARY.....	166
	<i>János Pásztor, Alexandra Tóth and Bence Kálmán</i>	
Chapter 13	INDONESIA.....	178
	<i>Mulyana, Sumanti Disca Ferli, Bobby Christianto Manurung, Ratna Mariana and Astrid Emmeline Kohar</i>	
Chapter 14	ITALY	197
	<i>Giuliano Foglia</i>	
Chapter 15	JAPAN	214
	<i>Kei Sasaki, Yoshiko Nakamura and Go Yoshimoto</i>	
Chapter 16	LEBANON	231
	<i>Simon El Kai, Souraya Machnouk, Hachem El Housseini and Thierry Abou Jaoude</i>	
Chapter 17	LUXEMBOURG.....	246
	<i>Pieter Stalman and Delphine Martel</i>	
Chapter 18	MEXICO	269
	<i>Eduardo Barrón</i>	
Chapter 19	NETHERLANDS.....	293
	<i>Jian-Cheng Ku and Rhys Bane</i>	
Chapter 20	NIGERIA.....	307
	<i>Theophilus I Emuwa, Chinyerugo Ugoji, Jibrin Dasun and Ilamosi Ekenimoh</i>	
Chapter 21	NORWAY.....	323
	<i>Anders Nordli and Kari-Ann Mosti</i>	
Chapter 22	RUSSIA	338
	<i>Sergei Eremin</i>	
Chapter 23	SOUTH KOREA	352
	<i>Sungdoo Jang and Maria Chang</i>	

Chapter 24	SPAIN.....	366
	<i>Raúl Salas Lúcia, Elena Ferrer-Sama Server, Pilar Vacas Barreda and Javier de Diego de Mingo</i>	
Chapter 25	SWEDEN.....	384
	<i>Carl-Magnus Ugglå</i>	
Chapter 26	SWITZERLAND.....	398
	<i>Fabian Sutter and Beat Baumgartner</i>	
Chapter 27	TAIWAN.....	412
	<i>Dennis Lee and Michael Wong</i>	
Chapter 28	THAILAND.....	423
	<i>Panya Sittsakonsin and Sirirasi Gobpradit</i>	
Chapter 29	TURKEY.....	438
	<i>Oytun Canyas</i>	
Chapter 30	UNITED ARAB EMIRATES.....	454
	<i>Danielle Lobo and Silvia A Pretorius</i>	
Chapter 31	UNITED KINGDOM.....	472
	<i>Tim Sanders</i>	
Chapter 32	UNITED STATES.....	499
	<i>Moshe Spinowitz, Robert C Stevenson and Leonard I Greenberg</i>	
Chapter 33	VIETNAM.....	523
	<i>Thanh Vinh Nguyen</i>	
Appendix 1	ABOUT THE AUTHORS.....	539
Appendix 2	CONTRIBUTORS' CONTACT DETAILS.....	559

PREFACE

In January 2021, the 11th edition identified and described two material global tax trends that emerged in 2020: the response of economies to the covid-19 pandemic and the taxation of the digital economy. These two trends evolved through 2021 and can be expected to occupy centre stage in 2022 and beyond.

In 2020 and 2021, governments sought to bolster economies hit by the pandemic through a series of measures ranging from furlough schemes, postponing tax deadlines and deferring tax payments to relaxing residence rules. In 2021 and into 2022, governments will face the difficult balancing act of continuing to support their economies and encourage growth on the one hand, while needing to raise money from damaged economies to pay for such support and reduce the size of large deficits on the other, without such tax raising stifling any recovery. Precisely how each jurisdiction will deal with this balance remains uncertain and is a key area to observe in 2022. At this stage it appears that, while we may see some limited tax rises, more rigorous tax enforcement is likely to play a material role.

On 1 July 2021, a statement was made by the G20 Finance Ministers that on 8 October 2021 resulted in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS 2) that contains details of how Pillars 1 and 2, which seek to address the issues raised by the digital economy, will be applied in practice. Pillar 1 deals with the reallocation of certain profits from very large multinational enterprises to market jurisdictions, while Pillar 2 deals with a global minimum tax. Among significant points to note is that under Pillar 1 it is intended that a new multilateral convention will be drafted and available for signature in 2022 that will remove unilateral digital services taxes and similar measures. Some jurisdictions that have applied a unilateral solution, notably the United Kingdom, Austria, France, Italy and Spain, have committed to transition from existing digital services taxes to the new multilateral approach solution. Under Pillar 2, the minimum tax rate is set at 15 per cent rather than the previously proposed rate of 'at least 15 per cent'. This has already had an impact, with Ireland announcing an increase in its minimum corporate rate to 15 per cent. While a remarkable amount of progress has been made in a short time, there are still important technical issues to be addressed quickly if the timetable, which proposes implementation in 2023, is to be adhered to. However, there is sufficient detail in the proposals for businesses likely to be affected to consider starting the process of reviewing their internal procedures and processes to ensure they can be compliant.

It is hoped that this volume will prove to be a useful guide to the tax rules in the jurisdictions where clients conduct their businesses. Each chapter aims to provide topical and current insights from leading experts on the tax issues and opportunities in their respective jurisdictions. While specific tax advice is always essential, it is also necessary to have a broad understanding of the nature of the potential issues and advantages.

The views expressed in this book are those of the authors and not of their firms, the editor or the publishers. Every endeavour has been made to ensure that what you read is the latest intelligence.

Tim Sanders

London

January 2022

SPAIN

*Raúl Salas Lúcia, Elena Ferrer-Sama Server, Pilar Vacas Barreda
and Javier de Diego de Mingo¹*

I INTRODUCTION

With more than 90 double taxation agreements and one of the best tax regimes for holding companies in the world, Spain has evolved from a purely inward investment country to a tax-attractive platform jurisdiction.

Indeed, the holding regime together with the extensive participation exemption make Spain the best gateway for two main regions: (1) Latin America, as, owing to its cultural links, Spain is surely the best platform for investing in that region and many multinational groups use Spain; and (2) Europe, as, given the favourable tax regime for holding companies, many groups could get access to the European single market almost without any tax burden.

Spain is a business-friendly jurisdiction with highly skilled and sophisticated tax authorities that are in favour of giving certainty by means of advance tax rulings and pricing agreements.

Aligned with base erosion and profit shifting (BEPS), Organisation for Economic Co-operation and Development (OECD) and EU principles, Spain is involved in, and leading some of, the international initiatives aiming to promote transparency and implementation of anti-avoidance provisions such as those provided by the Anti-Tax Avoidance Directive (ATAD) and the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS.

II COMMON FORMS OF BUSINESS ORGANISATION AND THEIR TAX TREATMENT

i Corporate

Business can be developed by way of corporate entities, most commonly in the form of joint-stock companies (SA) requiring a minimum share capital of €60,000 or limited liability companies (SL) requiring a minimum share capital of €3,000. The liability of the shareholders is limited in both cases.

From the tax viewpoint, corporations, generally speaking, including not only SA and SL, but also any other types of commercial companies, are subject to corporate income tax (CIT) regulations, which are levied on all legal entities resident in Spain.

Certain entities, mainly public entities and certain income from non-profit organisations, can be exempt from CIT.

¹ Raúl Salas Lúcia is a partner, Elena Ferrer-Sama Server and Pilar Vacas Barreda are directors and Javier de Diego de Mingo is a lawyer at Roca Junyent.

ii Non-corporate

There are non-corporate entities that could operate in businesses, such as the civil partnership or private equity funds.

In order to assess the taxable income, CIT rules are also applicable to non-corporations, such as partnerships or lying heritages, provided that they have a business purpose. Otherwise, in the event they do not have a business purpose, their income will be allocated (transparent) to their partners or co-proprietors. This is also the case regarding economic interest groupings, where profits or losses are taxed at the level of their co-proprietors.

Increasingly, individuals carrying out business activities – although taxed under personal income tax (PIT) – will apply, under certain cases, CIT rules when determining their business taxable income.

III DIRECT TAXATION OF BUSINESSES

i CIT

Determination of taxable profit

The taxable profit is the company's gross income for the tax period, less certain deductions. Its determination comes from the annual financial statements prepared under Spanish generally accepted accounting principles (SGAAP), as adjusted under certain statutory tax provisions.

The tax authorities are legally authorised to modify accounting results to determine taxable profit if they consider that the accounting results have not been calculated according to the SGAAP.

All necessary expenses and costs connected to producing income may be deducted from gross income to arrive at a taxable income determination. Additionally, the Spanish CIT Law provides for certain items that are never deductible (permanent differences) or are deductible in a different year (timing differences).

The standard tax rate is 25 per cent, although different rates may apply depending on activity and legal form (e.g., 30 per cent for banks).

Regarding costs, although all expenses incurred by the company will depress accounting profit, not all such expenses will be allowed for tax purposes. To be deductible, an expense must be correlated with the company's income. However, some expenses are considered non-deductible by the CIT Law: penalties, gifts, gambling losses, losses from intra-group sales and financial expenses with the group for intra-group acquisitions.

Capital gains and income

Capital gains are normally considered as ordinary income taxable at the standard CIT rate (generally 25 per cent) in the tax period in which they arise.

As explained below, participation exemption currently applies to capital gains arising on the transfer of shares when at least 5 per cent participation is held for an interrupted period of at least one year, the transferred entity is an operating entity and certain other requirements are met.

From tax year 2021, the exemption has been limited to 95 per cent of the capital gain.

Losses

Tax losses may be carried forward indefinitely, although any deduction is limited to 70 per cent of the positive taxable income before the application of the tax benefit for the capitalisation reserve and other specific items. Tax losses of at least €1 million can always be offset without limitation.

There are additional limitations for large companies and tax groups. When their turnover in the previous 12 months to the taxable period commencement reaches:

- a* €20 million: tax losses offsetting cannot exceed 50 per cent of the yearly taxable income before capitalisation reserve and tax losses are offset; and
- b* €60 million: tax losses offsetting cannot exceed 25 per cent of the yearly taxable income before capitalisation reserve and tax losses are offset.

The CIT Law provides anti-avoidance rules to prevent tax losses being utilised when there is a change in the control.

Rates

The standard CIT tax rate is 25 per cent and it applies to most companies, although there are other specific rates:

- a* special tax rates apply to certain activities such as banking, mining, oil and gas that are subject to a 30 per cent tax rate;
- b* non-profit entities are subject to a 10 per cent tax rate; and
- c* investment funds and undertakings for collective investment in transferable securities (UCITS) are taxed at 1 per cent.

Apart from that, there is a special 15 per cent rate for newly created companies, applicable to the first tax period in which profit is obtained and the following period.

Administration

The tax year for CIT purposes matches with the accounting financial period, which may be other than a calendar year, but cannot exceed 12 months.

Corporate taxpayers must file tax returns within 25 days after six months following the end of the tax year.

Companies must make three advance payments on account of CIT during the first 20 days of April, October and December, calculated as follows depending on the turnover of the previous 12 months to the start of the taxable period and on the applicable tax rate (all below rates only apply to those companies subject to the 25 per cent CIT rate):

- a* companies with a turnover under €6 million must pay 18 per cent of the gross tax due liability of preceding tax year generally;
- b* companies with a turnover over €6 million and under €10 million must pay 17 per cent of the taxable income for the year to date; and
- c* companies with a turnover over €10 million will make an advance payment resulting from the higher of the following amounts:
 - 24 per cent of the taxable income for the year to date, reduced by withholding and current year payments in advance; or
 - 23 per cent of the positive accounting profit for the same period reduced by current-year payments made in advance.

The statute of limitations for an assessment is four years from the end of the voluntary filing period.

Tax grouping

The Spanish CIT Law allows Spanish tax-resident companies and Spanish permanent establishments (PEs) belonging to a Spanish or multinational group to be taxed as a single group and, therefore, apply a special tax consolidation regime for CIT purposes.

To apply this regime, the main requirements are as follows:

- a* the Spanish companies should be owned (directly or indirectly) by the same parent company (either resident or non-resident);
- b* the parent company (either resident or non-resident) of the tax group must hold a direct or indirect minimum holding of 75 per cent (70 per cent for quoted companies) and the majority of voting rights in the Spanish companies belonging to the group;
- c* the above participation should be maintained during the whole taxable period; and
- d* the parent company cannot be tax resident in a tax haven.

The main characteristics of the tax consolidation regime are described below:

- a* the taxable income results from the sum of all the taxable incomes of each Spanish tax resident company of the tax group, corrected as established in the following points;
- b* current tax losses of any of the companies of the tax group can be offset against any company current tax profits;
- c* tax profits generated from intra-group transactions are deferred and only included in the consolidated taxable income when:
 - they are carried out with third parties;
 - one of the intra-group companies that is part of the transaction ceases to form part of the group; and
 - the consolidation regime is no longer applied;
- d* specific limitations apply concerning the offsetting of tax losses or the application of tax credits generated by the group companies before they formed part of the tax group or join the group; and
- e* no withholding applies on payments made at intra-group level.

Advance price agreement

Taxpayers and the Spanish tax authorities may negotiate advance price agreements (APAs) on transfer pricing issues. The Tax Agency is quite favourable to the use of APAs because they can provide certainty for both parties, out of the context of a tax audit.

Although legally the length of an APA is not supposed to be longer than six months, its negotiation always takes longer. The APA cannot cover longer than four years, although it can have retroactive effect to years within the statute of limitation.

The documentation provided to the Tax Agency in the course of an APA cannot be used in a tax audit.

Alternative dispute resolution

Spanish taxpayers also have access to ‘the competent authority procedure’ provided in the tax treaties signed by Spain following the OECD Model Tax Treaty and the Arbitration Convention (90/436/ECC Convention of 23 July 1990) concerning the elimination of double taxation that may arise in intra-group transactions within companies residing in EU countries.

Finally, Spain transposed into Spanish law Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union, which as a Directive is in force from 1 July 2019 through Royal Decree-Law 3/2020, of 4 February 2020, which entered into force on 6 February 2020.

Furthermore, the Regulation Governing the Mutual Agreement Procedures (MAPs) has been modified, following the aforementioned Directive, through Royal Decree-Law 399/2021, of 8 June 2021, which entered into force on 10 June 2021.

Means of appeal

After a tax audit, taxpayers are entitled to appeal the claim if they do not agree with it. Additionally, taxpayers might obtain suspension of the tax due under the claim, which in most cases would require a guarantee from the taxpayer (usually a bank guarantee).

With regard to appeals, taxpayers have two alternatives: (1) appealing before the same body issuing the tax claim; or (2) appealing to an economic-administrative tax court.

Decisions issued by the Economic-Administrative Courts could be appealed to the Courts of Justice: the Regional Courts of Justice or the High Court, depending on the amount of the claim.

Afterwards, there might be another tier of appeal to the Supreme Court, but only when the case may create precedents, so the likelihood of accessing the Supreme Court is very limited.

Lastly, the appeal could reach the Court of Justice of the European Union, although the taxpayer cannot directly request its involvement, but only through the Spanish tax court, if the court decides so.

ii Other relevant taxes

Value added tax

Spanish value added tax (VAT) regulation implements the EU directives on VAT.

VAT is levied on the supply of goods and services provided by entrepreneurs and professionals, intra-community acquisitions and imports of goods into Spain.

The concept of entrepreneurs and professionals includes a large number of assumptions, but basically refers to those persons (physical or legal) who carry out business or professional activities, meaning those that involve the commissioning of material and human factors of production, or one of them, for their own account to intervene in the production or distribution of goods or services.

The territory of application of the tax is the peninsula and the Balearic Islands. In the Canary Islands, Ceuta and Melilla other indirect taxes are applied (IGIC and IPSI, respectively). The operation of IGIC is similar to that of VAT with some differences with regard to exemptions. On the other hand, the IPSI is a basic sales tax.

There are three different rates of VAT: 21 per cent (general rate applied to regular deliveries of goods and services); 10 per cent (reduced rate applied to basic needs); and 4 per

cent (super-reduced rate applied to basic needs other than those classified in the reduced rate). The ordinary rate of the IGIC is 7 per cent, and the other rates are zero per cent, 3 per cent, 9.5 per cent, 15 per cent and 20 per cent.

VAT group

When a Spanish parent company owns at least 50 per cent of one or more Spanish subsidiaries (dependent), all of them taxable in Spain, they could opt for the VAT group regime.

Within this special regime there are two forms of taxation: (1) basic level: the result of VAT tax returns of all members is aggregated and, if so, compensated; or (2) advanced level: the group is taxed like a single entity and internal operations do not generate VAT.

Regarding capital goods, their cost must be fully imputed within the period of regularisation of the quotas corresponding to the aforesaid goods.

Property transfer tax

Property transfer tax (TPO) applies to transfer of goods and rights when the transferor is a private individual. It also applies to real estate transfers and real estate leases when the seller is an entrepreneur but the operation is exempt from VAT.

Transfer of shares is exempt from both VAT and TPO, but when the transfer is aimed at dissimulating the transfer of real estate owned by the company, the actual taxation of transfer of real estate is applied.

TPO tax rates are 6 per cent for the transfer of real estate, as well as for the constitution and transfer of rights *in rem* over them; 4 per cent in the case of the transfer of movable property and livestock; and 1 per cent in the case of constitution of rights *in rem* of guarantee, pensions, bonds or loans.

The above rates may change from one region to another, as regional authorities have competence to increase those tax rates.

Tax on certain digital services

On 16 October 2020, Law 4/2020 on the Tax on Certain Digital Services ('Google Tax') was published in the Official State Gazette. This is an indirect tax that will be applied to the provision of certain digital services involving users located in Spain.

This tax applies to companies with worldwide turnover of over €750 million and Spanish income subject to this tax of over €3 million.

The tax rate amounts to 3 per cent of income resulting from rendering digital services as defined in the Law.

The taxable person are the companies that provide digital services as defined in the Law and that exceed the above-mentioned thresholds.

This Law entered into force on 16 January 2021.

Tax on financial transactions

On 16 October 2020, Law 5/2020 on the Tax on Financial Transactions was published in the Official State Gazette. This is an indirect tax that will be applied to the acquisition of shares in traded Spanish companies when they have a market capitalisation above €1 billion on 1 December of the year prior to the acquisition.

There are numerous cases of exemption, including: (1) acquisition of shares issued in the primary market; (2) acquisition of shares acquired as a result of the execution of a

takeover bid; (3) acquisition of shares derived from transactions between entities of the same group; (4) acquisition of shares carried out within an operation to which the Special Regime for Mergers applies (Chapter VII of Title VII of the CIT Law); (5) acquisitions in treasury stock; and (6) acquisitions in execution of a stock option plan by employees.

The tax rate amounts to 0.2 per cent of the consideration paid exclusively for the shares, not including the expenses related to the transaction.

The taxable person is the intermediary acting in the operation.

This Law entered into force on 16 January 2021.

Local property tax

This tax is a direct municipal tax, periodic, real and mandatory in all councils, which taxes the value of real estate. The rate of taxation will vary depending on the city council, ranging from 0.3 per cent to 1.1 per cent of the cadastral value.

Stamp tax

Stamp tax (document duties and registration fees) is levied on notarial instruments and records documenting transactions that need to be registered in public registries. The tax rates range from 0.5 per cent to 1.5 per cent of the operation value.

Net wealth tax

Net wealth tax (NWT) is levied on all assets and rights of economic content held by an individual.

IV TAX RESIDENCE AND FISCAL DOMICILE

i Corporate residence

In general terms, an entity is deemed to be resident in Spain for tax purposes if at least one of the following requirements is met: (1) it has been constituted under Spanish law; (2) the registered office is located in the Spanish territory; and (3) the effective management (direction and control of the activity) is located in the Spanish territory.

Under certain conditions, Spanish tax authorities can assume that an entity, located in a tax haven or a country with no taxation, is a tax resident in Spain. In order for this assumption to be applicable, the main assets and rights of the entity must be, directly or indirectly, located in Spain.

ii Branch or permanent establishment

Branches or PEs of foreign entities that are located in Spain are subject to CIT on their worldwide income.

However, a limitation in the deductibility of some of their expenses is imposed on PEs, such as payments (in the form of royalties, interests or commissions) made to its parent entity or any of its other branches as remuneration for technical assistance services or the transfer of goods and rights.

Nevertheless, administrative and management expenses derived from the parent entity might be deductible under certain conditions.

As regards the allocation of profits of PEs, reference is usually made to OECD guidelines and principles.

In practice, operating in Spain through a PE leads to uncertain situations in terms of income allocation, as it is more difficult to be supported and sustained before the tax authorities than operating through a clearer frame (basically, resident subsidiary).

V TAX INCENTIVES, SPECIAL REGIMES AND RELIEF THAT MAY ENCOURAGE INWARD INVESTMENT

i Holding company regimes

The holding company regime can be applied by entities, with material and personal means, whose corporate purpose includes the administration and management of participation in foreign entities.

Under this regime, the distributions made by holding companies of profits derived from exempt foreign-source dividends and capital gains to foreign shareholders are not subject to withholding tax in Spain.

Additionally, the capital gains derived from the transfers of shares of holding companies that correspond to exempt dividends and capital gains are not taxed in Spain.

This regime will not be applicable if the shareholder of the entity applying the holding company regime is located in a tax haven or a no-taxation country.

Participation exemption for dividends and capital gains, and capital losses

Dividends obtained by Spanish entities either from resident or foreign entities may be 95 per cent exempt from taxation under the current participation exemption regime. Both domestic and foreign entities' dividends will be generally 95 per cent exempt when the following conditions are met: (1) the recipient either owns at least 5 per cent of the distributing entity; and (2) that stake has at least one year's seniority (the one-year seniority could be fulfilled afterwards).

In the case of a foreign subsidiary, an additional condition is required. In order for the exemption to apply, the foreign subsidiary should be effectively subject to (and not exempt from) a tax similar to CIT at a nominal rate of at least 10 per cent; this requirement is understood to be met when a tax treaty is applicable and it includes an exchange of information clause.

Specific requirements are demanded in case of indirect participation through a holding entity.

Furthermore, capital gains resulting from the sale of shares in both Spanish and foreign entities would be generally 95 per cent exempt from taxation when requirements for participation exemptions are fulfilled. In case of sale of foreign subsidiaries, the minimum taxation requirement must be met during all the years in which the participation has been held.

Capital losses from shares that could benefit from the participation exemption are not tax allowed unless they come from liquidation with certain requirements.

Patent box

A partial exemption can be applied to the income obtained by entities from the transfer of the right to use or exploit certain assets (patents, utility models, registered advanced software, complementary certificates for the protection of medicines, phytosanitary products

and legally protected designs) that have been generated by research, development and technological innovation activities. This partial exemption can amount to a maximum of 60 per cent of the income.

This partial exemption can also be applied to capital gains generated from the transfer of the above-mentioned assets to third parties. If the transaction is carried out between related parties, the partial exemption will not apply.

Capitalisation reserve

Entities that are taxed under the general tax rate (25 per cent) or some of the increased tax rates (30 per cent) can apply a special reduction to their positive taxable base in an amount equal to 10 per cent of the increase in its net equity. The following conditions must be met to apply this reduction: (1) there must be an increase in the entity's net equity that must be maintained during a five-year period; and (2) reserve for the amount of the reduction must be booked separately in the account balance. This reserve should be recorded as restricted reserves for, at least, a period of five years.

However, this reduction cannot exceed 10 per cent of the entity's positive taxable base prior to certain adjustments. The excess over the aforementioned limit can be carried forward for application in the following two years.

ii State aid

Spanish internal regulations establish certain tax incentives to promote investment by foreign companies in Spain, which reduce the tax burden in the field of taxation on company profits.

However, state aid is forbidden by the European Union.

Start-up companies

In Spain, a series of incentives for start-ups were introduced in 2013 with the aim of boosting business creation and encouraging job creation. They consist in some measures on CIT and PIT that are applicable during the first years of an activity.

VI WITHHOLDING AND TAXATION OF NON-LOCAL SOURCE INCOME STREAMS

i Withholding outward-bound payments (domestic law)

Provided that a double tax treaty (DTT) is applicable, the terms of such DTT should be observed. If there is no applicable DTT or a limit of taxation is not envisaged in the relevant DTT, payments made by a Spanish taxpayer to a non-resident entity will subject to withholding tax in Spain at the following general rates:

- a* the general rate is 24 per cent, except for 19 per cent for tax residents in the European Union and some European Economic Area (EEA) countries (Iceland and Norway);
- b* 19 per cent on dividends and interest;
- c* 19 per cent on royalties paid to residents in the European Union, Iceland and Norway, and 24 per cent in all other cases; and
- d* 19 per cent on capital gains.

For the application of a reduced rate or one of the exemptions described below, the taxpayer must be in possession of a tax residence certificate issued by the tax authorities of the country of the recipient.

ii Domestic law exclusions or exemptions from withholding on outward-bound payments

Dividends

According to the domestic law, dividends paid by a subsidiary to its EU parent company are exempt from withholdings when:

- a* the parent company holds at least a minimum holding of 5 per cent in the Spanish subsidiary and the interest in the Spanish subsidiary has been held for at least one year before the dividends' distribution (or will be held up to completing the one-year period);
- b* both the entity paying the dividends and the beneficial owner are subject to and not exempt from one of the corporate taxes mentioned in Article 2(c) of the Council Directive 2011/96/EU of 30 June 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States;
- c* the payment is not a consequence of the liquidation of the subsidiary; and
- d* both the entity paying the dividends and the beneficial owner have one of the legal forms listed in the Annexes to the Council Directive 2011/96/EU of 30 June 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.

This exemption will not be applicable if the majority of voting rights of the receiving entity are directly or indirectly owned by non-residents in the European Union, unless it is proven that the incorporation of the receiving entity is because of valid economic reasons and sound business reasons.

Interest

Interest paid to a resident in the European Union, Iceland and Norway will be exempt of withholding. This exemption does not apply when the recipient is tax resident in a tax haven.

Capital gains

Capital gains from alienation of movable goods (including shares) by EU tax residents are exempt from withholding, except in the following cases (in which the exemption will not apply):

- a* the transferred shares are issued by a Spanish company whose main asset or assets are (directly or indirectly) assets located in the Spanish territory;
- b* the non-resident selling the company is a private individual that has held (directly or indirectly) at least a 25 per cent holding in the Spanish company at any time during the 12 months prior to the transfer; and
- c* when the transferor is a non-resident entity, the exemption will only apply if the domestic participation exemption requirements (described above) are fulfilled. This requirement aims to equalise the treatment of both residents and non-residents.

Royalties

Royalties paid to an EU Member State would be exempt from withholding when the following requirements are met:

- a* both the entity paying royalties and the beneficial owner have one of the legal forms listed in the Annexes to the Council Directive 2003/49/EC of 3 June 2003;
- b* both the entity paying royalties and the beneficial owner are subject to and not exempt from one of the corporate taxes mentioned in Article 3(a)(iii) to the Council Directive 2003/49/EC of 3 June 2003;
- c* both entities are resident in the European Union and none of them is resident in a third country in accordance with a DTT;
- d* both entities are associated companies (i.e., one has a direct minimum holding of 25 per cent in the capital of the other, or a third company has a direct minimum holding of 25 per cent in the capital of both entities). This holding should be held for a minimum holding period of one year that may be completed after the payment; and
- e* the entity that receives those royalties should receive them for its own benefit and not as an intermediary, such as an agent, trustee or authorised signatory, for some other person and, when the recipient is a PE, the received royalties should effectively be connected with that PE's activity and it should be a taxable income for the PE.

This exemption over royalties will not apply when the majority of voting rights of the receiving entity are directly or indirectly owned by a non-resident in the European Union unless it is proven that the incorporation of the receiving entity is because of valid economic reasons and sound business reasons.

iii Double tax treaties

Currently, Spain has entered into DTTs with more than 90 countries, the main aim of which is to eliminate double taxation and provide for reduced rates of withholding taxes of dividends, interests and royalties. DTTs concluded by Spain are generally compliant with the provisions set forth by the OECD.

A certificate stating that the taxpayer is a resident in another contracting state is required for a non-resident to benefit from the provisions of a treaty. Certificates of residence are valid for one year.

Taxation on foreign-sourced income

Dividends from foreign subsidiaries might benefit from the participation exemption as described above.

Profit from foreign PE of Spanish companies could benefit from income exemption, as could dividends.

Other income from abroad might benefit from double taxation relief (credit method), which in certain cases could be more beneficial than the exemption method.

VII TAXATION OF FUNDING STRUCTURES

i Thin capitalisation

Thin capitalisation rules were replaced by rules preventing earnings stripping.

ii Deduction of finance costs

As a general anti-avoidance rule, interest paid to a group entity incurred to acquire shares (being the seller another group entity) or increase equity interests in other group members is wholly non-deductible (tainted financial expenses), unless the operation might pass a business purpose test.

Remaining net finance cost (this is the net amount of financial income and cost, excluding the above-mentioned tainted financial expenses) is deductible up to an amount equal to 30 per cent of the operating profit defined as the accounting operating profit eliminating the effect of (usually increasing): (1) the amortisation of fixed assets; (2) the subsidies for non-financial fixed assets and others; and (3) the depreciation for impairment of fixed assets as well as the gains or losses derived from the transfer of fixed assets.

The resulting amount should be increased with dividends derived from entities when the stake represents at least 5 per cent of their share capital. This rule will not apply to dividends from subsidiaries that have been acquired from other companies of the group with group debts generating tainted non-deductible financial expenses referred to above.

Net financial cost above 30 per cent of operating profit could be carried forward and deducted in the following tax years (with no term limitation) within the same limit of 30 per cent of the annual operating profit.

Conversely, if net financial cost is below 30 per cent of operating profit (e.g., capacity excess) that excess of capacity may be carried forward to deduct more financial cost in the following five years.

The above limitation (30 per cent of the operating profit) does not apply when: (1) net financial cost does not exceed €1 million; (2) the borrower is either an insurance or financial entity; or (3) in case of entities belonging to a tax unit or tax consolidation group, all the above calculations (net financial cost, operating profit, etc.) would be referred to the whole tax group.

Leveraged buyout operations

There is a special rule for interest allowance in case of leveraged buyout operations (LBOs) whereby the above-mentioned 30 per cent operating income limit should exclude acquired entities operating income provided that the latter has been merged into the acquiring entity (or acquiring entity's tax unity) within four years following the target company acquisition.

Two considerations should be made in relation to this LBO additional limitation: (1) this limitation does not prevent the general interest barrier rule from being applied; therefore, the rule that determined the lower amount of interest will be the applicable one; and (2) the LBO-specific limitation rule will not apply if the interest-bearing debt does not exceed 70 per cent of the purchase price of the shares and is proportionally reduced during the eight years following the acquisition, until the debt reaches 30 per cent of the purchase price.

iii Restrictions on payments

Dividends

Spanish corporate law provides that dividends or distributions of the earnings for the financial year are decided by shareholders at general meetings on the basis of an approved balance sheet.

Dividends may only be drawn on the year's profits or freely available reserves if: (1) the requirements laid down by law and in the by-laws are met; and (2) the value of the corporate equity is not, or as a result of such distribution would not be, less than the company's capital.

Regardless of the above, dividends distributions are subject to the following additional limitations:

- a* the dividend distribution should not entail a direct or indirect distribution of any profit directly allocated to equity;
- b* in the event of losses in preceding years that reduce corporate equity to less than the company's capital, profits shall be used to offset such losses; and
- c* profit distribution shall likewise be prohibited if the amount of the distributable reserves comes to less than the sum of the R&D expenses shown as assets on the balance sheet.

When there is an adverse tax treatment for dividend distribution, an alternative to be considered could be the purchasing (back) of shares by the company, which could be done with certain limits. Share buy-backs are not deemed a distribution of dividends, but a sale of shares that accordingly generates capital gains or losses to the shareholder.

Board of directors' retributions

Despite being quite a controversial issue, any retribution paid to a director (including salaries when together with their position in the board the director also acts as senior management of the company) should be expressly provided in the company by-laws, as otherwise retributions are not tax deductible.

Financial assistance

Spanish companies must also be aware of an issue called financial assistance, which is designed to stop a target assisting by any means in its own transfer.

iv Return of capital

Shareholder contributions can take three main forms: share capital, share premium and equity contributions. As a general principle, it is advisable to contribute as little capital as possible and as much share premium as possible because share premium is equity (solvency), but it gives the shareholder more flexibility when it comes to capital reduction, losses or dividend distributions.

Repayment of capital should be approved by the general meeting and it is subject to approval by a qualified majority of the shareholders, the reduction of the capital should be executed in a public deed and sometimes it is also required to be published.

From the tax perspective, when the capital repayment is executed by means of a shares cancellation, 1 per cent stamp duty applies to the equity refunded to shareholder; where shares are bought back, usually no transfer tax applies.

Anti-hybrid measures

As of 2015, there are two limitations in connection with the hybrid structure. First, there is a limitation on interest payable with respect to a profit participating loan (PPL) that will not be deductible where the lender and the borrower belong to the same group. PPLs are a type of loan regarded as equity in situations where the borrower is in an unbalance situation. Second, participation exemption will not apply to the income that is regarded as dividends in the recipient entity but that generates a deductible cost in the paying entity.

Furthermore, Royal Decree-Law 4/2021 of 9 March 2021 implemented the hybrid mismatches preventing measures. Following conclusions from BEPS (Action 2) and the European ATAD Directive, Spain introduced strong rules dealing with hybrid instruments and operation.

According to these rules, when as a consequence of a conflict in the characterisation of a financial instrument in a permanent establishment, or more broadly an operation, there is a double deduction, a deduction without inclusion or a double non-integration, the taxpayer should correct the lack of taxation of the relevant operation.

With the above, practically all BEPS conclusions and ATAD 1 and ATAD 2 rules have been implemented in Spain.

Secondary adjustment and substance over form principle

As of 2008, SGAAP mostly follow International Financial Reporting Standards; hence, the principle ‘substance over form’ has become of great importance. According to that principle, when there is an operation without an arm’s-length value between a shareholder and a company, it should be understood that there is an equity contribution or an equity distribution depending on the party taking advantage of the lack of retribution. If the shareholder is not the single owner of the company, it is understood that there is an equity contribution or distribution on the ownership percentage but a taxable income or a non-deductible gift for the remaining share capital owned by another shareholder.

The same rules apply when there is a tax transfer pricing adjustment and the Spanish tax authorities consider that the conditions applied are not market conditions.

VIII ACQUISITION STRUCTURES, RESTRUCTURING AND EXIT CHARGES

i Acquisition

In Spain, the acquisition of a business activity could be done by means of an asset deal or a shares deal. While an asset deal is generally advisable from the acquirer point of view, the sale of shares is more beneficial from the seller point of view.

Asset deal

From the seller point of view, generally, an asset deal triggers a capital gain or deductible taxable loss; the capital gain may be offset with carry-forward losses, within the legal limitations.

Conversely, the buyer might recover the price paid by taking advantage of the step-up resulting from the sale. Besides, an asset deal may determine a limitation of the tax liability shifted to the buyer. Special attention should be paid when the asset deal involves real estate, because the indirect taxation could be worse than in a share deal, as VAT does not apply to a transfer of a branch of activity and, then, real estate will trigger TPO, which would result in a higher acquisition cost (non-recoverable) for the buyer.

Shares deal

Provided the sold entity is a business operating entity, the share deal will not likely result in a tax burden for the seller.

The buyer, however, will not take advantage of the assets step-up (and accordingly does not uplift the basis for depreciation or amortisation and future capital gains) and the entity will be fully liable for past contingencies.

When a foreign investor acquires a Spanish entity through a special purpose vehicle (SPV), a fiscal unit (tax group) should be considered between the acquiring entity and the Spanish target company, subject to certain requirements. Accordingly, interest expense on the acquisition debt at the level of the SPV could be offset against the profits of the target entity (when the debt does not exceed 70 per cent of the price and it is proportionally reduced during the eight years following the acquisition, until the debt reaches 30 per cent of the purchase price, as described above).

ii Reorganisation

The Spanish CIT Law offers many ways for reorganisation, such as merger, divisions, spin-off, portfolio demerger and special assets contribution. Following Council Directive 90/434/EEC of 23 July 1990 and Council Directive 2009/133/EC of 19 October 2009 on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States, those operations could be done without tax costs under the neutrality regime, avoiding most direct and indirect tax costs.

However, to apply the neutrality regime, companies participating in the operation should be able to demonstrate that the operation is not tax-driven and it is done mainly for valid business reasons.

The neutrality regime is based on deferral and the assets acquiring entity would subrogate (for tax purposes) in acquisition value and date of the transferred assets.

Cross-border reorganisation might be tax neutral if assets of the Spanish resident participating company are allocated to a Spanish PE.

iii Exit

The transfer abroad of either the tax residence of a Spanish entity or its legal seat is allowed by Spanish law.

When it comes to the transfer of legal seat, some obstacles might appear depending on the country of destination.

For tax purposes, the transfer of tax residence will trigger a capital gain or loss for the difference between the company's assets (and liabilities) market value and their historical tax value, triggering the exit tax.

The exit tax could be either avoided or deferred:

- a* it would be avoided if the assets are allocated to a PE of the foreign entity (formerly tax resident in Spain) in Spain; or
- b* alternatively, it could be deferred if: (1) the tax residence of the company or the PE is transferred to an EU Member State or to an EEA country with effective exchange of information with Spain; and (2) the taxpayer asked for that deferral, constituting the relevant guarantee until the assets are transferred to third parties, when the tax will eventually become payable. Late payment interest will accrue along that period.

Law 11/2021, of 9 July 2021, implemented ATAD, amending the current exit tax regime, introducing some situations where the exit tax also applies (i.e., when a PE ceases its activities) and providing that the exit tax cannot be deferred *sine die*, but it has to be paid in five instalments.

IX ANTI-AVOIDANCE AND OTHER RELEVANT LEGISLATION

i General anti-avoidance

The Spanish General Tax Law provides several general anti-avoidance rules (GAAR) that would allow Spanish tax authorities to tackle situations where the taxpayer artificially avoids the payment of taxes: (1) the substance over form or requalification rule; (2) a rule for conflicts in the application of the law; and (3) rules for simulated schemes.

According to ATAD, EU Member States have to implement GAAR. However, because Spain already had such rules and there would not be a need to introduce new rules, no modification would be required.

Additionally, Spanish legislation has numerous specific anti-avoidance rules (SAAR), the most frequently applied being the following:

- a* the transfer pricing anti-avoidance rule;
- b* limitation of financial interest paid to group entities deductibility;
- c* the anti-abuse rule for mergers, spin-offs and exchange of shares;
- d* a rule preventing the transfer of companies with carry-forward tax losses; and
- e* hybrid mismatches preventing rules.

ii Controlled foreign corporations

Controlled foreign corporations (CFC) legislation applies to all resident taxable entities holding a participation in foreign entities located in low-tax jurisdictions (EU and EEA Member States excluded under certain circumstances) and whose income is passive income or, despite the nature of its income, the subsidiary does not have any substance, as defined in the law.

For CFC rules to be applicable, the following requirements should be met:

- a* the Spanish entity, together with other related parties, should have at least 50 per cent participation in the foreign company;
- b* the foreign participating entity does not have any substance or the subsidiary income is passive as defined in the law; and
- c* the income tax paid by the entity is lower than 75 per cent of the tax payable in Spain.

When CFC rules apply, the Spanish taxpayer owning the foreign subsidiary should allocate (transparent) the latter's income in the proportion the taxpayer participates in the subsidiary.

CFC rules do not apply when the foreign subsidiary is tax resident in an EU Member State and it is demonstrated that the foreign entity was incorporated for sound business reasons.

iii Transfer pricing

Spanish companies and PEs must value their operations with related parties in accordance with the arm's-length principle. This principle applies both for accounting and tax purposes. In both cases, the burden of proof is on the taxpayer's side. It is important to keep in mind that, according to the Spanish income tax, the number of people and entities that are regarded as related parties (the 'related parties' perimeter) is larger than in most countries.

Apart from the related parties' perimeter, Spanish transfer pricing rules are totally aligned with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and EU transfer pricing regulations.

Transfer pricing documentation

As of 2008, transfer pricing documentation should be prepared. Documentation obligations are based not only on the EU Joint Transfer Pricing Forum Code of Conduct, but also on the OECD Transfer Pricing Guidelines.

Documentation obligations stipulated by the transfer pricing regulation can be divided into: group documentation to which the taxpayer belongs (master file); and specific documentation for the taxpayer (local file).

These new documentation requirements are applicable for tax periods beginning from 1 January 2016.

Tax penalty regime since 2015

The Spanish CIT Law establishes a specific tax penalty regime as follows:

Fulfilment of documentation obligations	Fulfilment of the obligation to apply market value	Penalties	Amount
No	Yes	Yes	€1,000 for each data or €10,000 for each set of data
Yes	No	No (only for those cases in which the valuation applied can be deducted from the documentation)	
No	No	Yes	15% of the adjustment

It is important to point out that the penalty regime is aimed at the taxpayer fulfilling formal documentation obligations rather than fulfilling the obligation to apply market value.

iv Tax clearances and rulings

Taxpayers may obtain certainty in advance mainly by two means: (1) asking for an advance tax ruling: this type of ruling is requested from the General Directorate of Taxes and, when obtained, is binding for tax agencies in connection to the taxpayer asking for it (other taxpayers might also benefit from the ruling's criteria, in terms of avoiding penalties); and (2) APAs, as described in Section III.

X YEAR IN REVIEW

In 2021, after the global crisis resulting from the covid-19 pandemic, a slight economic recovery has begun. However, this growth is still slow and macroeconomic forecasts are not very promising.

With regard to the main changes from the fiscal point of view, the limitation to 95 per cent of the exemption applicable to the participation exemption regimen has seen an impact in the taxation

Furthermore, the complete transposition of ATAD 1 and ATAD 2, through the inclusion, among others, of the hybrid asymmetries regime, has meant an important step in the inclusion of GAAR and tax harmonisation with the European Union.

In terms of the changes planned for 2022, following the latest OECD recommendations, a minimum CIT rate of 15 per cent of taxable income is expected to be approved.

XI OUTLOOK AND CONCLUSIONS

On 7 January 2020, a new Prime Minister was elected with the support of the Socialist party and the far-left UP with the support of many minority and regionalist parties, forming the first coalition government in recent Spanish history.

A manifesto was published with several principles and measures that the government might approve, some of them aiming to amend the Spanish tax system. Despite the fact that its approval was paralysed by the covid-19 pandemic, in October 2020, the parliamentary process was reactivated and all the modifications were approved before the end of 2020.

The most relevant tax measures are set out below.

A new Law on Measures to Prevent and Combat Tax Fraud was approved, which will strengthen the means dedicated to the fight against fiscal fraud, update the list of tax havens and prohibit tax amnesties. In this regard, control over UCITS will be shifted from the Security Exchange Commission to the Tax Agency.

With regard to CIT, the following measures should be noted:

- a* reduction of the participation exemption for dividends and capital gains. The exempted amount was reduced to 95 per cent of the dividend amount or the capital gain. This means dividends and capital gains will support an effective rate of 1.25 per cent; and
- b* there are also changes in PIT, increasing by 2 percentage points the rate applicable to income above €300,000. The rate applicable to income from capital over €200,000 has been increased by 3 percentage points.

The entry into force of these measures has meant a significant modification of the current tax system. Consequently, their effects should be examined in detail, and developed by jurisprudence and administrative doctrine.

ABOUT THE AUTHORS

RAÚL SALAS LÚCIA

Roca Junyent

Raúl is the tax partner leading Roca Junyent's Madrid tax practice. With over 20 years' experience, he has participated in some of the most relevant M&A and real estate operations in the Spanish and European market. Raúl has advised several large international groups when litigating with the Spanish tax authorities and the tax authorities from other European countries. His areas of specialisation include, besides M&A, tax advice for financial institutions, energy and infrastructure companies.

Raúl has been recognised as one of the leading tax lawyers in Spain by independent directories such as *Chambers and Partners* and *The Legal 500*. In addition, the prestigious British publisher Euromoney has recognised him as a Leading Tax Lawyer in Spain.

Before joining Roca Junyent, he was the leading partner of Baker McKenzie Corporate Tax Practice where he was awarded the Spanish Transfer Pricing Firm of the Year in 2011, 2013, 2014 and 2017 by *International Tax Review*. He has published numerous articles in specialist magazines and in financial newspapers, contributed to various publications, and been a guest speaker in seminars and courses on tax issues.

ELENA FERRER-SAMA SERVER

Roca Junyent

Elena has more than 20 years' experience in the field of general tax advice and planning, especially for companies in multinational groups, having developed extensive knowledge in the field of direct taxation and, more particularly, in the field of corporate reorganisations and tax inspections.

She has published several specialised articles and collaborated in several publications on tax matters. She has also participated on numerous occasions in tax seminars and courses. Prior to joining Roca Junyent, Elena developed her career at Baker McKenzie and PwC.

PILAR VACAS BARREDA

Roca Junyent

Pilar Vacas's expertise includes restructuring tax advice, ongoing tax advice and transfer pricing. She has deep knowledge of the tax assessment on direct, indirect, and local tax,

and relations with tax administration and tax audits. She has published numerous articles in specialist magazines. She has contributed to various publications and has been a guest speaker in seminars and courses on tax issues.

Prior to joining Roca Junyent, she was team leader of the tax department of Baker McKenzie where she was part of the team that was awarded the Spanish Transfer Pricing Firm of the Year in 2011, 2013, 2014 and 2017 by *International Tax Review*.

JAVIER DE DIEGO DE MINGO

Roca Junyent

Javier is a lawyer working in tax advice to companies in both national and international taxation. He regularly advises multinational and national companies on matters such as corporate income tax, international taxation, foreign investment and divestment operations, as well as transfer pricing. He also advises on indirect taxes and local taxes.

ROCA JUNYENT

José Abascal, 56, 7th Floor
28003 Madrid
Spain

Tel: +34 91 781 97 60

Fax: +34 91 781 97 64

r.salas@rocajunyent.com

e.ferrer-sama@rocajunyent.com

p.vacas@rocajunyent.com

j.dediego@rocajunyent.com

www.rocajunyent.com

an **LBR** business

ISBN 978-1-83862-532-0