

Basic Tax Guide of Financial Products

*Regime applicable from
January 1st, 2023 for
Income Tax*



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	Tax treatment	Taxable income	Tax (rate)	Withholding	Notes	Remarks
Accounts, term deposits and deposits						
Current accounts, savings accounts	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Fixed-term deposits and deposits	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Public debt assets						
Treasury bills	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	
Government bonds and debentures (periodic interest or coupon)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Government bonds and debentures (transmission, redemption, repayment, exchange or conversion)	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	
Debt and Private Fixed income assets (1)						
Financial or enterprise promissory notes	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Mortgage-backed securities	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Mortgage-backed securities (transmission, redemption or repayment)	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	
Bonds and debentures (interest or coupons)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Bonds and debentures (transmission or redemption)	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	
Shares (2)						
Dividends	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Meeting attendance fee	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Share or equity issue premiums	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	For individual shareholders, the amount obtained from the distribution of the share premium of listed shares is first reduced, until it is cancelled, to the purchase value of the affected shares or holdings, and any surplus is taxed as return on investment.
Share transmission and sale	GP	Savings	19%-21%-23-27%-28%	NO	(5)	Amortisation coefficients are maintained for gains generated up to 19 January 2006, with a limit of 400,000 euros.
Transmission of subscription rights	GP	Savings	19%-21%-23-27%-28%	YES	(7) (5)	From 01/01/2017, the amount of the transmission will be a capital gain and will be subject to a 19% withholding.
Capital reduction (remission of capital call)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	Total dividend forgiven treated as return on investment.
Capital reduction (through return of monetary contributions)	RCM	Savings	19%-21%-23-27%-28%	NO	(5)	Return of monetary contributions reduces purchase value until cancellation. If exceeds purchase value, excess taxed as return on investment.
Capital reduction (with undistributed profits)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	Total amount received taxed as return on investment.
SICAV Shares						
Dividends	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Transmission or sale of SICAV shares.	GP	Savings	19%-21%-23-27%-28%	19%	(5)	Amortisation coefficients are maintained for gains generated up to 19 January 2006, with a limit of 400,000 euros.
REITs						
Dividends	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Transmission or sale of SOCIMIS shares	GP	Savings	19%-21%-23-27%-28%	NO	(5)	
Investment Funds						
Dividends received from a fund	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Transmission or sale of holdings	GP	Savings	19%-21%-23-27%-28%	19%	(5)	Transfers between investment funds are tax free, called "tax toll" Amortisation coefficients are maintained for gains generated up to 19 January 2006, with a limit of 400,000 euros.
Secured investment funds (3):					(5)	
With respect to security	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
With respect to repayment or sale of holdings	GP	Savings	19%-21%-23-27%-28%	19%	(6)	Transfers between investment funds are tax free, called "tax toll" Amortisation coefficients are maintained for gains generated up to 19 January 2006, with a limit of 400,000 euros.

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Exchange-Traded funds (ETFs)						
ETF dividends	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Transmission or sale of ETFs	GP	Savings	19%-21%-23-27%-28%	NO	(5) (8)	Transfer of capital between funds is not tax exempt
Derivative and certified financial products (4)						
Futures	GP	Savings	19%-21%-23-27%-28%	NO	(5)	
Options	GP	Savings	19%-21%-23-27%-28%	NO	(5)	
Swaps	GP	Savings	19%-21%-23-27%-28%	NO	(5)	
Warrants	GP	Savings	19%-21%-23-27%-28%	NO	(5)	
Certificates	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	
Welfare schemes						
Individual pension plans (PP)	RT	General	Marginal income tax	Yes	(6)	Premiums paid to PP entitle taxpayer to reduce income tax base, with limits: 30% of the total earned income, up to a maximum of 1,500 euros. This limit will be increased by 8,500 euros, provided that such increase comes from business contributions. Income received taxed as earned income and subject to withholding.
Assured savings plans (PPAS)	RT	General	Marginal income tax	Yes	(6)	Premiums paid to PP entitle taxpayer to reduce income tax base, with limits: 30% of the total earned income, up to a maximum of 1,500 euros. This limit will be increased by 8,500 euros, provided that such increase comes from business contributions. Income received taxed as earned income and subject to withholding.
Insurance						
Life insurance: (for death, survivors, mixed insurance and single premium, and combined with unit-linked investment funds)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	Premiums paid have no tax advantages, but the benefits do. When the benefit is received as income, the result of multiplying the annuity by integration percentages determined by recipient's age or the duration of the income is considered return on investment. When benefit is received in the form of capital, the return on investment is the difference between the capital received and the premiums, and is subject to the Transitional Reime and/or the tax offsetting system prior to 2006, in applicable cases.
Systematic individual savings plans (PIAS)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	Maximum contributions of €8,000 per year per taxpayer and a maximum of €240,000 in total. Premiums paid have no tax benefits, although the lifetime income received from a PIAS as the benefit does have a tax benefit. Of this received income, the result of multiplying the annuity by integration percentages determined by recipient's age is considered return on investment. With the 2015 tax reform, the minimum years that must elapse from the first contribution to the PIAS to be able to redeem it and benefit from the tax advantages have been reduced from 10 to 5.
Saving plans						
Long-term savings plans (PALP): Implemented through long-term life insurance plans with an insurer (SIALP) or through deposits or financial contracts with a credit institution (CIALP)	RCM	Savings	19%-21%-23-27%-28%	19%	(5)	Returns generated by the deposit account or life insurance are tax exempt if they meet certain requirement: the monetary contributions must not exceed 5,000 euros a year for at least five years.

Nomenclature:

Tax treatment: RCM: Investment income / GP: Capital gain / RT: Earned income

Notes: (1) Savings income does not include returns on investment arising from the transfer to third parties of own capital arising from entities related to the taxpayer. (2) Returns from the delivery of released shares (totally or partially) are excluded from personal income tax. (3) These funds have two parts: the return on investment produced by the security, and the capital gain that occurs with the repayment or sale of the holding. (4) An exception to capital gain is when transactions are carried out by a natural person with the intention of hedging a risk related to his entrepreneurial activity; in such cases they would be considered returns from economic activities. (5) Savings: The first 6,000 euros will be taxed at 19%, 21% up to 50,000 euros, 23% up to 200,000 euros, 27% up to 300,000 euros and amounts higher than 28%. (6) According to the scale for earned income in income tax. (7) Withholding takes place on the gain obtained from the first transmission of rights, i.e., on individuals who received their rights as shareholders directly from the company. Gains from transmission of rights acquired from a third party on the market (second and subsequent transmission) are not subject to any withholding. (Binding Consultation of the General Directorate for Taxation - No.: 010283-16-, of 20th December 2016). (8) The tax regime applicable to the transfer or sale of ETFs admitted to trading on European stock exchanges, but not listed on the Spanish stock market, has been equated this year to that of ETFs listed in Spain. Therefore, with the new Law on Measures to prevent and combat tax fraud, the tax treatment of all ETFs in Spain is equated regardless of where they are listed, rendering the differentiation that resulted from the response of the DGT in 2016 (Binding Consultation of the General Directorate for Taxation - No. V4596-16-, of 27th October 2016) invalid.

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