

**Spanish tax expert Mary Morgan of Wincham Consultants responds to last month's article about possible tax rebates for non-resident Spanish property owners.**

It was good to see the recent article outlining the opportunity for possible tax rebates for foreign property owners because of the EU directive that tax concessions for UK holiday letting properties must be extended to all EU properties. Although the UK does not want to extend this right it does give a window of opportunity for claims.

The article was very informative and, importantly, highlighted the fact that as EU members we can utilize laws within the community.

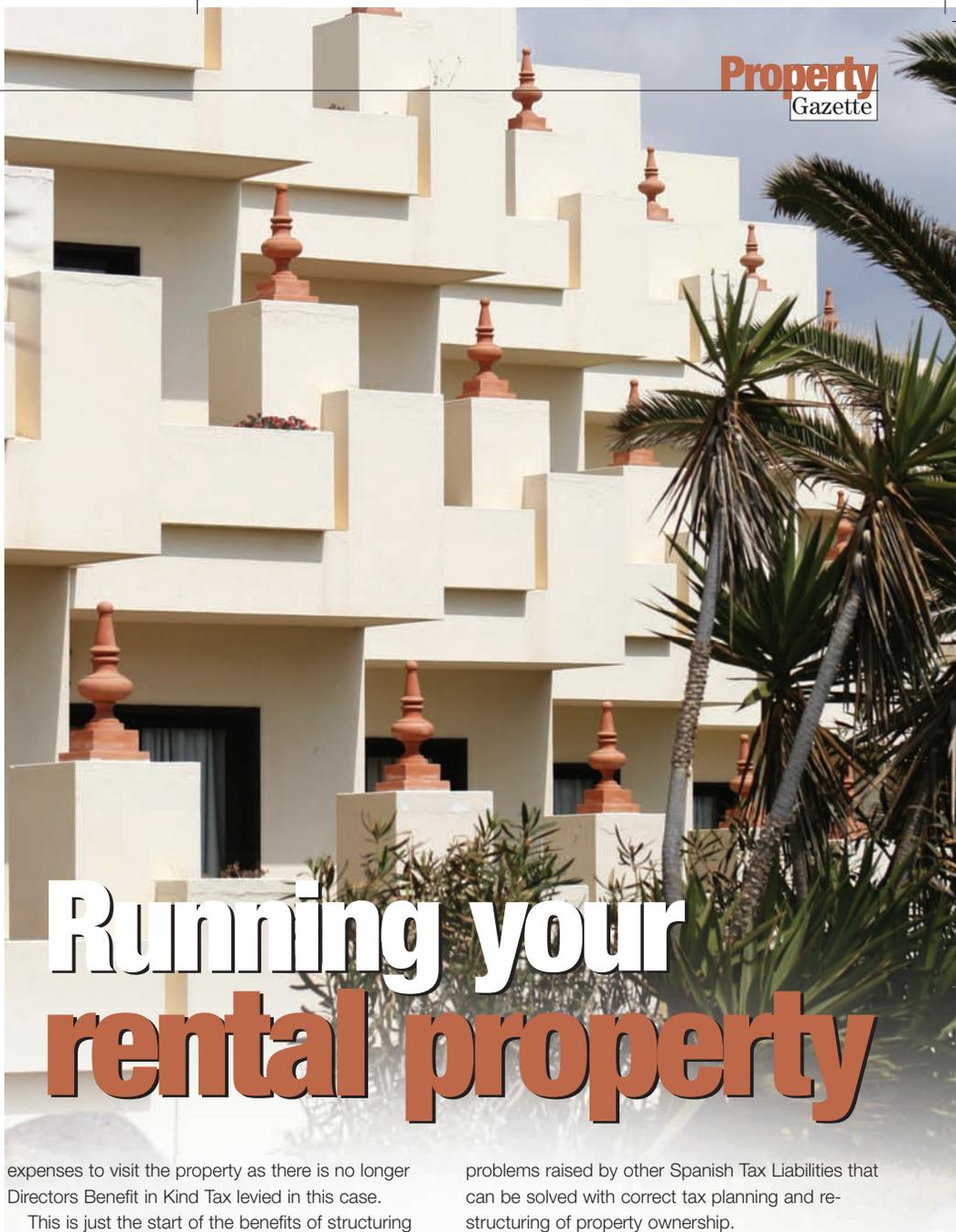
Whatever criteria the HMRC sets for entitlement to make a claim, this will be a welcome rebate for many owners. But what about onward expenses and running costs, can anything be done ?

Yes, there is a solution for owners of Spanish property that will allow them to continue to claim any attributable property expenses such as mortgage interest payments, running costs and travelling expenses when visiting the property.

The tax-efficient way to structure ownership of the property to allow this is to put the property into a UK Limited (Investment) Company - not to be confused with an Offshore Company. This is a straightforward option which can usually be completed in 4-5 weeks.

The solution involves forming and registering the Limited Company for you in the UK, issuing shares and appointing you as Directors - ensuring you maintain full and total control of your property at all times, to effecting the legal transfer and registration of the property into the company in Spain, complying with all necessary translation and legal requirements. A bank account is also opened for your company and to move all of the utility bills from your name to the company name and set up your direct debits to be paid from the company bank account.

From this point on all expenses attributable to the property can be claimed by the company including interest payments and running costs. As Directors of the company you can also claim travelling



# Running your rental property

expenses to visit the property as there is no longer Directors Benefit in Kind Tax levied in this case.

This is just the start of the benefits of structuring your Spanish Property Ownership in this tax efficient way. Articles are to follow on other aspects of onerous Spanish Taxation which apply to property ownership together with outlining the serious

problems raised by other Spanish Tax Liabilities that can be solved with correct tax planning and restructuring of property ownership.

**For further information go to [www.winchamiht.com](http://www.winchamiht.com)**

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