



# SPAIN

## Taxation – Key facts and figures

### Comparison between a traditional asset portfolio and a life assurance policy

|                         | Traditional asset portfolio  | Life assurance policy  |              |             |    |                 |    |                   |    |                         |    |               |    |  |                      |              |             |    |                 |    |                   |    |                         |    |               |    |
|-------------------------|--|--|--------------|-------------|----|-----------------|----|-------------------|----|-------------------------|----|---------------|----|--|----------------------|--------------|-------------|----|-----------------|----|-------------------|----|-------------------------|----|---------------|----|
| <b>Income tax</b>       | <p>Fixed and variable proceeds arising from traditional investments (e.g. interest and dividends) are subject to tax at the following sliding scale:</p> <table border="1"> <thead> <tr> <th>Taxable income (EUR)</th> <th>Tax rate (%)</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>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.</p>  | 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 | <p>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:</p> <table border="1"> <thead> <tr> <th>Taxable income (EUR)</th> <th>Tax rate (%)</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>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.</p> | 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 |
| 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   |  |              |             |    |                 |    |                   |    |                         |    |               |    |  |                      |              |             |    |                 |    |                   |    |                         |    |               |    |
| 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   |  |              |             |    |                 |    |                   |    |                         |    |               |    |  |                      |              |             |    |                 |    |                   |    |                         |    |               |    |
| <b>Wealth tax</b>       | <p>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.</p> <p>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. For instance, Madrid applies a 99% tax exemption, whereas the tax could be significantly higher in regions such as Andalucía and Catalonia.</p> <p><b>Fiscal shield rule</b></p> <p>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.</p> | <p>The tax rates applicable to life assurance policies for wealth tax purposes are similar to those applicable to a traditional asset portfolio.</p> <p><b>Fiscal shield rule</b></p> <p>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.</p> |              |             |    |                 |    |                   |    |                         |    |               |    |  |                      |              |             |    |                 |    |                   |    |                         |    |               |    |
| <b>Solidarity Tax</b>   | <p>The Law 38/2022 of December 27th approved the Temporary Solidarity Tax for large fortunes.</p> <p>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).</p> <p>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.</p>  |  |              |             |    |                 |    |                   |    |                         |    |               |    |  |                      |              |             |    |                 |    |                   |    |                         |    |               |    |

## Traditional asset portfolio

## Life assurance policy

## Inheritance and gift tax

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     |

The information in this document is based on OneLife's understanding of current laws and taxation practice in Spain and Luxembourg as at February 2023, 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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