

A World Bank Group Flagship Report

16TH EDITION

DOING BUSINESS 2019

Training for Reform

Economy Profile

Spain



Comparing Business Regulation for Domestic Firms in **190** Economies

Economy Profile of Spain

*Doing Business 2019 Indicators
(in order of appearance in the document)*

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Labor market regulation	Flexibility in employment regulation and aspects of job quality

About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

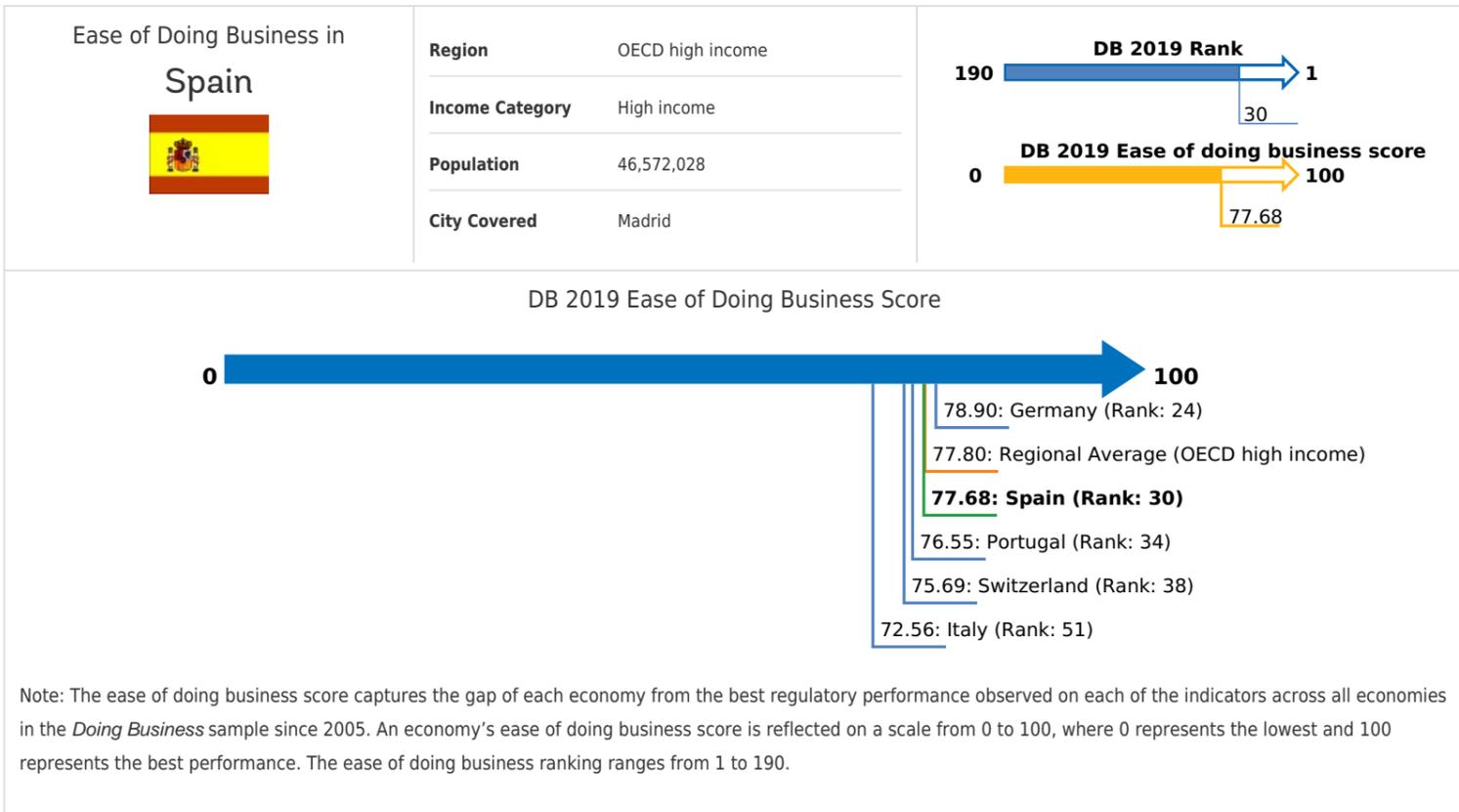
Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of labor market regulation. Although *Doing Business* does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

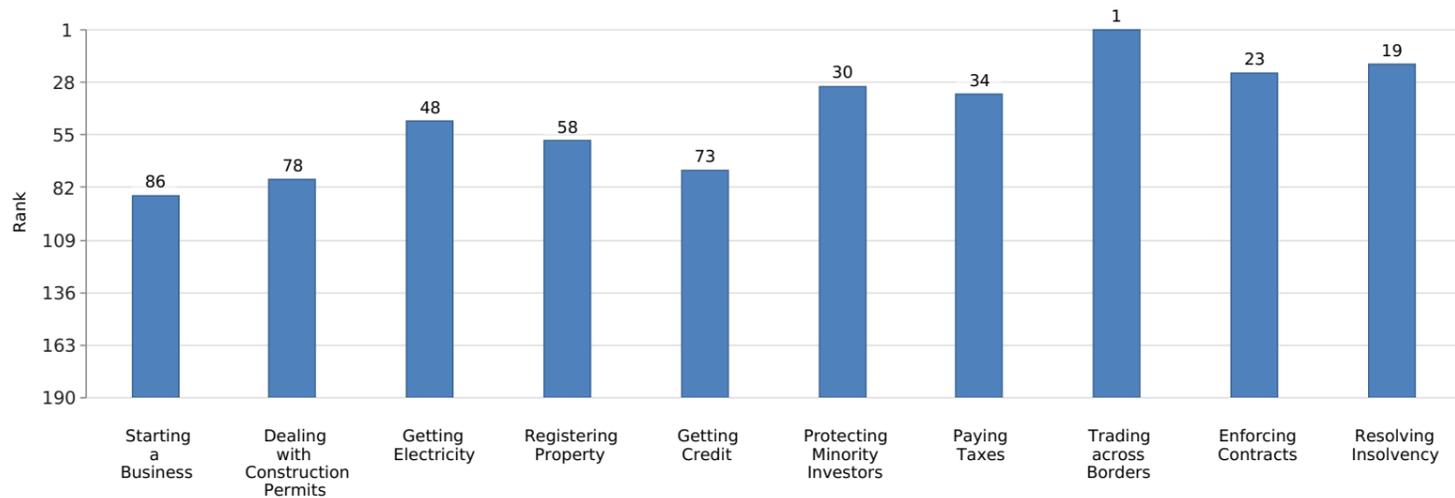
In addition, *Doing Business* offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

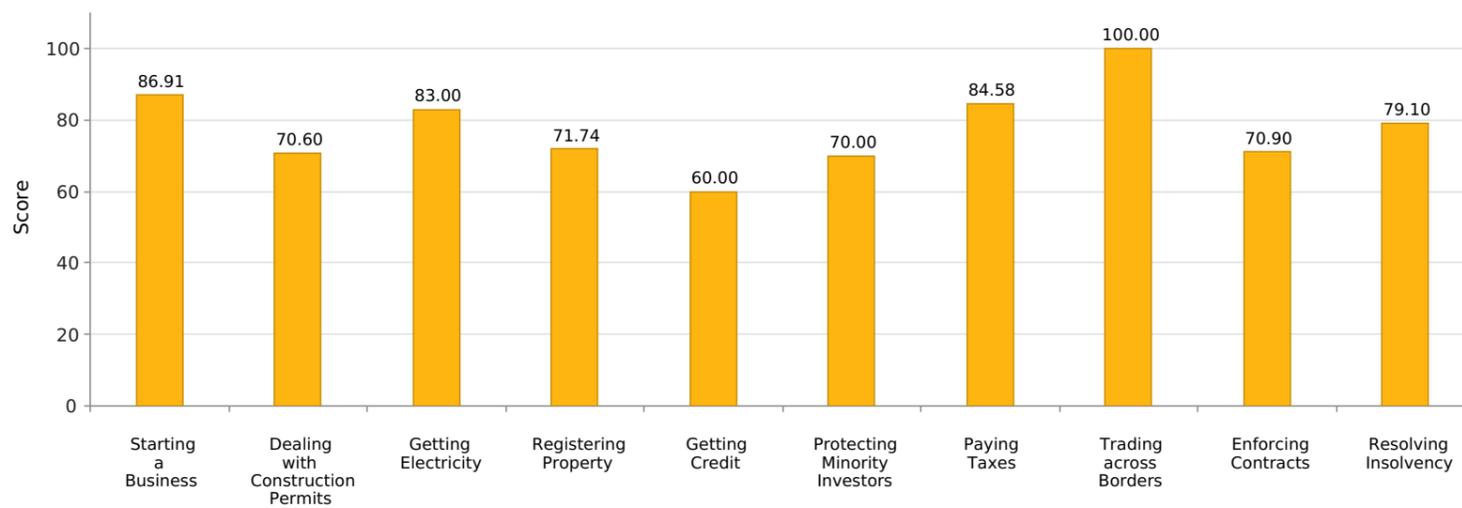
More about [Doing Business](#) (PDF, 5MB)



Rankings on Doing Business topics - Spain



Ease of Doing Business Score on Doing Business topics - Spain



Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally start and formally operate a company (number)</p> <ul style="list-style-type: none"> • Preregistration (for example, name verification or reservation, notarization) • Registration in the economy's largest business city • Postregistration (for example, social security registration, company seal) • Obtaining approval from spouse to start a business or to leave the home to register the company • Obtaining any gender specific document for company registration and operation or national identification card <p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day (2 procedures cannot start on the same day) • Procedures fully completed online are recorded as ½ day • Procedure is considered completed once final document is received • No prior contact with officials <p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice <p>Paid-in minimum capital (% of income per capita)</p> <ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p> <p>The business:</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. - Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The entire office space is approximately 929 square meters (10,000 square feet). - Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita. - Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes. - Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita. - Does not qualify for investment incentives or any special benefits. - Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals. - Has a company deed that is 10 pages long. <p>The owners:</p> <ul style="list-style-type: none"> - Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old. - Are sane, competent, in good health and have no criminal record. - Are married and the marriage is monogamous and registered with the authorities. - Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

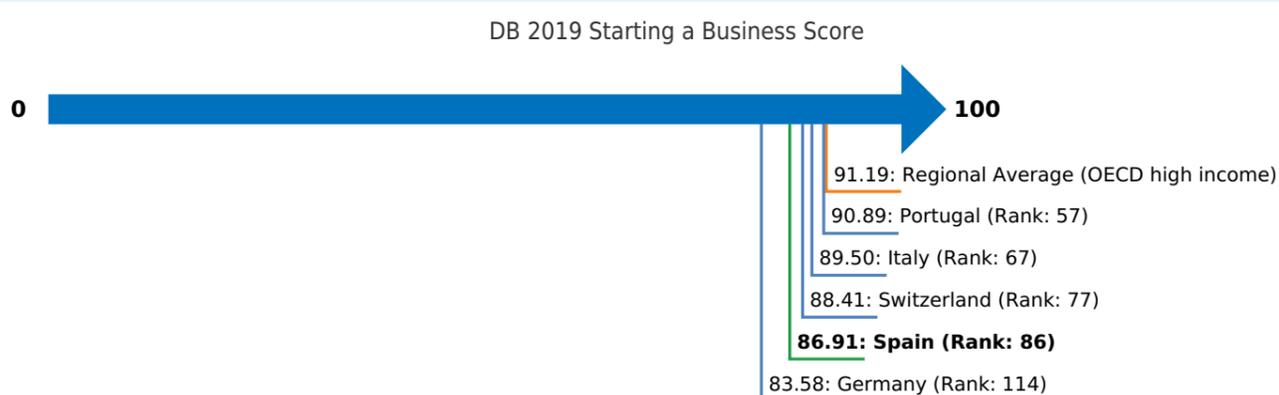
Starting a Business - Spain

Standardized Company

Legal form	Sociedad de responsabilidad limitada (SRL) -Limited Liability Company
Paid-in minimum capital requirement	EUR 3,000
City Covered	Madrid

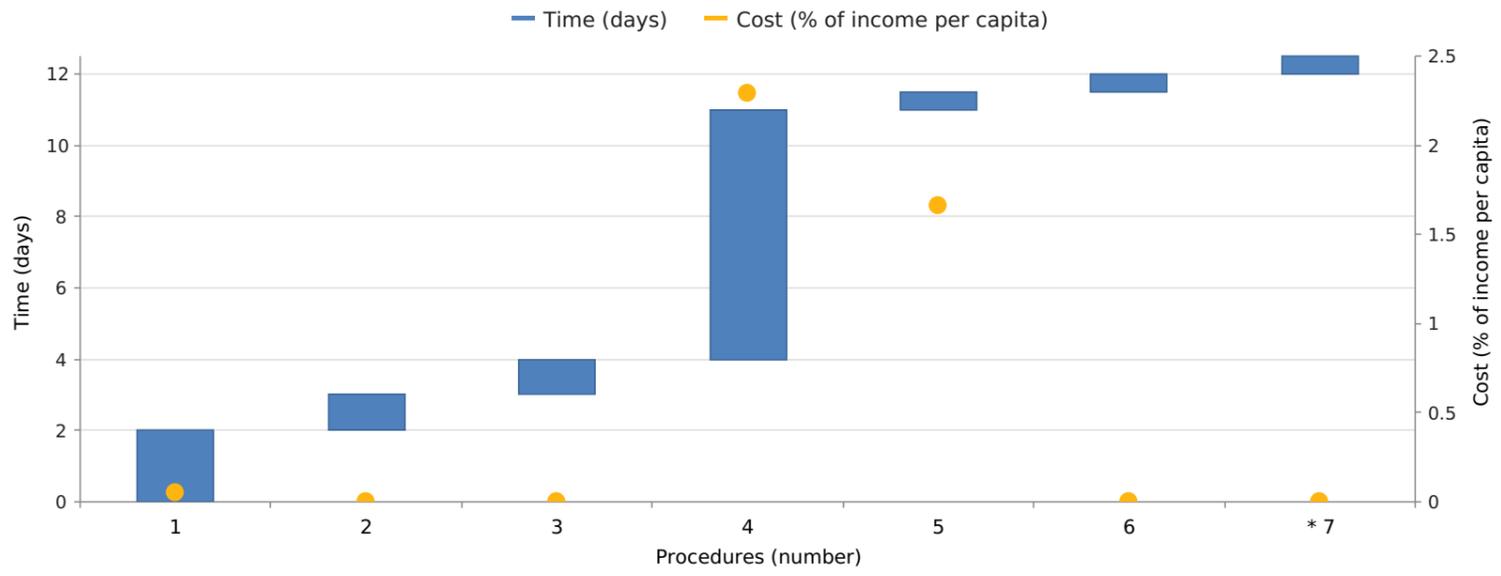
Indicator	Spain	OECD high income	Best Regulatory Performance
Procedure - Men (number)	7	4.9	1 (New Zealand)
Time - Men (days)	12.5	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	4.0	3.1	0.0 (Slovenia)
Procedure - Women (number)	7	4.9	1 (New Zealand)
Time - Women (days)	12.5	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	4.0	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	12.0	8.6	0.0 (117 Economies)

Figure - Starting a Business in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Spain - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Spain - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain a certificate of availability for the proposed company name (certificación negativa de la denominación social)</p> <p><i>Agency</i> : Mercantile Registry</p> <p>To register a company, entrepreneurs can choose between obtaining a certificate of availability of the company name or selecting a name from a list of approved names (bolsa de denominaciones). Most companies are registered with a previous certificate.</p> <p>The certificate of availability of the company name is typically requested through the website of the Central Commercial Registry. If the certificate is not requested online, the final document can be obtained by (i) certified mail, (ii) through a notary with the notarial platform SIGNO; (iii) visiting the Central Commercial Registry; or (iv) courier. In all cases, the certificate is issued by the following day.</p> <p>Once the Registry issues the certificate, the requested corporate name will be reserved for a maximum of 6 months from the certificate's date of issuance. Each certificate is valid for 3 months from its date of issuance. Furthermore, once the certificate's validity has expired (3 months), the certificate can only be renewed once, after which a new certificate must be requested.</p>	2 days	EUR 13.52 (excluding VAT)
2	<p>Open a company bank account, deposit capital and obtain a deposit certificate</p> <p><i>Agency</i> : Bank</p> <p>In most cases, the entrepreneur deposits the amount of the contributions directly in the bank. Once this is done, the bank issues the relevant certificate evidencing the deposit has been done. However, the contributions can also be directly given to the notary public at the time of granting the deed of incorporation. In this scenario, the notary can deposit them in the company's bank account.</p>	1 day	no charge
3	<p>File the Single Electronic Document (Documento Único Electrónico - DUE) and make an appointment with a notary</p> <p><i>Agency</i> : Help Desk for Entrepreneurs (PAE)</p> <p>Limited liability companies can be incorporated through CIRCE, the electronic platform of the Ministry of Industry, Energy and Tourism. Through CIRCE, the entrepreneur completes a single registration form called DUE that is then sent to the notary's office, the commercial registry, the tax agency and the social security agency (for registration of the company and of its employees, if it has them).</p> <p>The single registration form can be filed at any Help Desk for Entrepreneurs (Puntos de Atención al Emprendedor - PAE) or online by the entrepreneur, in which case a digital signature is required. Once the DUE is sent, an appointment request is generated with the notary chosen for the preparation of the public deed of incorporation.</p> <p>At the moment of incorporation, the entrepreneur must provide to the notary the information on the company's beneficial owners. The notary will inform the Mercantile Registry. After that, at the end of every fiscal year the annual accounts, including beneficial ownership information, must be provided to the Mercantile Registry.</p>	1 day	no charge

4	Obtain through a notary the registered public deed of incorporation and the fiscal identification number (Código de identificación fiscal - CIF)	7 days	See comments
<p><i>Agency</i> : Public Notary and Mercantile Registry</p> <p>Within a week approximately, the notary provides a public deed and the company is registered with the commercial registry and the tax authorities. Besides the granting of the deed that requires the physical presence of the founders, the rest of the procedures are completed electronically through CIRCE. Additionally, the CIRCE platform offers other services such as registration of personal data with the Spanish Data Protection Agency and request of the trade name of the company with the Spanish Patent and Trademark Office.</p> <p>The notary fees are as follows (per Number 2, Royal Decree 1426/1989, last modified per Official Gazette 285 of Nov. 17, 2011):</p> <p>1. Notary fee for public deed of incorporation (a 5% discount applies):</p> <ul style="list-style-type: none"> - until EUR 6,010.12: fixed sum of EUR 90.15 - for the amount from EUR 6,010.12 until 30,050.61: 4.5 per thousand of capital - from EUR 30,050.61 until 60,101.21: 1.5 per thousand - from EUR 60,101.21 until 150,253.03: 0.5 per thousand - from EUR 150,253.03 until 601,012.10: 0.3 per thousand <p>2. Additional notary charges (per Number 1-h, Royal Decree 1426/1989, last modified per Official Gazette 285 of Nov. 17, 2011):</p> <ul style="list-style-type: none"> - designation of positions (cargos): EUR 30.05 - paper cost (papel matriz): EUR 1.50 - authorized mandatory copy (copia autorizada): EUR 30.05 - paper cost for the copy: EUR 1.50 - safety seal (sello de seguridad): EUR 0.15 <p>Registration fees as follows (per Number 2, Royal Decree 1427/1989 last modified per Official Gazette 285 of Nov. 17, 2011):</p> <ul style="list-style-type: none"> - until EUR 6,010.12: fixed sum of EUR 24.04 - for the amount from EUR 6,010.12 until 30,050.61: 1.75 per thousand of capital - from EUR 30,050.61 until 60,101.21: 1.25 per thousand - from EUR 60,101.21 until 150,253.03: 0.75 per thousand - from EUR 150,253.03 until 601,012.10: 0.3 per thousand - fee for record entry: EUR 6.01 			
5	Payment of the municipal tax for urban services (tasa por prestación de servicios urbanísticos)	Less than one day (online procedure)	EUR 414
<p><i>Agency</i> : CIRCE portal</p> <p>Payment of the municipal tax ("tasa por prestación de servicios urbanísticos") is required before submitting the notification of start of operations ("declaración responsable"). It can be made online (through the CIRCE system) or at a bank.</p>			
6	Submit a notification of start of operations (declaración responsable) to the Town Council	Less than one day (online procedure)	included in Procedure 5
<p><i>Agency</i> : Town Council</p> <p>The responsible declaration procedure is to be prepared in accordance with an official model, which will include the following circumstances: (i) identification of the owner of the activity; (ii) identification of the office's surface; (iii) identification of the activity declared; (iv) a representation granting that the activity is not undertaken in a building protected due to its cultural interest; and (v) that the activity does not imply the private use or occupation of public domain spaces and goods.</p> <p>This declaration will entitle the applicant to undertake the activity declared, subject to further control by physical inspection of the office by the local authorities or by the technical services of the private agencies authorized by the municipality, depending on to which of those entities the declaration has been filed with. This declaration can be filed with the Municipality in person, by mail or online through the CIRCE platform.</p>			
⇒ 7	Notify the Ministry of Labor and Industry of the start of operations	Less than one day (online procedure, simultaneous with previous procedure)	no charge
<p><i>Agency</i> : Ministry of Labor and Industry (Dirección General de Trabajo)</p> <p>The corresponding autonomous community must be notified within the first 30 days of the start of activities and the opening of the workplace. Every autonomous community has its own form. Some require that work injury and safety documentation (corresponding to the specific business or workplace in question) be filed along with the forms. Other forms and documents might be needed depending on the workplace activities.</p> <p>Business founders can notify the Ministry of Labor and Industry online through the CIRCE platform.</p>			

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. [See the methodology for more information](#)

What the indicators measure

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

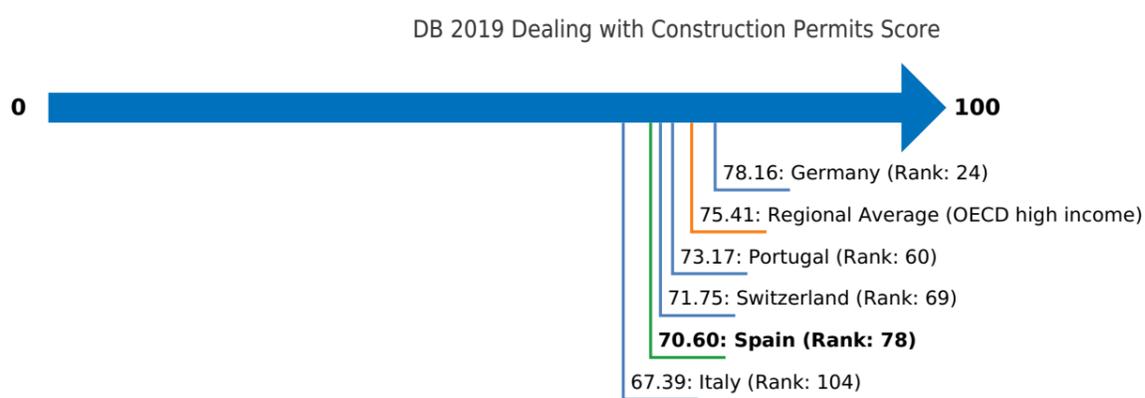
Dealing with Construction Permits - Spain

Standardized Warehouse

Estimated value of warehouse	EUR 1,249,151.90
City Covered	Madrid

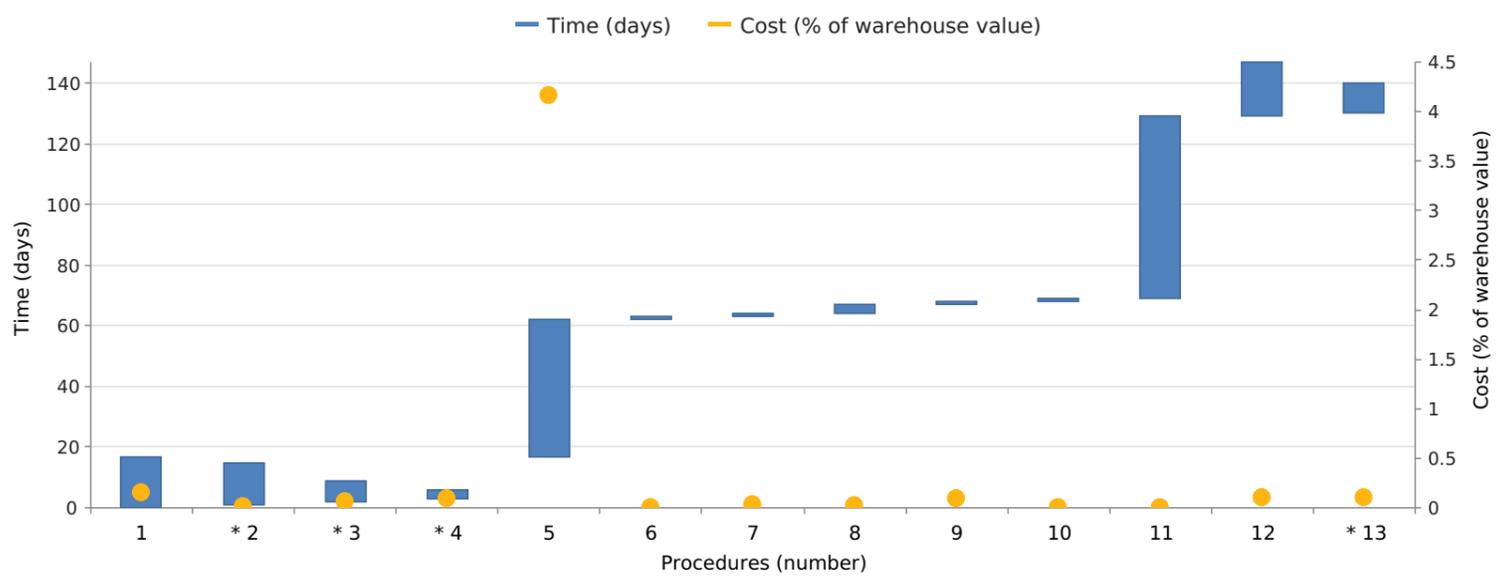
Indicator	Spain	OECD high income	Best Regulatory Performance
Procedures (number)	13	12.7	None in 2017/18
Time (days)	147	153.1	None in 2017/18
Cost (% of warehouse value)	4.8	1.5	None in 2017/18
Building quality control index (0-15)	11.0	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

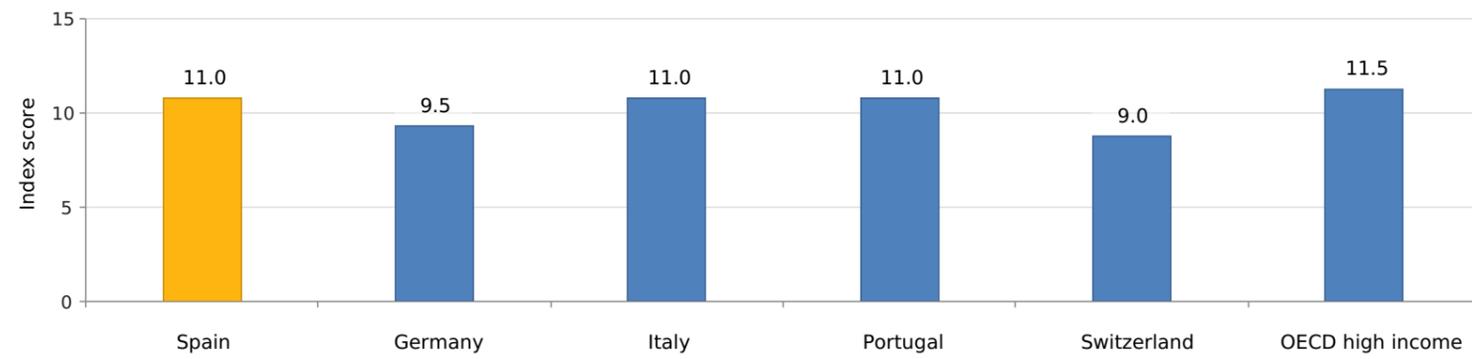
Figure - Dealing with Construction Permits in Spain - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Spain and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Spain - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain results of geotechnical study / soil test <i>Agency</i> : Private licensed company A soil study is a requirement before construction specified in the Building Code (Ley 38/1999-Art. 3 & 7) and the Technical Building Code (Real Decreto 314/2006-Annex I-Section 2.1). Contractors ask for a soil test to ensure that the foundation of the building is solid. The engineer must understand the suitability of the soil for the proposed construction work. It allows to build a solid foundation and avoid structures to be damaged, collapsed or leaned.</p>	17 days	EUR 1,875
⇒ 2	<p>Request and obtain the official alignment (alineamiento oficial) <i>Agency</i> : Municipality of Madrid The certificate of alignment is issued by the Municipality of Madrid which provides the exact limit of the private property with respect to public roads.</p>	14 days	EUR 186
⇒ 3	<p>Obtain results of topographical study <i>Agency</i> : Private licensed company A topographical study is conducted prior to construction to measure the levels on the specific terrain. It is a general technical requirement when building a structure of this class. This procedure is required byCodigo Tecnico de Edificacion (March 2006) as part of the Basic Project to be presented.</p>	7 days	EUR 800
⇒ 4	<p>Obtain approval of draft project proposal and implementation plan (Visado del proyecto básico y proyecto de ejecución) from College of Architects of Madrid <i>Agency</i> : College of Architects of Madrid The College of Architects of Madrid must approves BuildCo's draft project proposal and implementation plan. In particular, the College of Architects of Madrid verifies the professional qualifications of the individual in charge of the construction work and validates the correctness and completeness of the documentation provided for the project with respect to regulations.</p> <p>The following documentation must be provided:</p> <ul style="list-style-type: none"> -report on the project -implementation plan -administrative and technical conditions' statement -measurements -budget -health and safety study <p>The procedure is legislated in "Real Decreto 1000/2010 "sobre visado colegial obligatorio".</p>	3 days	EUR 1,155

5	<p>Request and obtain a building permit (licencia de obras) <i>Agency</i> : Municipality of Madrid The documents required to obtain the license are the following:</p> <ul style="list-style-type: none"> • A standardized application form and sheet containing the characteristics of the construction properly completed • Proof of payment of tax • Declaration by one or more technical authors (architect and project design specialists) that the project conforms to the appropriate town planning regulations, and certificate of the structural feasibility, if necessary • Declaration of the promoter that a signboard has been posted at the site to inform the public that a building license has been applied for and to provide information about the proposed operations and activities • Three copies of the technical project designs signed by qualified technician(s) and countersigned by the appropriate official institute (or in this case, by the project's administrative supervision office, accompanied by the application sheets of the appropriate professional association) • Confirmation of the deposit of a guarantee • Authorization program for independent parts of the construction or approval of partial projects, if requested by the promoter • In cases of renovation/expansion of buildings included in the general catalog of protected elements in historic city centers or historic centers of peripheral districts and historic colonies, a color photographic description of the existing building that permits, during enlargement operations, confirmation of the correct alignment of the enlargement plans with the historic city zoning restrictions • License of parceling, if the new construction needs previous parceling • Official alignment, if required • Project design of installation of telecommunications infrastructure Real Decreto 346/2011 • Project design of the use of solar energy for heating (either as an independent project design or as part of the general project design), signed by a qualified technician and countersigned by the appropriate official institute, if required by the Regulation Concerning the Harnessing of Solar Energy for Thermal Use • Reglamento de seguridad contra incendios en los establecimientos industriales RD 2267/2004, de 3 de diciembre, modificado en parte por el RD 560/2010 de 7 de mayo • Security and health certification or a basic certification regarding RD 1627/1997 de 24 de octubre • Certify the destination of all the construction waste and demolition (RCD) according to the Law 5/2003 and amendments by Law 9/2010 (regarding abandoned and discharged wastes) <p>This procedure is regulated by the Ordenanza Fiscal Municipal Reguladora del Impuesto sobre Construcciones, Instalaciones y Obras (ICIO), dated October 9, 2001 (in accordance with the amendments approved by Plenary Council dated September 25, 2013). Since the end of 2012, the time to obtain a building permit was reduced to approximately 45 days.</p>	45 days	EUR 51,979
6	<p>Notify labor authority of the start of construction (apertura del centro de trabajo) at the Ministry of Employment, Tourism and Culture <i>Agency</i> : Ministry of Employment and Social Security Upon authorization from the College of Architects of Madrid, and in line with "Orden TIN/1071/2010, de 27 de abril" BuildCo must notify the Ministry of Employment, Tourism and Culture of the start of construction.</p>	1 day	no charge
7	<p>Receive initial inspection <i>Agency</i> : Municipality of Madrid According to the building license, one on-site inspection must be carried out during construction and one at the end of the process.</p> <p>If, during the inspections, the committee detects any possible infringements of the building regulations or criminal law, a proposal on sanctions must be made, and a copy of the written record is given to the public prosecutor. At minimum, administrative proceedings are initiated.</p> <p>In each inspection report, a record is included that provides information on every person involved and their roles, as well as on the facts, circumstances, dates, and results of the inspection. The record is regarded as a public administrative deed. The record must be signed by the inspector(s) and by the person to whom the construction works have been attributed at the time of the inspection. The inspection can only be conducted once the construction has started, for that reason this procedure cannot be simultaneous with the previous one.</p>	1 day	EUR 375

8	<p>Obtain completion certificate (visado del certificado final de obra -CFO) from College of Architects of Madrid</p> <p><i>Agency</i> : College of Architects of Madrid</p> <p>Once construction works have been completed, the architect and surveyor must sign off a document certifying that the construction has followed the approved plans. Therefore, both individuals are responsible for the construction performed. This completion certificate must be approved by the College of Architects of Madrid.</p> <p>This procedure is legislated in "Real Decreto 1000/2010, de 5 de agosto, sobre visado colegial obligatorio".</p> <p>This procedure can only be done when the construction is finalized, for that reason this procedure cannot be simultaneous with the previous one.</p> <p>The basis of the cost is in "Precios del Visado de los Trabajos profesionales". The formula used is the following: Cost of approval = Módulo x C x S x Qv x F / 6000. For a warehouse such as the Doing Business case study: M = 497.43; C = 9.00; S = 1300.6; Qv = 1.40; F = 0.15. Therefore, cost of approval is 497.43 * 9 * 1300.6 * 1.40 * 0.15 / 6000 = 203.79 EUR"</p>	3 days	EUR 204
9	<p>Request final inspection in connection with the occupancy permit (licencia de primera ocupación y funcionamiento)</p> <p><i>Agency</i> : Municipality of Madrid</p> <p>Private collaborating entities (ECU) carry out the inspection and issue the declaration of conformity at the end of the construction works. BuildCo must pay a fee to the collaborating entities.</p> <p>The cost details to request and receive final inspection is provided on the official website of the Municipality of Madrid, (www.munimadrid.es). The legal basis is Agreement of the Local Government Board of the City Council of Madrid, dated September 26, 2013, setting the maximum price for services of the private collaborating entities for 2014 (Official Gazette of the City Council of Madrid N. 7015 (09/30/2013)).</p>	1 day	EUR 1,116
10	<p>Receive final inspection</p> <p><i>Agency</i> : Municipality of Madrid</p> <p>BuildCo. can receive a final inspection once the construction is finalized. For that reason this procedure cannot be simultaneous with the previous one.</p>	1 day	no charge
11	<p>Obtain occupancy permit (licencia de primera ocupación y funcionamiento)</p> <p><i>Agency</i> : Municipality of Madrid</p> <p>As soon as construction is finished, in order to receive the first operating license (licencia de primera ocupación), the builder must submit the following documents to the ECU:</p> <ul style="list-style-type: none"> • Final certificate of terminated construction (declaration of conformity), which must be signed by the technical director of the work. This certificate must declare that the constructed building is in accordance with the issued license. For modifications that do not need approval of the City Council (23.2 of the Ordenanza Municipal de Tramitación de Licencias Urbanísticas de 23 de diciembre de 2004), the builder has to detail these modifications. • If urbanization works have been carried out simultaneously with construction, and this urbanization was completed by the builder, the builder must present the final certification of these works. • Certificado final de obra visado por el Colegio Profesional y Plan de Autoprotección (Ordenanza Municipal de Tramitación de Licencias Urbanísticas de 23 de diciembre de 2004 - BOCM de 7 de enero de 2005) <p>The purpose of the operating license is to verify that the construction and activities have been executed according to the project and the conditions under which the license had been granted, and that the construction has been completed and is adequate for urban determinations, the atmosphere and the security of its specific destination.</p>	60 days	no charge
12	<p>Register the new building</p> <p><i>Agency</i> : Property Registry</p> <p>With the occupancy permit BuildCo. can register the newly built warehouse. Registration fees cannot exceed EUR 2,181.00 according to "Real Decreto 1427/1989, de 17 de noviembre, por el que se aprueba el arancel de los registradores de la Propiedad"</p> <p>Notary and registration fees depend on the value of the building. This can only be requested upon reception of the occupancy permit.</p>	18 days	EUR 1,247

⇒	Request and obtain water connection	10 days	EUR 1,200
13	<p><i>Agency</i> : Canal de Isabel II</p> <p>In parallel with registering the building. BuildCo. can request the water services.</p> <p>If the flow of water is less than 6 liters per second or if fewer than 25 counters are needed in one hall, only the following documents must be submitted:</p> <ul style="list-style-type: none">• Technical report (Memoria técnica), not required if the flow of water is less than 3 liters per second• Form 2.1.4• Confirmation of fee payment (EUR 12.28 must be paid at the counter)• Two copies of Form 2.1.3 (Impreso de Final de Obra) <p>If the required flow of water is more than 6 liters per second or if more than 25 counters are needed in one hall, the following additional documents must be filed:</p> <ul style="list-style-type: none">• Project design from an engineer specialized in planning water facilities• Fee (in this case, a certain percentage of the budget) <p>Since this procedure can be applied to another organization, it can be simultaneous with the previous one.</p>		

⇒ Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Spain - Measure of Quality

	Answer	Score
Building quality control index (0-15)		11.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer; Private firm.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Unscheduled inspections.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		1.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company; Owner or investor.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
Professional certifications index (0-4)		2.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	University degree in architecture or engineering; Being a registered architect or engineer.	1.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

University degree in engineering, construction or construction management;
Being a registered architect or engineer.

1.0

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.

Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

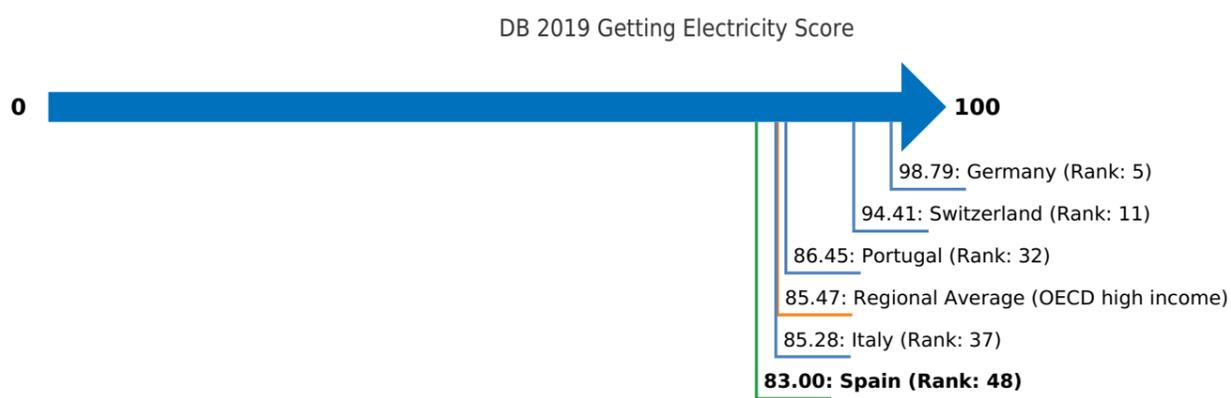
Getting Electricity - Spain

Standardized Connection

Price of electricity (US cents per kWh)	24.8
Name of utility	Iberdrola
City Covered	Madrid

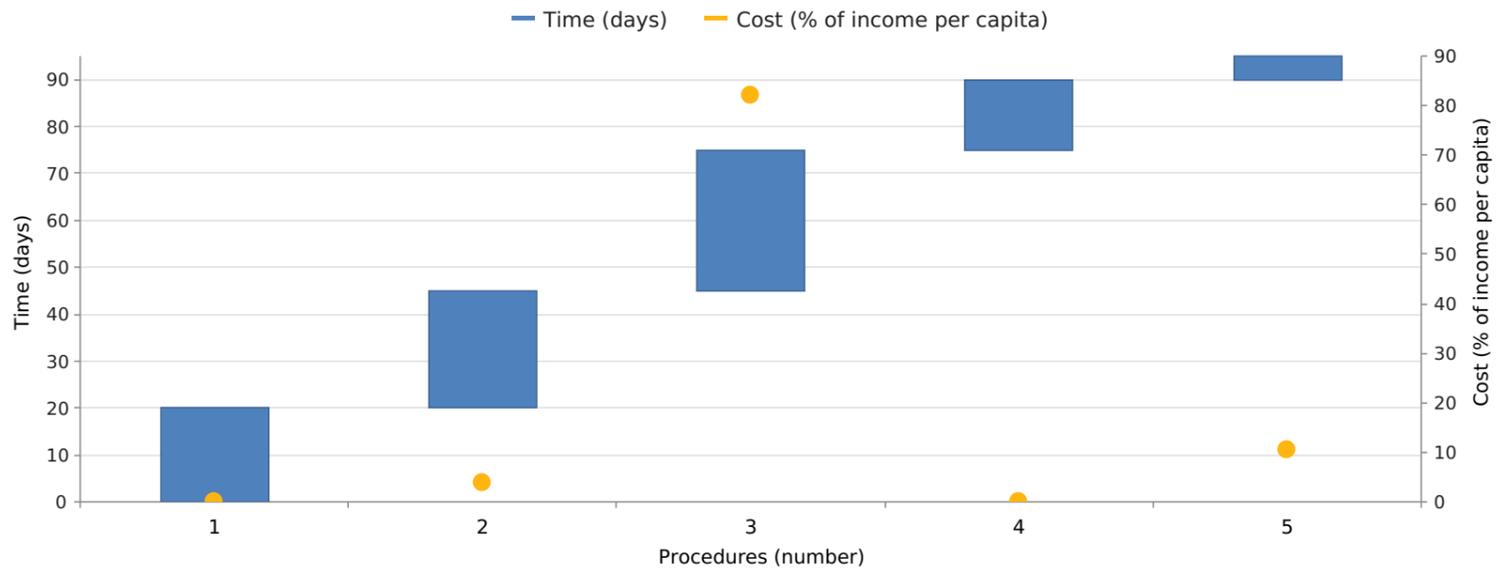
Indicator	Spain	OECD high income	Best Regulatory Performance
Procedures (number)	5	4.5	3 (25 Economies)
Time (days)	95	77.2	18 (3 Economies)
Cost (% of income per capita)	96.4	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	8	7.5	8.0 (27 Economies)

Figure - Getting Electricity in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

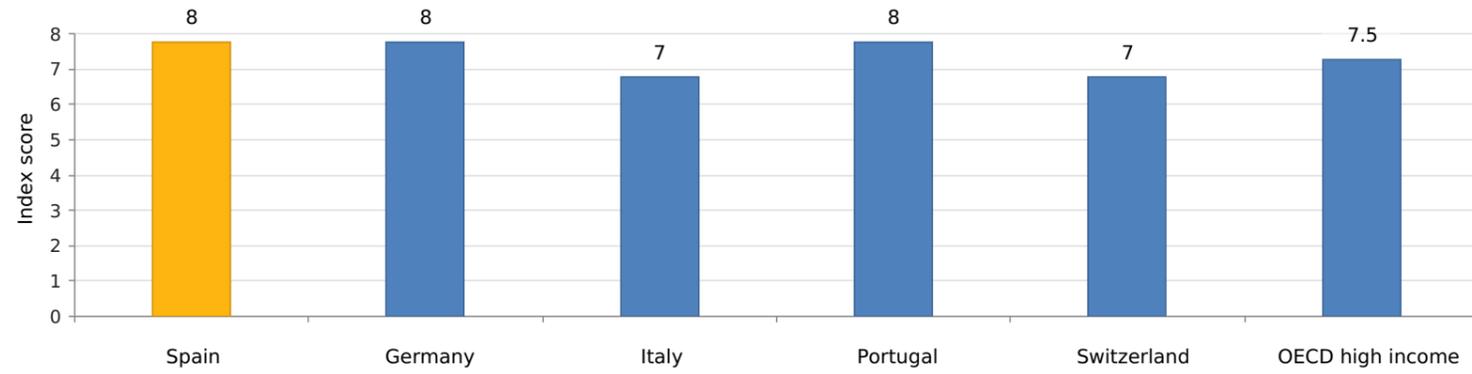
Figure - Getting Electricity in Spain - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Spain and comparator economies - Measure of Quality



Details - Getting Electricity in Spain - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Submit application to Iberdrola and await estimate <i>Agency</i> : Iberdrola Customers must submit an application for a new connection with the utility. Iberdrola Distribución Eléctrica will prepare an estimate and inform the customer with a letter about the estimated costs of the project and the technical characteristics of the project. The payment is made at the bank. A receipt of this payment has to be submitted to Iberdrola at the time when the customer signs the supply contract.</p>	20 calendar days	EUR 0
2	<p>Obtain license for external works from City Council <i>Agency</i> : City Council Customers need to obtain a license for the external works from the municipality. The tax for this license is charged as 4% of the cost of the works, plus a fee for provision of urban services ('Tasa por prestación de servicios urbanísticos'), and a fee for private use of public spaces ('Tasa por Utilización Privativa o Aprovechamiento Especial del Dominio Público Local').</p>	25 calendar days	EUR 956.6
3	<p>Await completion of connection works by Iberdrola or private firm <i>Agency</i> : Iberdrola Customers have two choices: The external connection works can be done by Iberdrola or the customer can hire a private licensed electrical constructor.</p> <p>In most cases, for a connection with a capacity of 140 kVA, customers hire a private company to carry out the works. For such a capacity, the connection is considered in most cases as low voltage. This cost includes materials and labor.</p>	30 calendar days	EUR 20,500
4	<p>Obtain clearance of electrical installation <i>Agency</i> : General Directorate for Industry, Energy and Mining ('DGIEM') The customer obtains a clearance of the electrical installation ('acta de puesta en servicio') from the General Directorate for Industry, Energy and Mining to certify that it is in compliance with its requirements. The documents to be presented are:</p> <ul style="list-style-type: none"> - Contract of maintenance of proof of own capacity of maintenance of transformers - Certificate of conclusion of works - Initial certificate of inspection by the OCA - Declaration of responsibility 	15 calendar days	EUR 0
5	<p>Sign supply contract with Iberdrola and await meter installation and electricity flow <i>Agency</i> : Iberdrola Irrespective of who executes the actual works of the connection (installation of the transformer, excavation for cables etc.), Iberdrola is always in charge of installing the meter and the final energization of the project. The meter can be rented or bought by the customer. Most clients prefer to rent it at an approximate cost of EUR 12 per month.</p> <p>According to Article 79 of the Real Decreto 1955/2000, the utility can levy a security deposit in the amount of one month of future consumption (corresponding to 50 hours supply of the contracted load). Additional fees for the access to electricity (cuotas de acceso) and for the final connection (derechos de enganche) also apply.</p>	5 calendar days	EUR 2,615.72

→ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Spain - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	8
Total duration and frequency of outages per customer a year (0-3)	3
System average interruption duration index (SAIDI)	0.5
System average interruption frequency index (SAIFI)	0.7
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.controlastuenergia.gob.es/factura-electrica/factura/Paginas/conceptos-factura.aspx
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

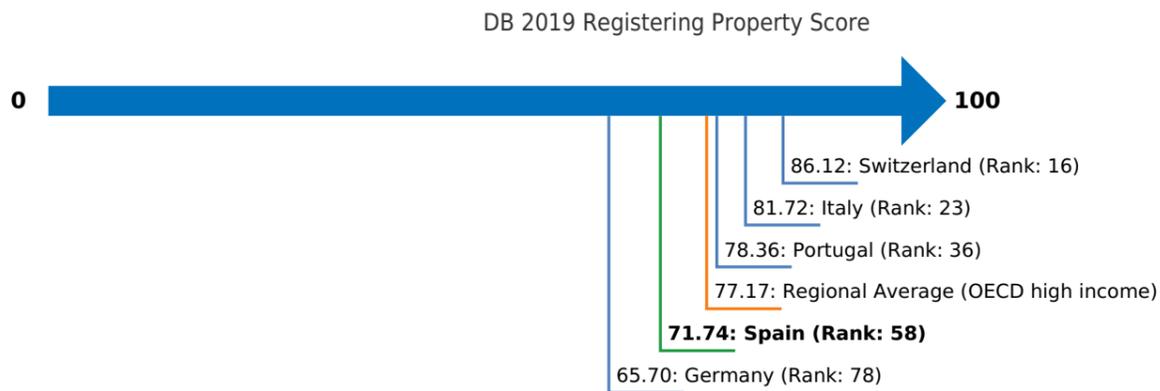
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally transfer title on immovable property (number)</p> <ul style="list-style-type: none"> • Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes) • Registration procedures in the economy's largest business city. • Postregistration procedures (for example, filling title with municipality) 	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule • Procedure is considered completed once final document is received • No prior contact with officials 	<p>The parties (buyer and seller):</p> <ul style="list-style-type: none"> - Are limited liability companies (or the legal equivalent). - Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - Are 100% domestically and privately owned. - Have 50 employees each, all of whom are nationals. - Perform general commercial activities.
<p>Cost required to complete each procedure (% of property value)</p> <ul style="list-style-type: none"> • Official costs only (such as administrative fees, duties and taxes). • Value Added Tax, Capital Gains Tax and illicit payments are excluded 	<p>The property (fully owned by the seller):</p> <ul style="list-style-type: none"> - Has a value of 50 times income per capita, which equals the sale price. - Is fully owned by the seller. - Has no mortgages attached and has been under the same ownership for the past 10 years. - Is registered in the land registry or cadastre, or both, and is free of title disputes. - Is located in a periurban commercial zone, and no rezoning is required. - Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety. - Will not be subject to renovations or additional construction following the purchase. - Has no trees, natural water sources, natural reserves or historical monuments of any kind. - Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required. - Has no occupants, and no other party holds a legal interest in it.
<p>Quality of land administration index (0-30)</p> <ul style="list-style-type: none"> • Reliability of infrastructure index (0-8) • Transparency of information index (0-6) • Geographic coverage index (0-8) • Land dispute resolution index (0-8) • Equal access to property rights index (-2-0) 	

Registering Property - Spain

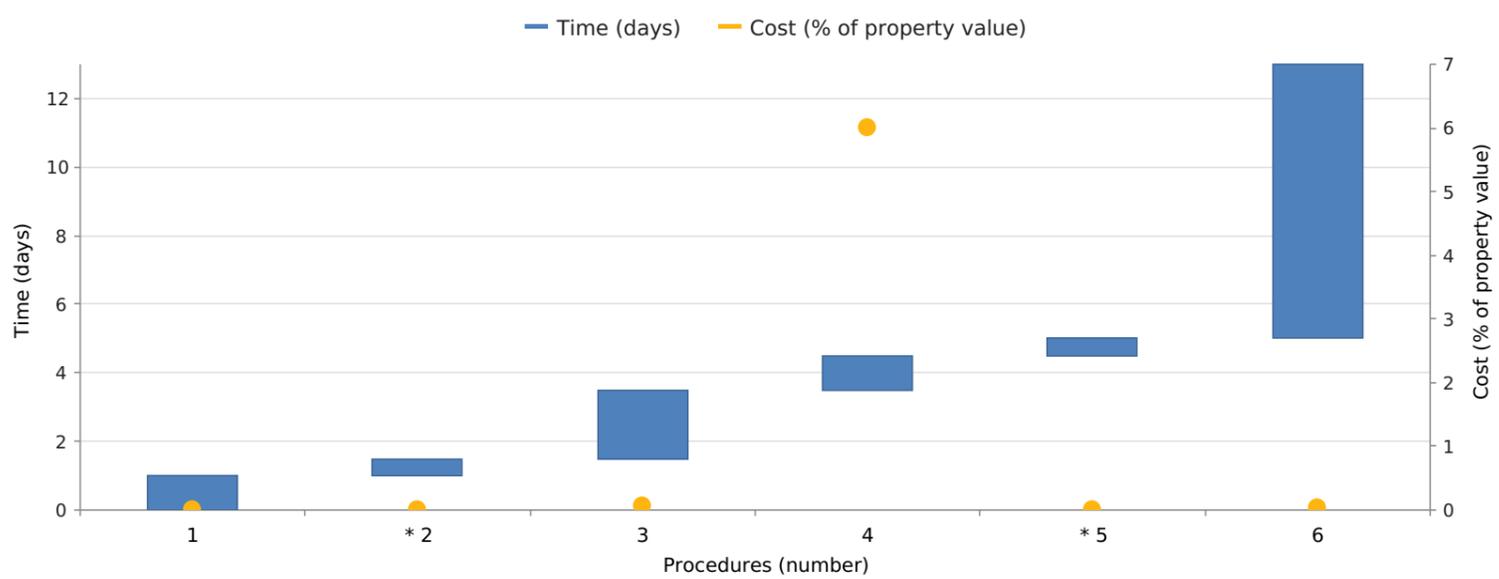
Indicator	Spain	OECD high income	Best Regulatory Performance
Procedures (number)	6	4.7	1 (4 Economies)
Time (days)	13	20.1	1 (New Zealand)
Cost (% of property value)	6.1	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	22.5	23.0	None in 2017/18

Figure - Registering Property in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

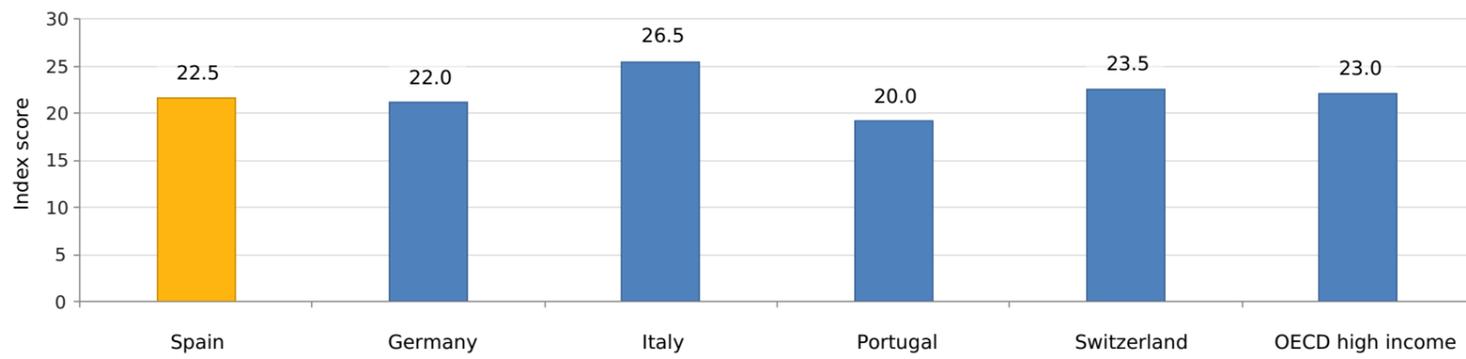
Figure - Registering Property in Spain - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Spain and comparator economies - Measure of Quality



Details - Registering Property in Spain - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Notary requests property information from the Property Registry <i>Agency : Property Registry</i> According to the law (Art. 175 of the Decree dated on June 2, 1944), the notary is obliged to duly inform the parties, be aware of the ownership and encumbrances on the property, and consult the Property Registry books before executing the deed. The consultations can be done on-line at www.registradores.org and the printout from the internet is valid.</p> <p>This document is an "Informative Land Registry Extract" containing the same information as an Ownership and encumbrances Certificate, and bearing the same responsibility of the Registrar in case of mistake as a formal certificate would provide. This is an information product specifically foreseen by the Mortgage Law to answer the Notary's requests of Information related to registrable acts and contracts. The Notary submits an electronic request and receives the information also by electronic means. From that moment and for the next ten days, the Registrar must inform the Notary about any Document submitted to the Land Registry related to the same property, within the maximum term of 24 hours since such document was submitted to the Land Registry Office. This procedure is aimed at preventing any surprises or unexpected situations while the contract is being formalized.</p> <p>Article 28 of "Act 24 /2005 on reforms to foster productivity", orders the direct and on line access from notaries to the register books in order to obtain information and register the notarial deeds. This obligation was stated by the former Act 24/2001. Nevertheless, up to now registries have not implemented this law and notaries still have to ask information via "telefax", according to article 354-a of the Mortgage Act of 8 February 1946 and the implementing Regulations of 14 February 1947.</p>	1 day	EUR 9.02
⇒ 2	<p>Notary obtains cadastral description <i>Agency : Cadastre</i> The Notary would search the land parcel corresponding to the property object of the transaction to identify the area of the land whether there are any buildings in the property and the cadastral value for tax purposes (for property transfer tax/value added tax, for municipal capital gains tax and for real estate tax).</p> <p>No cost if the "Graphic Consultation" is submitted on line. But it does not include neither the name of the owner nor the cadastral value of the property. Those data can be obtained at a cost of 1€ or 2€ (depending on the extension of the certificate) via the notarial platform SIGNO that includes both the name of the owner and the cadastral value of the property.</p> <p>The Notary has special access to the Cadaster database. If parties check this information by themselves, they still can verify boundaries, size and buildings, but they cannot obtain information on ownership and cadastral value. In order to obtain this information, they have to request an extract for a fee.</p>	Less than one day, online	if obtained electronically

3	Execution and delivery of the public deed of purchase of the property <i>Agency : Notary</i> Property transfers are valid with a private contract between the parties, plus the handing over of the possession of the property to the buyer (ie. the "traditio" through, for example, the handing over of the keys to the property to the buyer). However, in order to make the property transfer opposable to good faith third parties, it has to be registered at the Land Registry, and in order to be registered, the contract between the parties has to be notarized. Additionally, if the buyer acquired the property in good faith, his title over the property would be indefeasible after registration. Notary fees are set according to a cumulative scale: <ul style="list-style-type: none"> • Property value up to EUR 6,010.12: EUR 90.151816; • For the excess amount between EUR 6,010.13 and EUR 30,050.61: 4.5 per 1,000; • For the excess amount between EUR 30,050.62 and EUR 60,101.21: 1,50 per 1,000; • For the excess amount between EUR 60,101.22 and EUR 150,253.03: 1 per 1,000; • For the excess amount between EUR 150,253.04 and EUR 601,012.10: 0.5 per 1,000; • For the excess amount between EUR 601,012.11 and EUR 6,010,121.04: 0.3 per 1,000; • For the excess amount above EUR 6,010,121.04 the fees are determined by agreement between the notary and client. <p>The Real Decreto Ley 8/2010, of May 20 2010, modifies the Real Decreto 1426/1989, of November 17th 1989, establishing notary fees. The 2010 decree establishes a 5% discount for notary fees. According to Royal Decree 45/2007, the notary must issue an authorized copy of the deed on the same or next day and send it to the Registry electronically, unless otherwise requested by the interested party.</p> <p>The documentation shall include:</p> <ul style="list-style-type: none"> • Power of attorney granted by the seller and ID of the person in favor of whom the power was granted. • Power of attorney granted by the buyer and ID of the person in favor of whom the power was granted. • The public deed that transferred the property, which shall indicate the following information: (i) Company tax identification and registration numbers; (ii) Means of payment used in the transaction; and (iii) Cadastral reference. 	2 days	EUR 715.71; (Notary's fees (decreasing scale): EUR 730 for a property of this value (minus 5% discount) For property values not exceeding EUR 6.010,12: EUR 90,151816. for the excess amount between EUR 6.010,13 and 30.050,61: 0,45%. for the excess amount between EUR 30.050,62 and 60.101,21: 0,15%. for the excess amount between EUR 60.101,22 and 150.253,03: 0,1%. for the excess amount between EUR 150.253,04 and 601.012,10: 0,05%. for the excess amount over EUR 601.012,10 until 6.010.121,04: 0,03%.)
4	Payment of the Transfer Tax (ITP) and obtain the confirmation of payment at tax authority <i>Agency : Autonomous Community of Madrid's Tax Office</i> First transfers of property or transfers made between entrepreneurs are subject to VAT and Stamp Duty. Second and subsequent property transfers are not subject to VAT, but to the Transfer Tax ("Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados", ITP). For the Doing Business case study, as it is assumed that the buyer is a company and the property is in Madrid and has been transferred at least once in the past, the applicable tax should be the Transfer Tax (ITP). The ITP is paid at the relevant tax office within 30 working days after the date of granting of the notarial deed of transfer (a copy of the transfer deed is to be attached to the transfer tax liquidation form). In some autonomias, like Madrid, Catalunya, and Andalucia, the tax may be paid online, although the buyer needs to obtain a stamp from the tax authority confirming the payment for ITP and capital gains tax. However, it has to be noted that under certain circumstances (e.g., that the acquisition of the property is within the scope of the usual activities of the acquiring company), the acquiring company can choose to make the transaction subject to transfer tax or VAT. The VAT paid would become a credit that the company would deduct from subsequent transactions, such as those related to the normal business of the company.	1 day	EUR 74,949.12; (6% of purchase price (ITP))

⇒ 5	<p>File and pay the municipal capital gains tax ("Impuesto sobre el Incremento del Valor de los Terrenos de Naturaleza Urbana") and obtain receipt <i>Agency</i> : Municipality of Madrid In order to register the property transfer in the Property Registry, the parties must attach a receipt to the transfer deed proving that the transaction has been submitted to the Municipal Tax Authority in order to file and clear the Municipal Capital Gains Tax ("Impuesto sobre el Valor de los Terrenos de Naturaleza Urbana"). This procedure can be completed online at the website of the Municipality of Madrid.</p> <p>Notaries can also communicate the transaction to the municipality online. The municipality sends an e-mail to the notary confirming the reception.</p> <p>The tax to be paid for the IVTNU is not used to calculate the cost of this procedure.</p>	Less than one day, online	Capital Gains Tax is not included in the cost of this procedure
6	<p>The public deed is registered at the Land and Property Registry <i>Agency</i> : Property Registry The notary submits the public deed to the Land Registry. The Land Registry will review and register the transfer within the legal time limit of 15 business days. If the Procedure takes more than 15 business days, the fees will be reduced by 30%, unless there is an objective reason for the delay.</p> <p>With the introduction of technology and online Procedures due to Law 24/2005 of November 18, in particular section II on electronic registration, the time to register is in the process of being reduced. The average registration time is currently at 8 calendar days.</p> <p>The documentation to be presented to the Land Registry shall include: (i) Public deed; (ii) Proof of VAT or ITP payment (attached to the sale purchase agreement); (iii) Proof of stamp duty payment (in the case that VAT applied and not ITP); and (iv) proof of payment of the municipal capital gains tax.</p>	8 days	<p>EUR 423.36; (According to decree 1427, the cost is calculated as follows:</p> <p>a) property value up to 6010.12 euros, 24.040484 euros.</p> <p>b) 0.175% of the property value between 6.010,13 and 30050.61 euros,.</p> <p>c) 0.125% of the value between 30050.62 and 60101.21 .</p> <p>d) 0.075% of the property value between 60101.22 and 150253.03 euros.</p> <p>e) 0.03% of the property value between 150.253,04 and 601.012,10 euros</p> <p>f) 0.02% for values above 601.012,10 euros.</p> <p>A 5% discount is applicable to the cost. Also, an administrative fee of EUR 9.02 is added to the cost.)</p>

⇒ Takes place simultaneously with previous procedure.

Details - Registering Property in Spain - Measure of Quality

	Answer	Score
Reliability of infrastructure index (0-8)		7.0
What is the institution in charge of immovable property registration?	Registros de la Propiedad de Madrid	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Dirección General del Catastro	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
Transparency of information index (0-6)		3.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.registros.org/wp-content/revista/comocompraruavienda/	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.registros.org/nota_simple.jsp	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	There is a deadline set by law of 15 days. http://www.mjusticia.gob.es/cs/Satellite/Portal/es/areas-tematicas/registros/registro-propiedad#id_1215198094252	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		

Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2017:	69966.0	
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	No cost	0.5
Link for online access:	https://www.sede.catastro.gob.es/	
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		6.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy mapped?	Yes	2.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Land dispute resolution index (0-8)		6.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Notary;	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	First Instance Judge of Madrid (Juzgados de Primera Instancia)	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2017:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

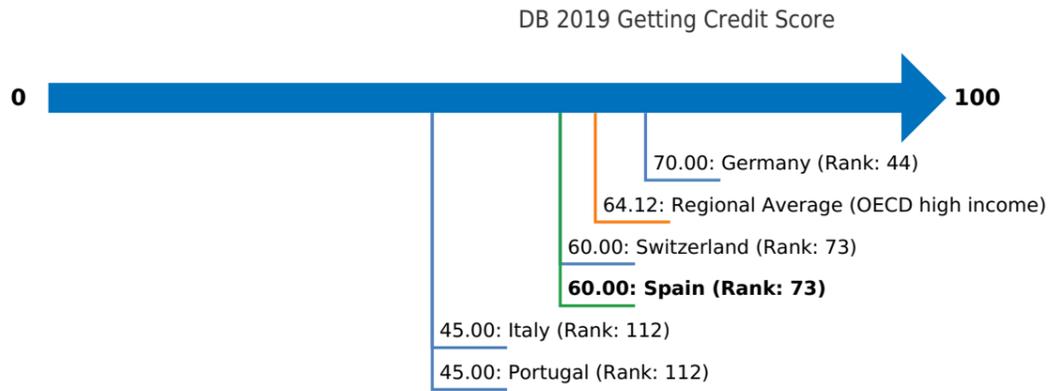
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Spain

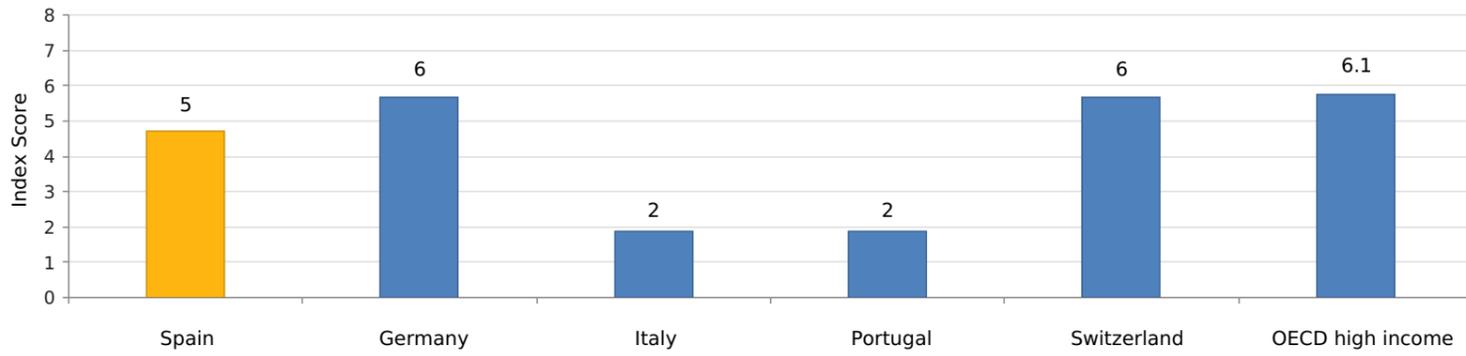
Indicator	Spain	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	5	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	67.7	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	15.7	65.3	100.0 (25 Economies)

Figure - Getting Credit in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

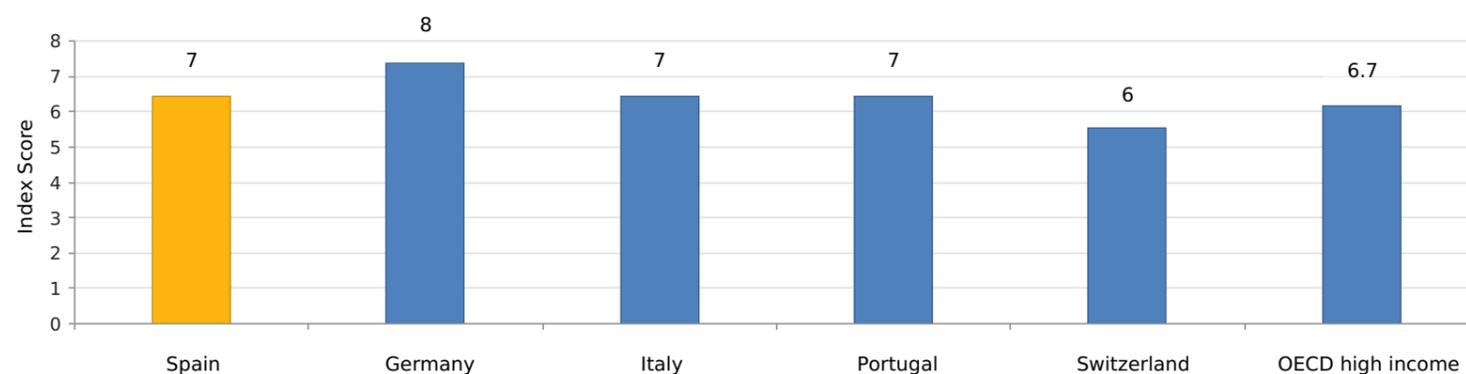
Figure - Legal Rights in Spain and comparator economies



Details - Legal Rights in Spain

Strength of legal rights index (0-12)	5
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	Yes
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	Yes
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	No

Figure - Credit Information in Spain and comparator economies



Details - Credit Information in Spain

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	No	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	No	0
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
Total Score ("yes" to either public bureau or private registry)			7

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	4,502,000	19,610,000
Number of firms	311,000	1,170,000
Total	4,813,000	20,780,000
Percentage of adult population	15.7	67.7

Protecting Minority Investors

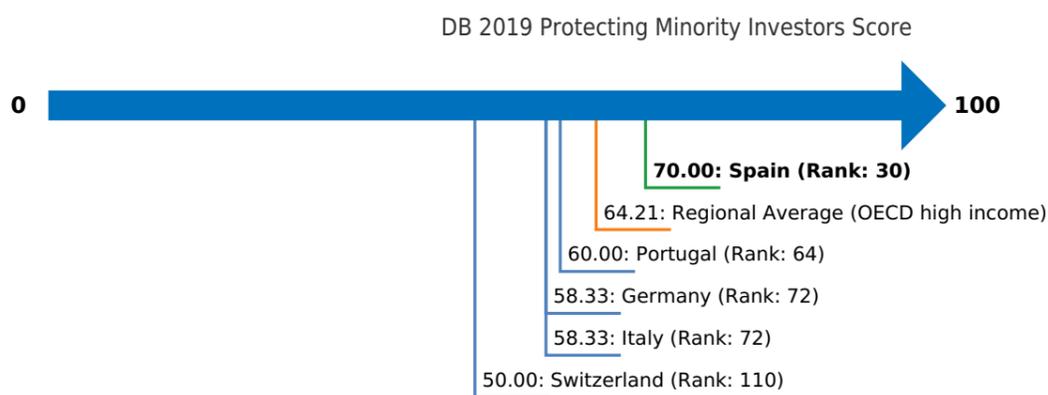
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> • Extent of disclosure index (0-10): Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions • Extent of director liability index (0-10): Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction) • Ease of shareholder suits index (0-10): Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses • Extent of conflict of interest regulation index (0-10): Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices • Extent of shareholder rights index (0-10): Shareholders' rights and role in major corporate decisions • Extent of ownership and control index (0-10): Governance safeguards protecting shareholders from undue board control and entrenchment • Extent of corporate transparency index (0-10): Corporate transparency on ownership stakes, compensation, audits and financial prospects • Extent of shareholder governance index (0-10): Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices • Strength of minority investor protection index (0-10): Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices 	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p>The business (Buyer):</p> <ul style="list-style-type: none"> - Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders. - Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law. - Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members. - Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory. - Is a manufacturing company with its own distribution network. <p>The transaction involves the following details:</p> <ul style="list-style-type: none"> - Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board. - Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores. - Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value. - The proposed transaction is part of the company's principal activity and is not outside the authority of the company. - Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently. - The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

Protecting Minority Investors - Spain

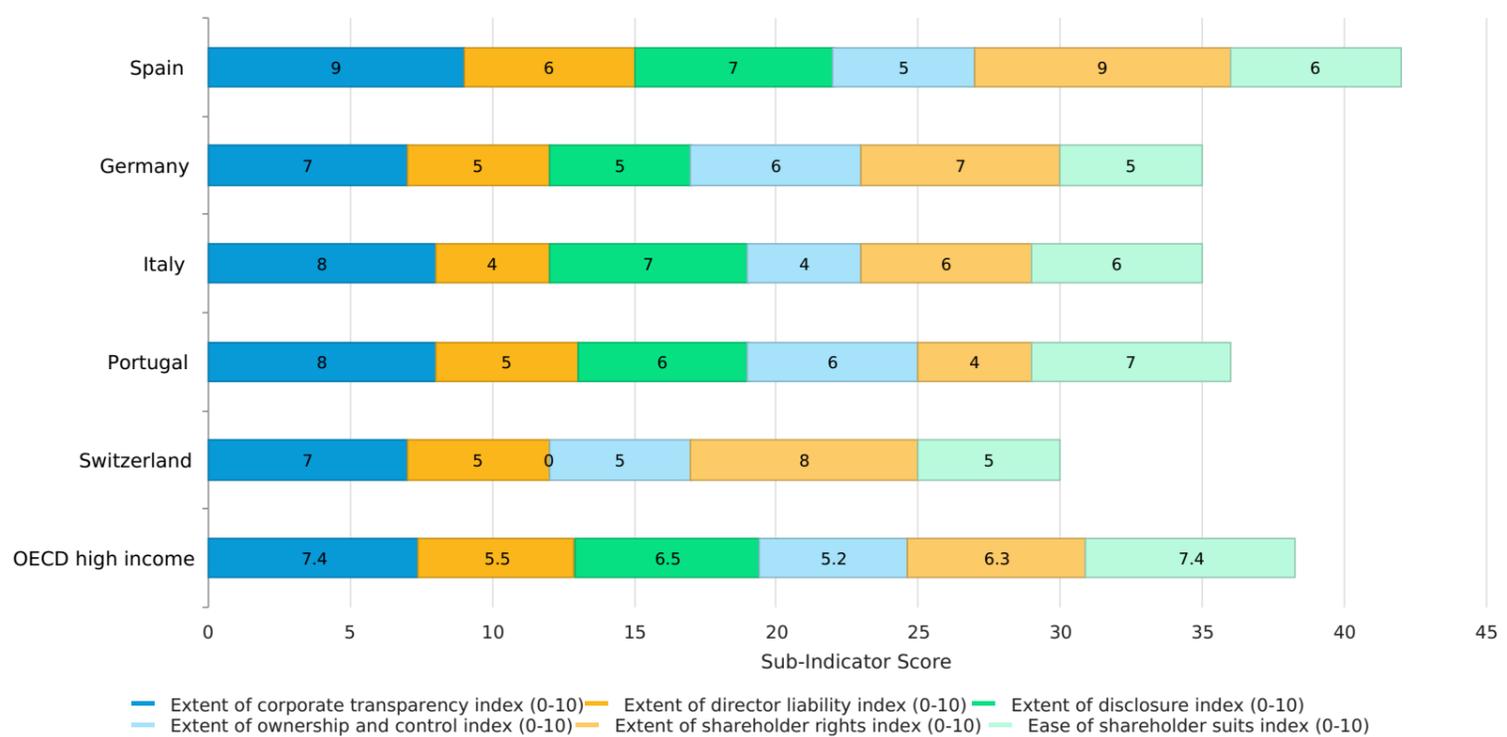
Indicator	Spain	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	7.0	6.5	10 (13 Economies)
Extent of director liability index (0-10)	6.0	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	6.0	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	9.0	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	5.0	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	9.0	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Spain and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Spain - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		6.3
Extent of disclosure index (0-10)		7.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
Extent of director liability index (0-10)		6.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	Yes	1.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		6.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	No	0.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-10)		7.7
Extent of shareholder rights index (0-10)		9.0
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0

Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all or almost all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
Extent of ownership and control index (0-10)		5.0
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	Yes	1.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		9.0
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

What the indicators measure

Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

Postfiling Index

- Time to comply with a VAT refund (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

- In June 2017, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.

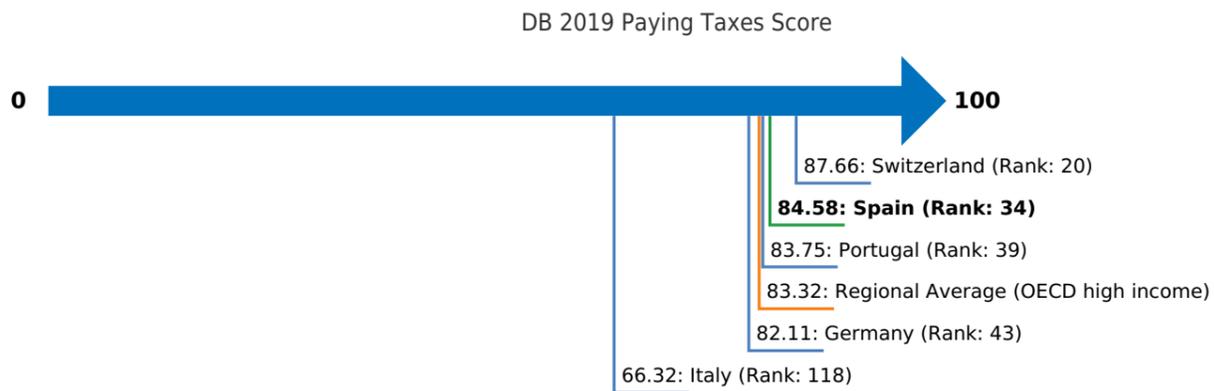
The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Spain

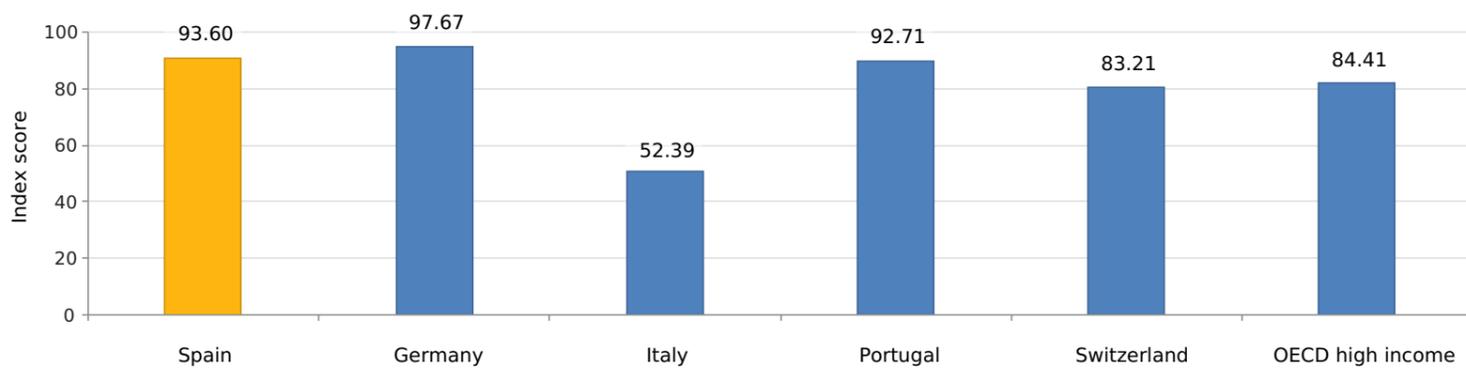
Indicator	Spain	OECD high income	Best Regulatory Performance
Payments (number per year)	9	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	147.5	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	47.0	39.8	26.1% (32 Economies)
Postfiling index (0-100)	93.60	84.41	None in 2017/18

Figure - Paying Taxes in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Spain and comparator economies - Measure of Quality



Details - Paying Taxes in Spain

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Employer paid - Social security contributions	1.0	online	84.0	29.9%	gross salaries	35.74	
Corporate income tax	1.0	online	33.0	15%	taxable profit	10.59	
Tax on interest	0.0	jointly		19%	interest income	0.49	not included
Property tax	1.0			0.51%	cadastral value (estimated in 40% of property cost for these purposes)	0.41	
Tax on property transfer	1.0			3.7%	Number of years and cadastral value	0.12	
Tax on insurance contracts	1.0			6%	insurance premium	0.06	
Transport tax	1.0			EUR 532	type of truck	0.04	
Environmental tax	1.0			various rates	cadastral value	0.03	
Fuel tax	1.0			included in fuel price		0.00	small amount
Employee paid - Social security contributions	0.0	jointly		6.35%	gross salaries	0.00	withheld
Value added tax (VAT)	1.0	online	30.5	21%	value added	0.00	not included
Totals	9		147.5			47.0	

Details - Paying Taxes in Spain - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	10.6
Labor tax and contributions (% of profit)	35.7
Other taxes (% of profit)	0.7

Details - Paying Taxes in Spain - Measure of Quality

	Answer	Score
Postfiling index (0-100)		93.60
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	25% - 49%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	0.0	100
Time to obtain a VAT refund (weeks)	16.5	74.42
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	1.5	100
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

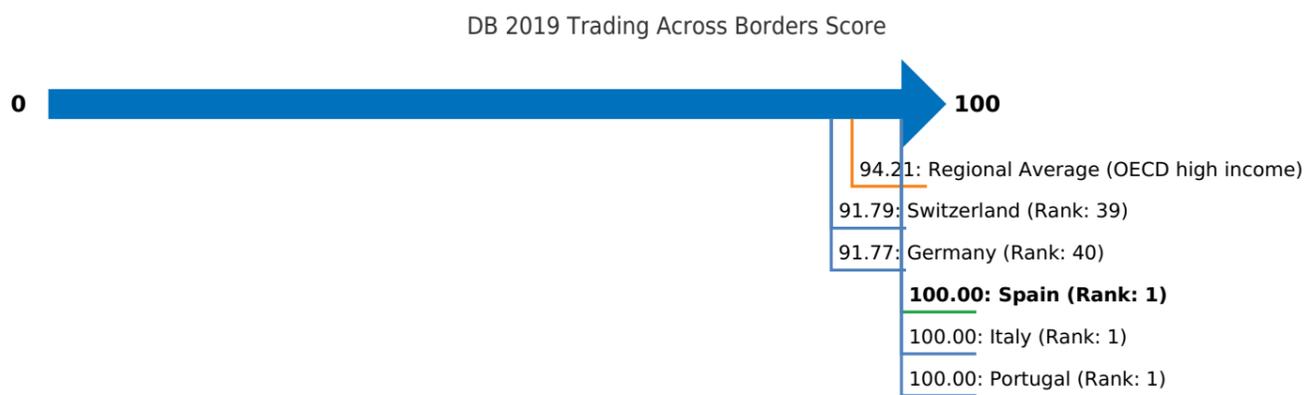
Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Spain

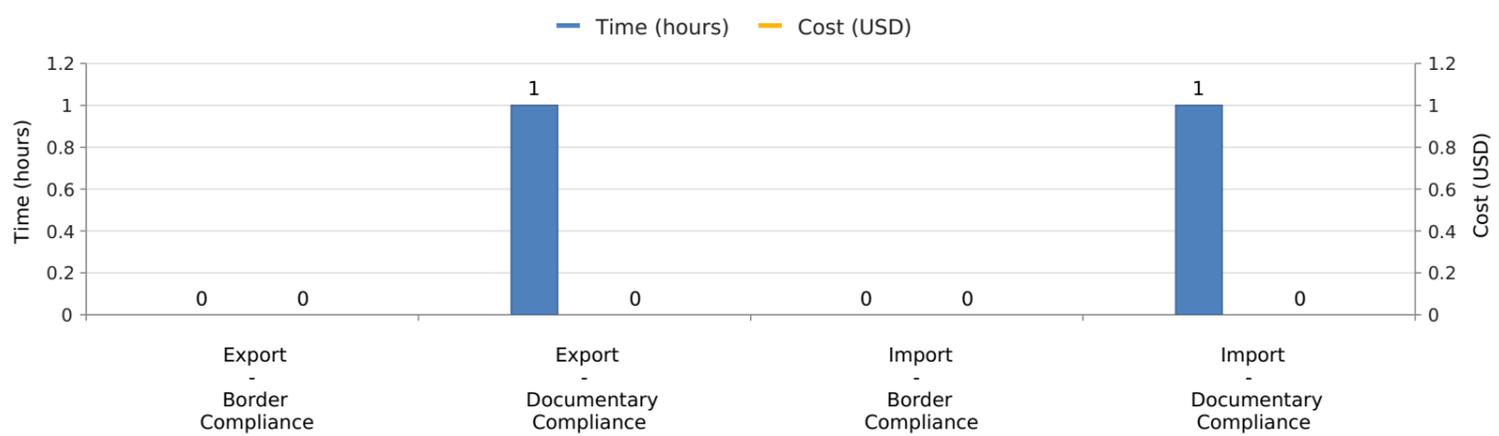
Indicator	Spain	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	0	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	0	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	1	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	0	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	0	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	0	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	24.9	0 (30 Economies)

Figure - Trading across Borders in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Spain - Time and Cost



Details - Trading across Borders in Spain

Characteristics	Export	Import
Product	HS 87 : Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	France	France
Border	Spain- France border crossing	Spain- France border crossing
Distance (km)	474	474
Domestic transport time (hours)	8	8
Domestic transport cost (USD)	638	638

Details - Trading across Borders in Spain - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	0.0	0.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	0.0	0.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	0.0	0.0

Details - Trading across Borders in Spain - Trade Documents

Export	Import
Packing List	Packing List
Commercial invoice	Commercial invoice
CMR waybill	CMR waybill
Intrastat	Intrastat

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Time required to enforce a contract through the courts (calendar days)</p>	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p>
<ul style="list-style-type: none"> • Time to file and serve the case • Time for trial and to obtain the judgment • Time to enforce the judgment 	<p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p>
<p>Cost required to enforce a contract through the courts (% of claim)</p>	<ul style="list-style-type: none"> - The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
<ul style="list-style-type: none"> • Attorney fees • Court fees • Enforcement fees 	<ul style="list-style-type: none"> - The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.
<p>Quality of judicial processes index (0-18)</p>	<ul style="list-style-type: none"> - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
<ul style="list-style-type: none"> • Court structure and proceedings (-1-5) 	<ul style="list-style-type: none"> - The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.
<ul style="list-style-type: none"> • Case management (0-6) 	<ul style="list-style-type: none"> - The seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
<ul style="list-style-type: none"> • Court automation (0-4) 	<ul style="list-style-type: none"> - The dispute on the quality of the goods requires an expert opinion.
<ul style="list-style-type: none"> • Alternative dispute resolution (0-3) 	<ul style="list-style-type: none"> - The judge decides in favor of the seller; there is no appeal.
	<ul style="list-style-type: none"> - The seller enforces the judgment through a public sale of the buyer's movable assets.

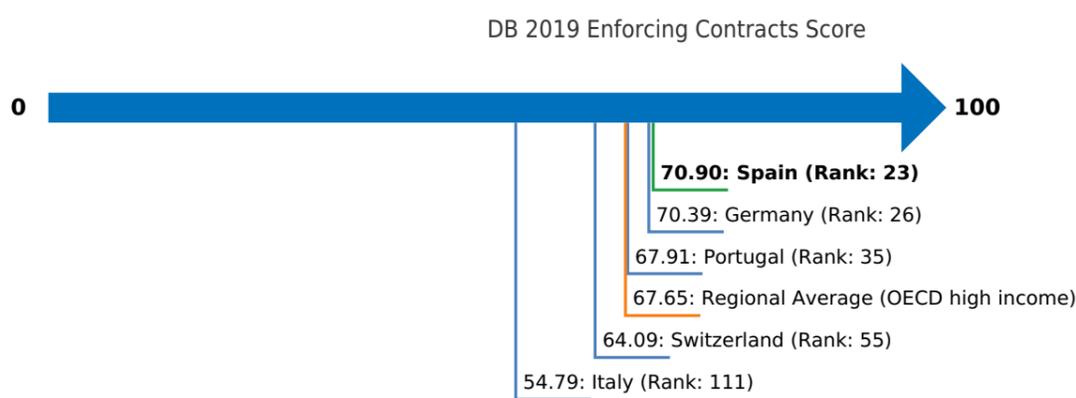
Enforcing Contracts - Spain

Standardized Case

Claim value	EUR 48,009
Court name	Madrid Court of First Instance
City Covered	Madrid

Indicator	Spain	OECD high income	Best Regulatory Performance
Time (days)	510	582.4	None in 2017/18
Cost (% of claim value)	17.2	21.2	None in 2017/18
Quality of judicial processes index (0-18)	11.5	11.5	None in 2017/18

Figure - Enforcing Contracts in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Spain - Time and Cost

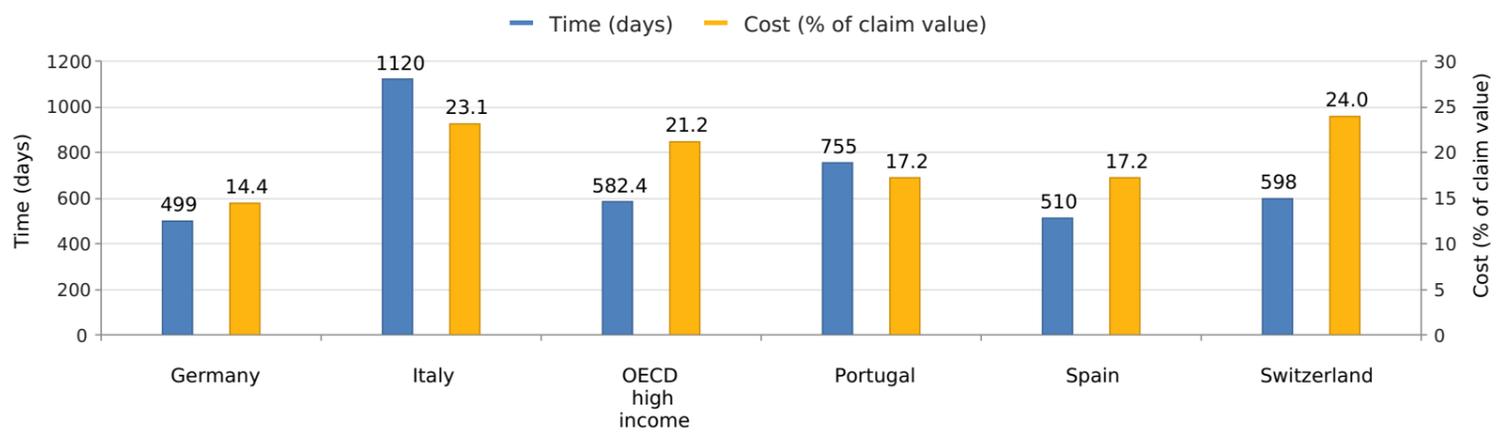
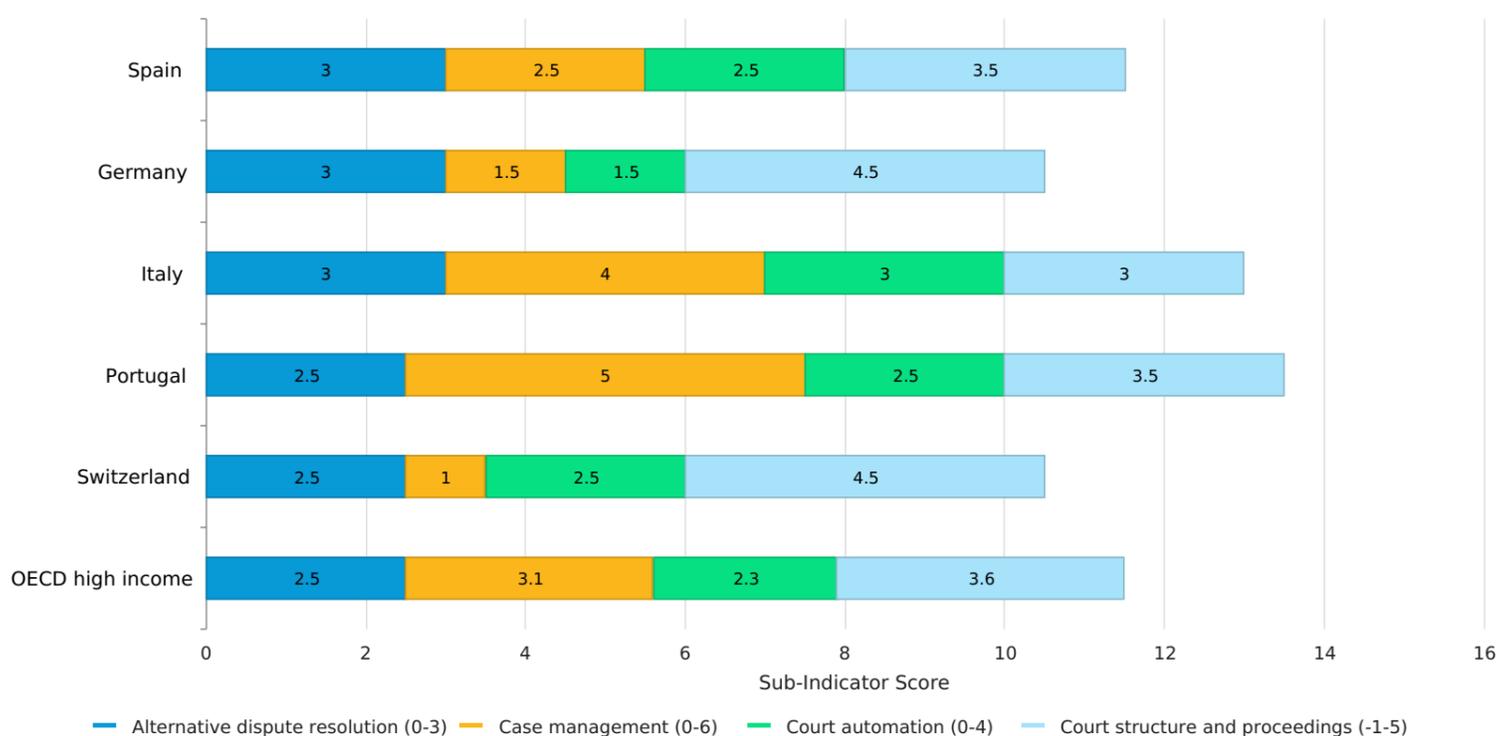


Figure - Enforcing Contracts in Spain and comparator economies - Measure of Quality



Details - Enforcing Contracts in Spain

	Indicator
Time (days)	510
Filing and service	50
Trial and judgment	280
Enforcement of judgment	180
Cost (% of claim value)	17.2
Attorney fees	12.7
Court fees	4.5
Enforcement fees	0
Quality of judicial processes index (0-18)	11.5
Court structure and proceedings (-1-5)	3.5
Case management (0-6)	2.5
Court automation (0-4)	2.5
Alternative dispute resolution (0-3)	3.0

Details - Enforcing Contracts in Spain - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		11.5
Court structure and proceedings (-1-5)		3.5
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		2.5
1. Time standards		0.5
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		2.5
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	yes	1.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		3.0
1. Arbitration		1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

Resolving Insolvency

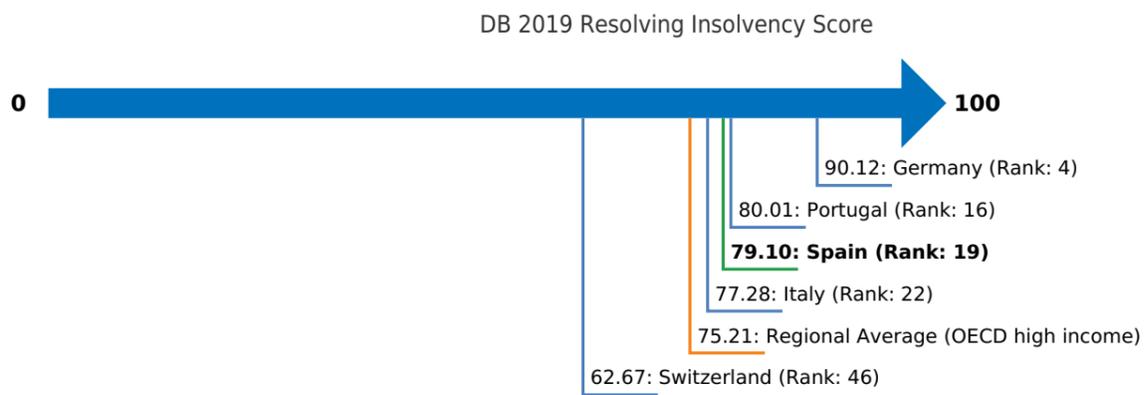
Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
Time required to recover debt (years)	To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:
<ul style="list-style-type: none"> • Measured in calendar years • Appeals and requests for extension are included 	<ul style="list-style-type: none"> - A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
Cost required to recover debt (% of debtor's estate)	<ul style="list-style-type: none"> - The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
<ul style="list-style-type: none"> • Measured as percentage of estate value • Court fees • Fees of insolvency administrators • Lawyers' fees • Assessors' and auctioneers' fees • Other related fees 	<ul style="list-style-type: none"> - The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.
Outcome	In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.
<ul style="list-style-type: none"> • Whether business continues operating as a going concern or business assets are sold piecemeal 	
Recovery rate for creditors	
<ul style="list-style-type: none"> • Measures the cents on the dollar recovered by secured creditors • Outcome for the business (survival or not) determines the maximum value that can be recovered • Official costs of the insolvency proceedings are deducted • Depreciation of furniture is taken into account • Present value of debt recovered 	
Strength of insolvency framework index (0- 16)	
<ul style="list-style-type: none"> • Sum of the scores of four component indices: • Commencement of proceedings index (0-3) • Management of debtor's assets index (0-6) • Reorganization proceedings index (0-3) • Creditor participation index (0-4) 	

Resolving Insolvency - Spain

Indicator	Spain	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	77.3	70.5	None in 2017/18
Time (years)	1.5	1.7	0.4 (Ireland)
Cost (% of estate)	11.0	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	12.0	11.9	None in 2017/18

Figure - Resolving Insolvency in Spain and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Spain - Time and Cost

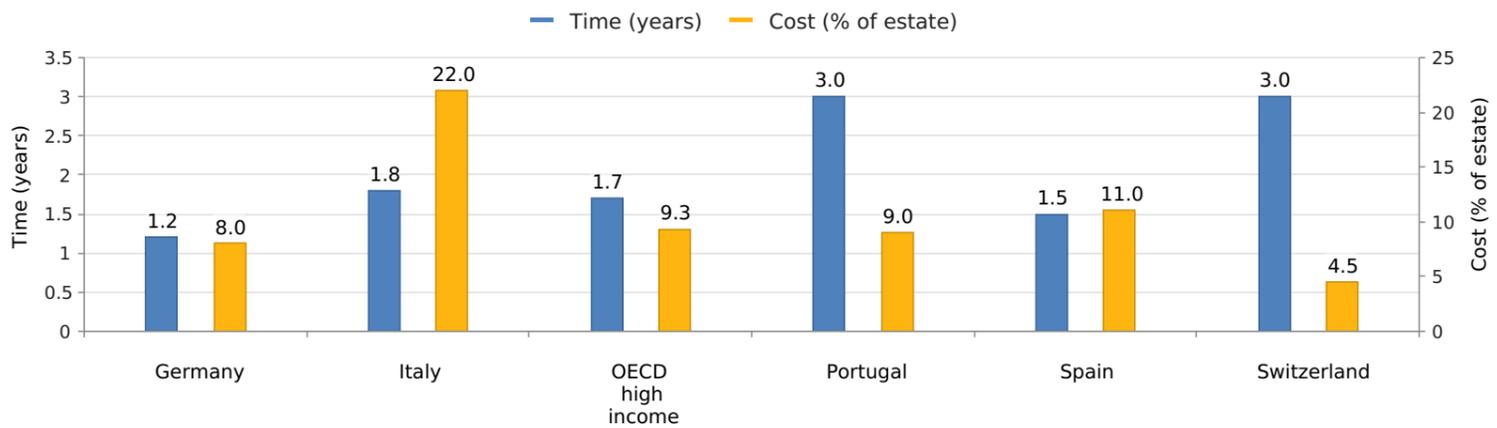
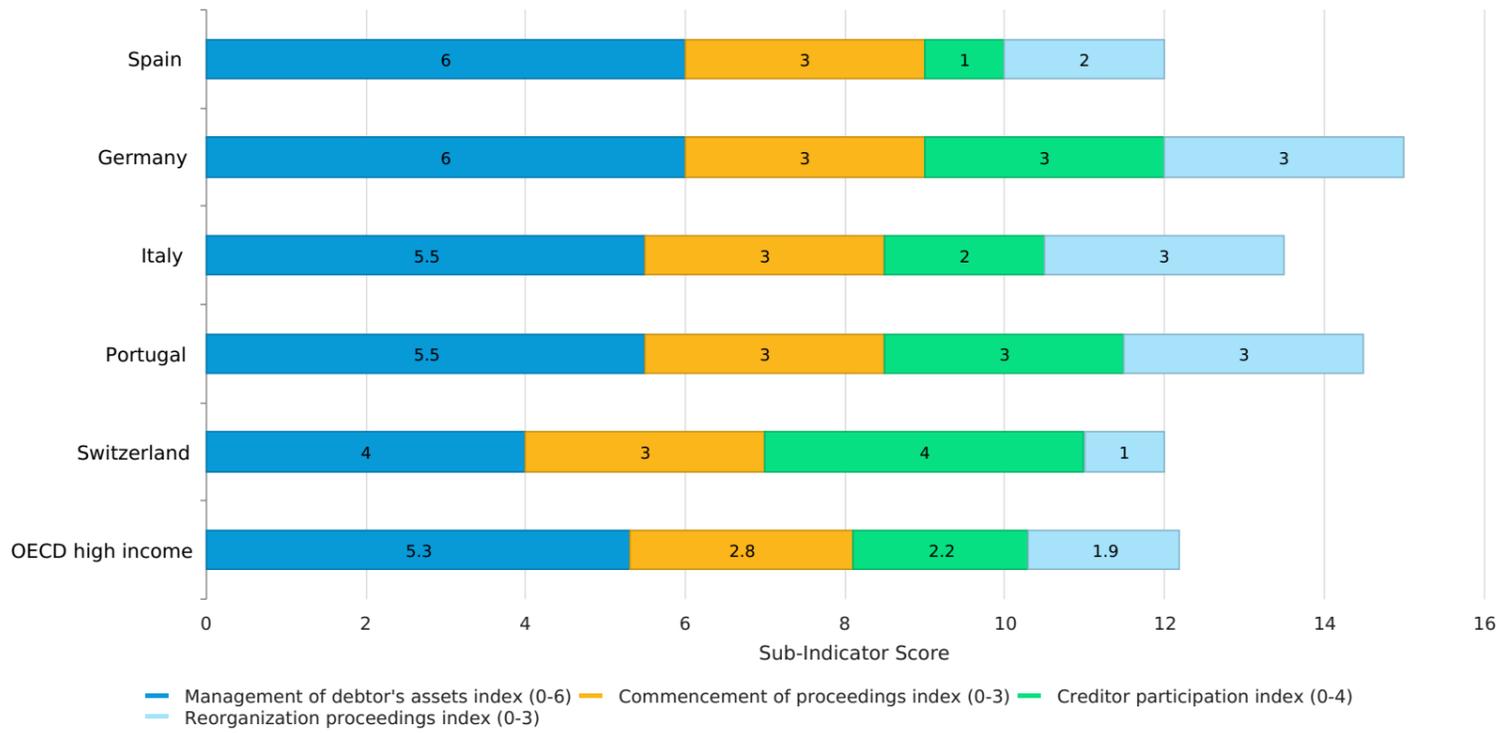
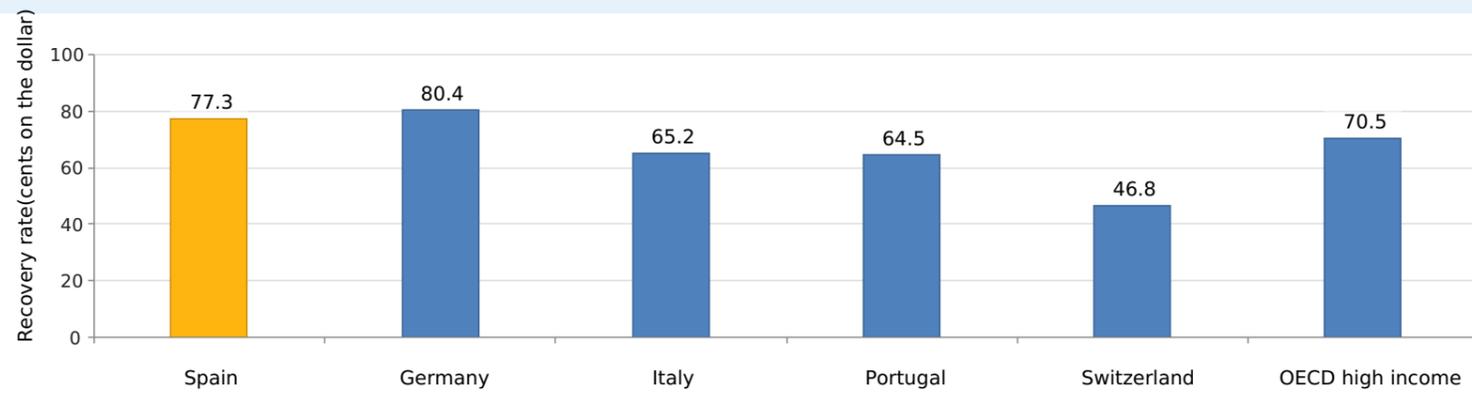


Figure - Resolving Insolvency in Spain and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Spain and comparator economies - Recovery Rate



Details - Resolving Insolvency in Spain

Indicator	Answer	Score
Proceeding	reorganization	Mirage will file for insolvency proceedings (declaración de concurso) and would seek to reach a reorganization agreement with its creditors. One of the main advantages of this option is that once the "concurso" commences, all enforcement actions against the debtor would be automatically suspended for at least a year. The Insolvency Act provides a unitary form of insolvency proceedings (procedimiento concursal) which has a common phase and two possible outcomes: (i) reorganization (convenio de acreedores) or (ii) liquidation. The law will also set forth all assumptions on which the reorganization proceeding could be converted into liquidation.
Outcome	going concern	The hotel will continue operating as a going concern given the financial well-being and viability of the company. While most insolvency proceedings (concurso) in Spain ended up in liquidations, in the case at stake a liquidation proceeding would not make much sense since the market value of the operating business is much greater than the value of its assets sold separately. Therefore, the possibilities to fetch market value in a reorganization proceeding are greater than in a liquidation proceeding.
Time (in years)	1.5	An abbreviated insolvency proceeding before the commercial Court of Madrid will last 1.5 years (art. 190 LC). Once the insolvency proceeding commences, the appointment of the insolvency administration and the publication of the procedure will last about 1 month. After that, the preparation of creditors' claims and the report of insolvency administration will happen in a period of 6 months (the creditors have a month to submit their claims and the insolvency administration must review the documentation and accept or reject the claims). This estimate includes the time spent by the insolvency administration in resolving all challenges. Following publication of the report by the insolvency administration, it will take approximately 3-6 months for the debtor to prepare and negotiate the reorganization agreement with the creditors, which will be voted a month after it is admitted by the Commercial Court. Assuming that the agreement is approved by the creditors' meeting, the court would ratify the agreement and the secured creditor would start receiving payments.
Cost (% of estate)	11.0	The costs associated with the reorganization proceeding would amount to approximately 11% of the value of the estate according to our estimate. The main component of this expenditure would be the attorney's fees (4 - 7%), Insolvency representative fees (3.5%), Trustee (0.5%) cost of service and publication in the Official Gazette (0.2%).
Recovery rate (cents on the dollar)		77.3

Details - Resolving Insolvency in Spain - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		12.0
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		6.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
Reorganization proceedings index (0-3)		2.0
Which creditors vote on the proposed reorganization plan?	(c) Other	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
Creditor participation index (0-4)		1.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Labor Market Regulation

Doing Business presents detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

Labor Market Regulation - Spain

Details - Labor Market Regulation in Spain

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	36.0
Maximum length of fixed-term contracts, including renewals (months)	48.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	974.6
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	6.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	6.6
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	0.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	22.0
Paid annual leave for a worker with 5 years of tenure (working days)	22.0
Paid annual leave for a worker with 10 years of tenure (working days)	22.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	22.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	2.1
Notice period for redundancy dismissal for a worker with 5 years of tenure	2.1
Notice period for redundancy dismissal for a worker with 10 years of tenure	2.1
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	2.1
Severance pay for redundancy dismissal for a worker with 1 year of tenure	2.9

Severance pay for redundancy dismissal for a worker with 5 years of tenure	14.3
Severance pay for redundancy dismissal for a worker with 10 years of tenure	28.6
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	15.2
Job quality	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	No
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	112.0
Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	No
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	12.0

Business Reforms in Spain

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2018

✓ **Enforcing Contracts:** Spain made enforcing contracts easier by reducing court fees for filing a claim.

DB2017

✓ **Getting Electricity:** Spain made getting electricity easier by upgrading Madrid's electrical grid, thereby allowing more customers to connect to the low-voltage network. Furthermore, the approval process to obtain a new commercial connection was streamlined.

✓ **Paying Taxes:** Spain made paying taxes less costly by reducing the property tax rate, vehicle tax rate, tax on property transfer, and abolishing the environmental fee. Spain made paying taxes easier by introducing a new electronic system for filing social security contributions.

✓ **Enforcing Contracts:** Spain made enforcing contracts easier by introducing a mandatory electronic filing system for court users.

DB2016

✓ **Protecting Minority Investors:** Spain strengthened minority investor protections by requiring that major sales of company assets be subject to shareholder approval.

✓ **Paying Taxes:** Spain made paying taxes less costly for companies by reducing rates for corporate income, capital gains and environment taxes—and made it easier by introducing the online Cl@ve system for filing VAT returns. At the same time, Spain reduced the amount allowable for depreciation of fixed assets and raised the ceiling for social security contributions.

DB2015

✓ **Starting a Business:** Spain made starting a business easier by introducing an electronic system linking several public agencies and thereby simplifying business registration.

✓ **Registering Property:** Spain made transferring property easier by reducing the property transfer tax rate.

✓ **Paying Taxes:** Spain made paying taxes less costly for companies by reducing the statutory corporate income tax rate.

✓ **Resolving Insolvency:** Spain made resolving insolvency easier by introducing new rules for out-of-court restructuring, introducing provisions applicable to prepackaged reorganizations and making insolvency proceedings more public.

DB2014

✓ **Starting a Business:** Spain made starting a business easier by eliminating the requirement to obtain a municipal license before starting operations and by improving the efficiency of the commercial registry.

Labor Market Regulation: Spain reduced the maximum cumulative duration of fixed-term contracts and increased the minimum wage.

DB2013

✓ **Trading across Borders:** Spain reduced the time to import by further expanding the use of electronic submission of customs declarations and improving the sharing of information among customs and other agencies.

✓ **Resolving Insolvency:** Spain strengthened its insolvency process by making workouts easier, offering more protections for refinancing agreements, allowing conversion from reorganization into liquidation at any time, allowing reliefs of the stay under certain circumstances and permitting the judge to determine whether an asset of the insolvent company is necessary for its continued operation.

Labor Market Regulation: Spain temporarily allowed unlimited duration of fixed-term contracts.

DB2012

✓ **Starting a Business:** Spain eased the process of starting a business by reducing the cost to start a business and decreasing the minimum capital requirement.

DB2011

✓ **Trading across Borders:** Spain streamlined the documentation for imports by including tax-related information on its single administrative document.

✓ **Resolving Insolvency:** Spain amended its regulations governing insolvency proceedings with the aim of reducing the cost and time. The new regulations also introduced out-of-court workouts.

Labor Market Regulation: Spain reduced the notice period applicable in case of redundancy dismissals.

DB2010

✓ **Paying Taxes:** Spain made paying taxes easier and less costly for companies by improving efficiency in the electronic filing and payment system and reducing the corporate income tax rate.

DB2008

✓ **Paying Taxes:** Spain made paying taxes less costly for companies by reducing the corporate income tax rate.

Doing Business 2019 is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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