CompanyFormationWiki
The free encyclopedia of company formation
companyformationwiki.com

Company formation in Spain

From CompanyFormationWiki, the free encyclopedia of company formation · Last updated 25 November 2026

Company formation in Spain



Flag



Coat of arms

Common form	SL (sociedad limitada) [1]
Registry	Mercantile Registry (Registro Mercantil) [1]
Minimum capital	€1 [1]
Directors	1 director (administrador) [1]
Local director	Not required; foreign founders need an NIE tax number [1]
Corporate tax	25% headline; reduced rates for small companies and start-ups [2]
VAT / sales tax	21% [2]
Typical timeline	Usually 1–4 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Euro (EUR)

In short: To set up a company in Spain, most founders form an SL, registered with the Mercantile Registry (Registro Mercantil). [1] Minimum capital: €1. Corporate tax: 25% headline; reduced rates for small companies and start-ups. Registration: usually 1–4 weeks (as of November 2026).

The **sociedad limitada (SL)** is Spain's standard private company. The deed is signed before a notary and entered in the **Mercantile Registry**. Since 2022 the minimum capital is €1. Foreign founders and directors need an NIE (foreigner identification number).

Business structures

Most founders in Spain form an SL, registered with the Mercantile Registry (Registro Mercantil). [1] Other forms are listed below.

- **SL** – private limited company
- **SA** – public limited company, €60,000 capital
- **Autónomo** – self-employed individual

Requirements

Minimum share capital in Spain (2026): €1. Directors required: 1 director (administrador). Local resident director: not required; foreign founders need an NIE tax number. [1]

- A company name that is available, checked with the registry.
- Share capital: €1.
- Directors: 1 director (administrador).
- Local residency: not required; foreign founders need an NIE tax number.
- A registered office address in Spain.
- Articles of association signed before a notary.
- Beneficial owners reported to the Register of Beneficial Owners.

Registration process

Typical time to register a company in Spain (2026): usually 1–4 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Sign the articles of association before a notary.
3. File the registration with the Mercantile Registry (Registro Mercantil).

4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Spanish Tax Agency (AEAT).

Taxation

The corporate tax rate in Spain in 2026 is 25% headline; reduced rates for small companies and start-ups. [2] **Standard VAT or sales tax: 21%.** [2]

Tax	Rate and notes
Corporate income tax	25% headline; reduced rates for small companies and start-ups
VAT / indirect tax	21%
Withholding tax on dividends to non-resident companies	19%

Ongoing compliance

Annual compliance in Spain: Companies file annual accounts with the Mercantile Registry, an annual corporate tax return (Modelo 200) and quarterly VAT returns. [1]

Double tax treaties

Spain has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
19%	19%	19 or 24%

Within the EU, the Parent-Subsidiary and Interest and Royalties Directives can reduce these rates to 0% for qualifying group payments.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Spain lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Spain?

Typical registration time in Spain: usually 1–4 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Spain?

Minimum share capital in Spain: €1 (as of November 2026).

What is the corporate tax rate in Spain in 2026?

The corporate tax rate in Spain in 2026 is 25% headline; reduced rates for small companies and start-ups. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Spain?

Yes. There is no nationality requirement for shareholders. Local director rule in Spain: not required; foreign founders need an NIE tax number.

What withholding tax applies to dividends paid from Spain?

Spain withholds 19% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty or the EU Parent-Subsidiary Directive. See the Double tax treaties section.

Official registries and resources

- Mercantile Registry (Registro Mercantil)
- Spanish Tax Agency (AEAT)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Official Mercantile Registry (Registro Mercantil) . Government of Spain. Accessed November 2026.
2. Official Spanish Tax Agency (AEAT) . Government of Spain. Accessed November 2026.
3. Spain: Corporate – Taxes on corporate income (reviewed 30 June 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
5. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
6. Quick charts: Withholding tax (WHT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
7. Spain: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

Source: https://companyformationwiki.com/company-formation/spain/
Version: last updated 25 November 2026. Check the online version for later changes.

© 2026 CompanyFormationWiki. CompanyFormationWiki is a free encyclopedia of company formation, business structures and international tax across 222 jurisdictions. General information, not legal or tax advice. Confirm with the official registry, the tax authority or a qualified adviser before acting.