



Sumario

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- 2.- **Tax modifications.**

1.- Guaranteed minimum wage for year 2011.

The Royal Decree 1795/2010, dated 31st December, that fixes the guaranteed minimum wage for the year 2011, was published in the B.O.E. dated 31st December, 2010, establishing the new amounts that will apply from 1st January, 2011 until 31st December, 2011.

The guaranteed minimum wage fixed amounts to 21,38€ per day or 641,40€ per month.

These new amounts represent an increase of 1,3% in respect to the one in force during year 2010.

2.- Tax modifications.

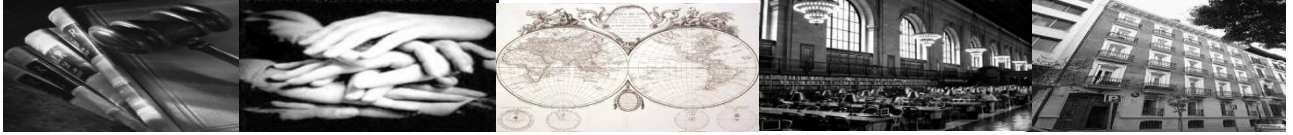
a) Royal Decree 1788/2010, dated 30th of December, by which they are modified the Regulations of Personal Income Tax, Corporate Income Tax and Non Resident Revenues in matters affecting revenues in Kind, as well as the deduction for investment in housing and payment as down payment.

On 1st of January, 2011, a modification has become enforceable in the Regulation of Personal Income Tax approved by Royal Decree 439/2007, dated 30th of March, as for revenues in kind, deduction for investment in habitual housing and down payment,

The pertinent modifications are made to adapt regulations in home saving accounts in order to determinate the retentions and down payments to be made in relation to certain income from work and from capital and of the amount of installment payments to the new general scale of rates and the new regulation of the deduction for investment in housing that will disappear in the exercise 2011.

In addition there have been modified several articles of the Regulation of the Corporate Income Tax, in relation to the distribution of the premium of shares or reduction of share capital with return of contributions effected by companies of investment of variable capital and another organisms of collective investment.

Finally the Regulation of non residents Income Tax approved by the Royal Decree 1776/2004, 30th of July, has also been modified. With effects from 1st of January, the dividends distributed by a resident company in Spain that is subsidiary of other one resident in another member state of the UE, providing that the latter holds more than 5 % of the capital of the first one, are exempt from



taxation in Spain. Previously the percentage of participation needed for the exemption of dividends was 10% so this figure equals to the percentage of participation required by the regulation of the Companies Corporate Income Tax for the application of the deduction of 100% to avoid the double internal required in the payment of dividends.

Finally, with effects 1st of July, 2011, charges and royalties satisfied by a resident company in Spanish territory or by a permanent establishment placed in such of a resident company in another UE Member to a resident company in another UE Member or to a permanent establishment placed in another UE Member of a resident company of UE Member will be exempt under certain requirements. As consequence of the exemption, from 1st of July, 2011 the rate of charge of 10 % for the mentioned charges and royalties will be exempt under certain circumstances.

B) Royal Decree 1789/2010, of 31st December, by which is modified the Regulation of the value-added tax and the Regulation about invoicing, in relation with the breach of certain formal obligations.

The Royal Decree 1789/2010, dated 30th of December, published in the BOE of date 31st of December, 2010, enforce from the 1st of January, 2011, modifies the Regulation of the Value-added tax (VAT) and the Regulation by

which the invoicing obligations are regulated.

The VAT regulation is caused by the transposition to Spanish Law of the Directive 2009/69/CE of Council of 25th June, 2009, relative to the common system of the VAT regarding the tax evasion linked to import. Therefore, there is a modification of articles 9, 11, 12, 14 and 19 of the Regulation of the VAT, which establish several requirements, as the means of legal test, that must be fulfilled by the exempt imports from the VAT of goods which expedition or transport takes as a point of arrival a place located in another UE Member, providing that the subsequent delivery of the above mentioned goods effected by the importer are exempt.

In addition, article 24 of the Regulation of the VAT is modified in order to adjust to the changes made in Law 6/2010, 9th of April, of measures for the impulse of the economic recovery and the employment, there being established the requirements that must be fulfilled in those cases, in which it is possible to modify the tax base of the VAT, as the cases in which the credits corresponding to the reverberated quotas are totally or partially irrecoverable.

On the other hand, it is modified the Regulation by which the obligations of

invoicing are regulated, approved by the Law 1496/2010, of 28th November, in order to reduce the administrative obligations, and eliminate the obligation of issuing self invoices in cases in which the person liable is changed.

Finally, it is exceptionally extended the term of presentation of the requests of tax return related to year 2009 by certain businessmen or professionals not established in the territory of application of the VAT, until March 31, 2011.

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