



SPAIN

Taxation – Key facts and figures

Comparison between a traditional asset portfolio and a life assurance policy

	Traditional asset portfolio	Life assurance policy																								
Income tax	Fixed and variable proceeds arising from traditional investments (e.g. interest and dividends) are subject to tax at the following sliding scale:	Proceeds arising from a life assurance policy are subject to tax at the sliding scale below, but only upon a partial or full surrender of the policy, thus providing full tax deferral for the policyholder:																								
	<table><tr><th>Taxable income (EUR)</th><th>Tax rate (%)</th></tr><tr><td>Up to 6,000</td><td>19</td></tr><tr><td>6,000 to 50,000</td><td>21</td></tr><tr><td>50,000 to 200,000</td><td>23</td></tr><tr><td>From 200,000 to 300,000</td><td>27</td></tr><tr><td>Above 300,000</td><td>28</td></tr></table>	Taxable income (EUR)	Tax rate (%)	Up to 6,000	19	6,000 to 50,000	21	50,000 to 200,000	23	From 200,000 to 300,000	27	Above 300,000	28	<table><tr><th>Taxable income (EUR)</th><th>Tax rate (%)</th></tr><tr><td>Up to 6,000</td><td>19</td></tr><tr><td>6,000 to 50,000</td><td>21</td></tr><tr><td>50,000 to 200,000</td><td>23</td></tr><tr><td>From 200,000 to 300,000</td><td>27</td></tr><tr><td>Above 300,000</td><td>28</td></tr></table>	Taxable income (EUR)	Tax rate (%)	Up to 6,000	19	6,000 to 50,000	21	50,000 to 200,000	23	From 200,000 to 300,000	27	Above 300,000	28
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Capital gains arising from the sale and switches of assets within a traditional portfolio are also subject to tax in accordance with this sliding scale.	Any income or proceeds (dividends, income, capital gains) generated by the underlying financial investments of the policy are cumulated within the policy with no tax impact at the level of the insurance contract. This factor enables active portfolio management under the policy without any tax consequences for the policyholder.																									
Wealth tax	The market value of the worldwide assets held as traditional investments (as at 31 December each year) by a Spanish resident investor is subject to wealth tax in Spain.	The tax rates applicable to life assurance policies for wealth tax purposes are similar to those applicable to a traditional asset portfolio.																								
	The tax rates, allowances and tax credits applied for wealth tax purposes will largely depend on the Spanish region (i.e. Comunidad Autonoma) where the investor is resident. As a result of the introduction of the Solidarity Tax at State level, certain regions have modified their own legislation on Wealth Tax. Please seek independent and qualified tax advice on the topic.	Fiscal shield rule																								
	With regards to the Spanish Tax Office, Form 714 should be observed.	The same rule applies as for a traditional asset portfolio. However, as any potential taxable gains are cumulated within the policy under a tax deferral scheme, the fiscal shield rule will become especially effective when subscribing to a life assurance policy.																								
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	In general, the income tax and wealth tax liability may not exceed 60% of the previous year's total taxable income. If it exceeds the 60% limit, taxpayers may reduce their wealth tax liability by the excess amount up to a maximum reduction of 80% of such liability. However, some Spanish regions have special rules.																									
Solidarity Tax	The Law 38/2022 of December 27th approved the Temporary Solidarity Tax for large fortunes. This new Temporary Solidarity Tax for the large fortunes has effects on the wealth of 2022 and is born with the objective of taxing the wealth of those taxpayers with net wealth ownership above 3.7 million (including the exempt minimum of EUR 700,000), being the marginal taxation of 3.5% (above EUR 10,695 million). In a similar way as in the Wealth Tax, the taxable base will include the taxpayer's properties, including real estate, shares or business participations, life insurance (i.e. surrender value), among others. In terms of Tax Compliance, you may consult Official Form 718 on "Solidarity Tax"																									

Inheritance and gift tax**Traditional asset portfolio****Life assurance policy**

Tax rates differ from one Spanish region to another. Please consult the tax rates, allowances and tax credits in force in your Spanish region of residence in terms of inheritance and gift tax.

The tax scale provided under Spanish State legislation is the following:

Taxable estate (EUR)	Tax rate (%)
Up to 7,993	7.65
7,993 to 15,981	8.50
15,981 to 23,968	9.35
23,968 to 31,956	10.20
31,956 to 39,943	11.05
39,943 to 47,931	11.90
47,931 to 55,918	12.75
55,918 to 63,906	13.60
63,906 to 71,893	14.45
71,893 to 79,881	15.30
79,881 to 119,758	16.15
119,758 to 159,635	18.70
159,635 to 239,389	21.25
239,389 to 398,778	25.50
398,778 to 797,555	29.75
Above 797,555	34.00

Depending on the net assets held by the beneficiary and on their relationship with the deceased/insured person, transfers may also be subject to a multiplier rate:

Taxable estate (EUR)	Multiplier rate		
	CLASS I & II	CLASS III	CLASS IV
Up to 402,678	1.00	1.5882	2.00
402,678 to 2,007,380	1.05	1.6676	2.10
2,007,380 to 4,020,771	1.10	1.7471	2.20
Above 4,020,771	1.20	1.9059	2.40

With relation to Tax Compliance, please consult Forms 650 and 651 of the Spanish Tax Office in regards of Succession and Gift tax.

The information in this document is based on OneLife's understanding of current laws and taxation practice in Spain and Luxembourg as at February 2024, which may change in the future. This document provides a summary and does not attempt to cover all related matters or situations. It is not intended to give specific legal and fiscal advice. Investors should seek their own independent advice relating to their specific circumstances. OneLife and the life assurance companies which form part of the Group will not be held liable for any errors or omissions in this document, nor for the use or the interpretation of the information contained herein.

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