

INCORPORATION OF A LIMITED LIABILITY COMPANY IN SPAIN

(A) Who can set up a company in Spain?

The Company must have at least one Shareholder that must be identified in the deed of incorporation. The shareholding partners of a Company in Spain can be either individuals or legal entities.

(B) How to set up a company in Spain?

- A certification by the Central Commercial Registry must be obtained, stating that the **name of the company** chosen for the new company is not being used by an existing company.

It is recommended to have at least 3 possible names for the Company with order of preference in case that the first choice is not available.

- The minimum **share capital** for a Spanish S.L. amounts up to 3.000 euros.

The amount of the capital has to be transferred to a bank account in Spain, which is opened in the name of the Company. The Spanish bank issues the corresponding certificate for the capital paid in.

- The **governing body** of the Company (administration and representation) can be a sole director, two or more directors with single power, two directors with joint powers or a Board of Directors (minimum three directors).

In case of a Board, one member must be appointed as Chairman and a Secretary has to be designated who does not need to be a member of the Board.

- The **By-Laws** have to be drawn up, which contain the relevant information of the Company, like the **Corporate Name, Share Capital, registered office, corporate purpose, duration of the company, General Meetings, Governing Body, Financial year and Liquidation.**

- The **Deed of incorporation** including the necessary documents has to be signed at a Spanish Notary. The founding shareholders appear in person or duly represented. When the deed of incorporation has been signed, the company can start its activities, if the by-laws don't state otherwise.

- Afterwards the public deed will be filed with the **Commercial Register** in order to **register** the Company.

(C) Which documents are needed?

- Certification of the Central Commercial Register with the name of the company, validity 6 month, renewable;
- Certification of the paid up capital;
- By-Laws as described above;
- Identification of the Shareholders
 - DNI/NIE of the shareholder
 - in the case of representation, e.g. by their lawyers: power of attorney issued by a notary and provided with Apostille if the shareholder is located in another country.
 - in the case of a legal entity, it must have a NIF (Tax Number) in Spain which can also be obtained with powers of attorney;
- Identification of the persons, who will carry out the Administration of the Company,
 - Any person appointed as Director in Spain must have a DNI (if Spanish nationality) or a NIE Number (if foreigner), which can also be obtained with powers of attorney;
- In case of a foreign founder: Form for foreign investments for statistical purposes

(D) Further steps to complete the incorporation process

The census declaration in the incorporation of a company, form 036, is used to communicate certain census information to the Tax Administration,

(D) Incorporation timing and costs

Once there are all the necessary documents, the public deed can be signed within a week. The registration of the Company normally takes around 15 days.

Average costs, including notary's fees for the deed of constitution, Register, tax agency process and expenses are about 3.000 EUR.

Reference contact in Spain

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