



# Are you thinking about buying a Spanish property?

**PURCHASING YOUR property in Spain is a life changing experience that can end up being the biggest mistake you ever made.**

Many would-be owners are rushed into making a decision about the purchase by people with limited knowledge and understanding of the implications to both Resident and Non Resident owners of a Spanish property.

There are many owners who have contacted us and said they arrived in Spain on the Monday and had been shown around on the Tuesday, Wednesday, Thursday and have paid a non refundable deposit by the Friday. By entering into this type of transaction you are unable to make an informed decision or to take the time to understand exactly what the ownership of a Spanish property will mean to you in the future. The very last thing on anyone's mind is Spanish Inheritance Tax; annual Tax Declarations; Wills; Probate; Plusvalia Tax and selling Taxes for the future.

Wincham Consultants Limited is a Spanish Tax Consultancy and can assist clients who have just located a property to purchase or are about to place a deposit on a new build. Before you commit yourself to the property, we will provide you with an illustration, free of charge, which will inform you of the potential Spanish Inheritance Tax liabilities should you purchase in your own name/s and detail an alternative method of ownership using a UK Limited Company structure. Not only can we identify the pitfalls of owning in your own name but we will act on your behalf in respect of the purchase into a UK Company and include all necessary searches of the property, to ensure that there are no issues attached to the property, and all legal work required to effect a safe and legal Registration of the property. If the property is purchased in the owners names, they

are obliged to submit an Annual Tax declaration in Spain and pay Tax on the perceived rental of the property if they intend to use it for personal use only. If they intend to rent the property out then they would be obliged to pay Tax at 24% on Gross rentals received and may not be able to offset any of the expenses incurred in the running of the property. Purchasing the property in a UK Limited company means there is no requirement for the owners to submit annual personal Tax Declarations in Spain, as the UK Company submits an Annual Tax Declaration as the owner of the property. This is filed as a zero Tax Declaration as the company is a Non Resident company of Spain and pays any Taxes due in the UK should there be any.

Not only is it no longer necessary to submit personal Tax Declarations but there is no necessity for a Spanish Will as a correctly written British Will covers a British subject's world wide assets including the shares and assets of a UK Company. The ownership of a Spanish Property in a UK Limited company brings the asset under UK jurisdiction and means there is no longer any requirement for Probate in Spain. Also under UK law for Inheritance Tax, Husband and Wife inherit between one another Tax free, which cannot be done in Spain for a Non Resident Spouse.

Should you wish to sell the property in the future then there are 2 methods of doing so as the property can be sold independently by the Company or the Shares in the Company can be sold to the Purchaser, which may save 7% Transfer Tax for the buyer and 3% Withholding Tax to the seller. Another advantage of selling the shares/company is any Directors loans which have been built over time to fund the running costs of the Company and property may be withdrawn first of all on sale tax free.

So before you complete your purchase in Spain or if you wish to move your current Spanish property into a UK Company structure,

please visit our website [www.winchamih.com](http://www.winchamih.com) for further details or contact our Head Quarters on + 44 (0)1260 299 700 or 0034 965 830 991. Wincham has offices located in the UK and Spain and within our organisation we have qualified professionals in both jurisdictions. These include Gestores, Economistas, Tax Consultants, Chartered Accountants and Members of the Institute of Credit Management. Our subsidiary company, Companies 4 U Limited, which is a professional Companies House Formation Agent, provides Company formation services and the future Corporate Management of our client companies.

**This information has been provided by Mark Roach, Company Director and Spanish Tax Consultant.**



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If this is of interest to you, please contact Lynn mobile 663 000 837 or email me on [rurales.espin@yahoo.com](mailto:rurales.espin@yahoo.com)

OFFERS ON INDIVIDUAL PLOTS OR HOUSES WOULD BE CONSIDERED