SPAIN

LIMITED LIABILITY COMPANY (SL)
CLIENT GUIDE 2026

Company formation, Spanish taxation
and annual compliance

Professional company formation
and ongoing corporate administration

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Spain SL at a Glance

The Sociedad de Responsabilidad Limitada (SL) is Spain's principal private limited-liability company. It may be incorporated by one or more natural persons or legal entities, including a sole shareholder, and is widely used for privately held trading, service, investment and holding businesses.

Topic	Current legal / practical position
Shareholders	One or more natural persons or legal entities. A single-shareholder SL is expressly permitted and its unipersonal status must be registered.
Foreign ownership	Foreign ownership is generally possible, subject to Spanish foreign-investment reporting/screening, sanctions and sector-specific rules.
Administrators	One or more administrators; individuals or legal entities may serve. Unless the articles provide otherwise, an administrator need not be a shareholder.
Registered office	A Spanish registered office is required and the company is entered in the competent Mercantile Register.
Share capital	Minimum legal capital is EUR 1. Until capital reaches EUR 3,000, special creditor-protection and legal-reserve rules apply.
Incorporation	Name certificate, bank/contribution evidence, articles, public deed before a Spanish notary, tax identification and Mercantile Register filing.
Corporate income tax	General rate: 25%. Important lower 2026 rates apply to microenterprises, qualifying small entities and qualifying newly created companies.
VAT	Standard VAT rate: 21%; reduced rates of 10% and 4%, and 0% for specified transactions.

Key Benefits for International Clients

- Single-shareholder SL permitted, with flexible private-company governance.
- Minimum legal capital of only EUR 1, although additional safeguards apply until capital plus legal reserve reaches EUR 3,000.
- For 2026 periods, microenterprises with prior-year net turnover below EUR 1 million generally apply 19% on the first EUR 50,000 of taxable base and 21% on the remainder.
- Qualifying entities of reduced dimension generally apply a 23% corporate tax rate in 2026.
- Qualifying newly created companies carrying on economic activities can apply 15% in the first profitable tax period and the following period, subject to statutory exclusions.
- Qualifying dividends and capital gains from substantial participations can benefit from a 95% exemption.

Important 2026 Tax Position

Spain is not a 0% or foreign-source-exempt company jurisdiction

A Spanish-resident SL is generally taxable in Spain on worldwide income. Foreign customers, foreign-source invoices or an overseas bank account do not make ordinary trading profits tax-free. Spain instead offers targeted lower rates and participation relief, including the important 2026 microenterprise and reduced-dimension rates.

Ownership, Management & Share Capital

Topic	Current legal / practical position
Shareholders	One or more persons or entities. A sole shareholder may form an SL unipersonal.
Administrators	Natural persons or legal entities may be appointed. A legal-entity administrator must designate a natural-person representative.
Shareholder status	Unless the articles require it, an administrator does not need to be a shareholder.
Capital EUR 1+	The statutory minimum is EUR 1.
Capital below EUR 3,000	At least 20% of annual profit must be allocated to legal reserve until capital plus reserve reaches EUR 3,000. On liquidation, shareholders may be jointly liable for the shortfall up to EUR 3,000 if assets are insufficient.
Registered office	Mandatory in Spain and determines the competent Mercantile Register.
Beneficial ownership	Spanish company filings include beneficial-ownership information; current annual-account filing practice requires the beneficial-owner declaration even where there has been no change.

Corporate Income Tax - 2026 Rates

The general Spanish corporate income-tax rate remains 25%. However, 2026 is important because the transitional rates introduced by Law 7/2024 reduce the burden for qualifying smaller businesses. A company must determine which statutory category applies before using a reduced rate.

Microenterprises: 19% / 21% in 2026

For tax periods beginning in 2026, entities whose prior-period net turnover is below EUR 1 million generally apply 19% to the first EUR 50,000 of taxable base and 21% to the remainder, unless another specific rate applies. Qualifying entities of reduced dimension under Article 101 LIS generally apply 23% in 2026.

Newly Created Companies - 15%

Qualifying newly created entities that carry on economic activities can apply a 15% rate in the first tax period in which the taxable base is positive and in the following period. The regime contains exclusions, including for certain pre-existing or related activities and patrimonial entities.

Participation Exemption - 95%

Spain exempts 95% of qualifying dividends and positive gains from the transfer of participations. The principal participation threshold is generally at least 5%, with a one-year holding requirement. For non-Spanish investees, a subject-to-tax condition generally applies, with treaty provisions relevant. The 5% non-exempt portion represents deemed management expenses.

VAT - 21%

The standard Spanish VAT rate is 21%. Reduced rates are 10% and 4%, and a 0% rate applies to specified transactions. EU and international transactions require specific place-of-supply, intra-EU, export, exemption and reverse-charge analysis.

Formation Process & Documents Required

1. Structure and Spanish tax review 2. Company-name certificate 3. NIE/NIF and shareholder / UBO / administrator KYC 4. Spanish registered office 5. Capital contribution and articles 6. Public deed before Spanish notary 7. Provisional NIF and tax census 8. Mercantile Register filing 9. VAT, social-security, licensing and other registrations where applicable

The SL is incorporated by public deed and acquires full corporate status through registration in the Mercantile Register. Spain also provides electronic company-creation channels through the official entrepreneurial support / CIRCE framework for eligible cases.

Official Government / Registry Costs

Spanish incorporation involves notarial and Mercantile Register charges whose exact amount depends on the deed, capital, filing route and circumstances. Because the official tariff system does not produce one universal all-in 2026 fee for every SL, this guide does not invent a single government incorporation figure. BRIS professional fees, notarial costs, translations, registry charges and other third-party expenses are quoted separately.

Documents Required from the Client

- Passport / acceptable identification for shareholders, administrators and UBOs.
- Recent proof of residential address.
- NIE/NIF or other Spanish tax identification where required.
- For corporate shareholders: registry extract, constitutional documents, directors and complete ownership chain.
- Proposed company name, Spanish registered office and detailed activities.
- Shareholding, capital and management/signing arrangements.
- Expected countries, customers, suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Apostilled/legalised and sworn-translated foreign documents where required.

Accounting, Annual Accounts & Audit

The administrators formulate annual accounts under Spanish accounting and company law. Accounts are approved by the shareholders and must be deposited with the Mercantile Register within one month after approval. The filing includes the applicable beneficial-ownership information.

Audit is not mandatory for every small SL

Statutory audit depends on the size tests and other circumstances established by Spanish law, including group and regulated-entity requirements. Minority shareholders may also have statutory rights to request an auditor in specified circumstances. The audit position should be reviewed annually.

Annual Compliance Checklist

- Maintain Spanish registered office and current Mercantile Register details.
- Maintain shareholder, administrator and beneficial-owner information.
- Keep statutory accounting and corporate records.
- Prepare and approve annual accounts.
- Deposit annual accounts within one month after approval.
- File corporate income-tax and VAT returns as applicable.
- Maintain payroll/social-security compliance where applicable.
- Review withholding tax and treaty / EU relief before cross-border payments.
- Reassess 2026 microenterprise, reduced-dimension, start-up and participation-exemption conditions.

International Business & Tax Planning

Spain is a mainstream EU jurisdiction and resident companies are generally taxed on worldwide income. For 2026, the most commercially important opportunities for a normal SL are the new lower rates for microenterprises and reduced-dimension companies, the 15% start-up rate, the 95% participation exemption, EU directives, tax treaties and foreign-tax credits.

Where Spain can produce a very low effective corporate-tax result

Qualifying participation dividends and capital gains are generally 95% exempt. Therefore only 5% enters the corporate tax base. Depending on the company's applicable 2026 corporate tax rate, the effective tax on qualifying participation income can be substantially below the ordinary trading-profit rate. This is participation relief - not a blanket 0% foreign-source regime.

Special 0% Regimes Exist - But Not for an Ordinary SL

Spanish tax law does contain statutory 0% rates for specific regulated taxpayers, such as qualifying pension funds, and special regimes such as SOCIMI have their own tax framework. These regimes should not be used to market an ordinary privately held SL as a 0% company. A normal SL must apply the corporate-tax rules relevant to its actual category and activity.

How BRIS Group Supports You

Structure & tax review - Assess SL suitability, 2026 corporate rates, start-up rate, participation exemption, VAT, EU-directive and treaty considerations.

Company formation - Coordinate foreign shareholder documents, tax IDs, articles, capital contribution, notarial deed and Mercantile Register filing.

KYC / UBO - Coordinate shareholder, administrator, beneficial-owner and source-of-funds / source-of-wealth due diligence.

Accounting & compliance - Coordinate bookkeeping, annual accounts, corporate tax, VAT, registry filings and audit support where required.

Banking - Prepare corporate and KYC documentation and coordinate banking support where available.

Professional Fees & Official Sources

Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including Spanish notary, registered office, translations, accounting, tax, VAT, audit, licensing and banking support - are quoted separately according to the required services.

Official sources reviewed for this 2026 guide: BOE - consolidated Companies Act and Law 7/2024; Agencia Estatal de Administración Tributaria - 2026 corporate income-tax rates, participation exemption and VAT rates; Registradores de España - annual accounts and beneficial-ownership filing materials; official Spanish company-creation framework and applicable Mercantile Register legislation.

PREPARED BY BRIS GROUP

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Professional incorporation and corporate administration for international clients.