

## NEW REPORTING OBLIGATIONS IN FRONT OF THE SPANISH TAX OFFICE AND THE SPANISH CENTRAL BANK ABOUT ASSETS AND LIABILITIES OR TRANSACTIONS OUTSIDE SPAIN

March 2013

### **I. New reporting obligation in front of the Spanish tax office regarding foreign assets**

The law “Ley 7/2012” already introduced new regulations for the prevention and the abatement of tax fraud. On 1<sup>st</sup> January 2013 the “Real Decreto 1558/2012” came into force and concreted the so far existing regulations. With this law the government introduces an expansive obligation to report to the Spanish tax office about foreign assets.

#### **1. Who is concerned?**

Concerned is every natural and juridical person with tax residence in Spain.

#### **2. What has to be declared?**

All property holdings which residents in Spain had in the previous year in a foreign country have to be declared. Three different property holdings have to be distinguished:

- 1) Bank accounts
- 2) Real estates
- 3) Financial assets in the broadest sense

A declaration has to be made if the sum in one of these categories is 50.000 € or more. It has to be taken into account that the declaration also has to be made if the concerned person is not any more the owner of this property holding at the moment of the declaration. Crucial is that the person has had a property holding whose sum was more than 50.000 € at any moment of the previous year. This consideration is

independent of the fact that the ownership was still present on 31<sup>st</sup> December of the declared year.

After the first declaration another case has to be considered:

Furthermore the declaration has to be made in the following years when in the concerned year the values in one of the categories have increased more than 20.000€ after the last declaration.

### **3. Deadline to hand in the declaration to the Spanish tax office**

The concerned persons have to hand in the declaration until 31<sup>st</sup> March of the following year.

Because of the new introduction there is an exception for the first declaration in the year 2013. The deadline is extended for one month, so that the deadline for the current year ends on 30<sup>th</sup> April 2013.

### **4. Form**

In force is the “Modelo 720”, which has to be presented electronically.

## **II. New obligation to report to the Spanish Central Bank**

In addition the Spanish Central Bank published a new regulation (BOE Nr. 107) referred to the reporting obligations of residents in Spain. This regulation concerns all economic transactions and financial statements about assets and liabilities in foreign countries.

„Circular 4/2012“ of the Spanish Central Bank came into force on 1<sup>st</sup> of January 2013 and rests in force until 1<sup>st</sup> of January 2014 and advanced therefore the current regulations.<sup>1</sup>

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<sup>1</sup> Circular 6/2000, ( 31.10), Modification of Circular 23/1992, (18.12); Circular 3/2006, (25.07); Circular 2/2001 (18.07).

Now all natural and juristic persons with residence in Spain have to inform the Spanish Central Bank about transactions with non-residents and about the balancing of their assets and liabilities outside Spain.

It has to be emphasized that, with this regulation, higher reporting requirements have been introduced.

### **1. Concerned persons**

Concerned is every natural and juridical person of the public or private law with residence in Spain.

### **2. Content of the declaration**

a) Every transaction with non-Spanish residents.

b) Information about all existing assets and liabilities in foreign countries and its variations.

### **3. Moment of the declaration**

3.1. Monthly (until the 20<sup>th</sup> of the following month), if the amount of the transactions of the previous year is equal or higher than 300,000,000 €.

3.2. Until the 20<sup>th</sup> of the following month of a quarter, if the amount of the previous year is higher than 100,000,000 € but under 300,000,000 €.

3.3. Annually (until the 20<sup>th</sup> of January 2013), if the amount of the previous year is under 100,000,000 €.

If the amount of the previous year is under 1,000,000 € it is to be considered that the declaration has to be made during the next two months, but only if the Spanish Central Bank asks for the declaration. In this case however the regulations named in footnote 1 are still in force.

### **4. How to proceed with the communication**

Through the Internet portal of the Spanish Central Bank ([www.bde.es](http://www.bde.es)).

([http://www.bde.es/bde/en/secciones/servicios/Particulares\\_y\\_e/Declaracion de t/Declaracion de 0ace72d6c1fd821.html](http://www.bde.es/bde/en/secciones/servicios/Particulares_y_e/Declaracion_de_t/Declaracion_de_0ace72d6c1fd821.html))