



VALÈNCIA

Company Creation

VLC INVEST IN
VALENCIA
March 2022

Attraction and retention of investments in València

Doing Business Guide

Requested by Invest in València Office

Prepared by Grant Thornton

A blurred photograph of a modern office hallway with large glass windows and doors. Several people in business attire are walking through the space, their figures out of focus to create a sense of motion and activity.

València, Doing Business

How to set up a company?



03

How to set up a company?

3.1 Types of company: Legal form

The most common used corporate models are those that limit the liability of the partners to what is actually contributed to the company, safeguarding the rest of their personal assets.

The main corporate types used in Spain and, in particular, in València are the Limited Liability Company (LLC, so called in Spain, S.L.) and the Corporation or Stock Company, with limited liability too (Inc., so called in Spain, S.A.), with a clear predominance of the LLC.

The choice between a Limited liability Company (LLC) or a Corporation (Inc.) must take into consideration the following aspects:

- The activity to be developed.
- The number of partners who will be part of the company.
- Initial capital.
- The accuracy in the constitution and operation of the company, in terms of the commercial and tax obligations that they entail.

3.1.1 Limited Liability Company (LLC)

It is the most common society for an SME and is the most used in València, which main economic background is supported by the family business.

The partners are not liable for the social debts (they only respond with the amount or assets contributed to the share capital).

Basic features:

- Minimum number of members: it can be sole proprietorship.
- Minimum capital: 3,000 euros. It must be fully disbursed.

- They are closed companies: The entry of new partners is usually conditioned to the will of the current partners. The transfer of shares is more restrictive than in a corporation.
- The capital is divided into shares.

3.1.2 Corporation/Stock Company (Inc.)

It is a company type designed for large companies (quoted companies, infrastructures, financial institutions, insurers) and its operation is much more complex than that of an LLC.

The partners are not liable for the social debts (they only respond with the amount or assets contributed to the share capital).

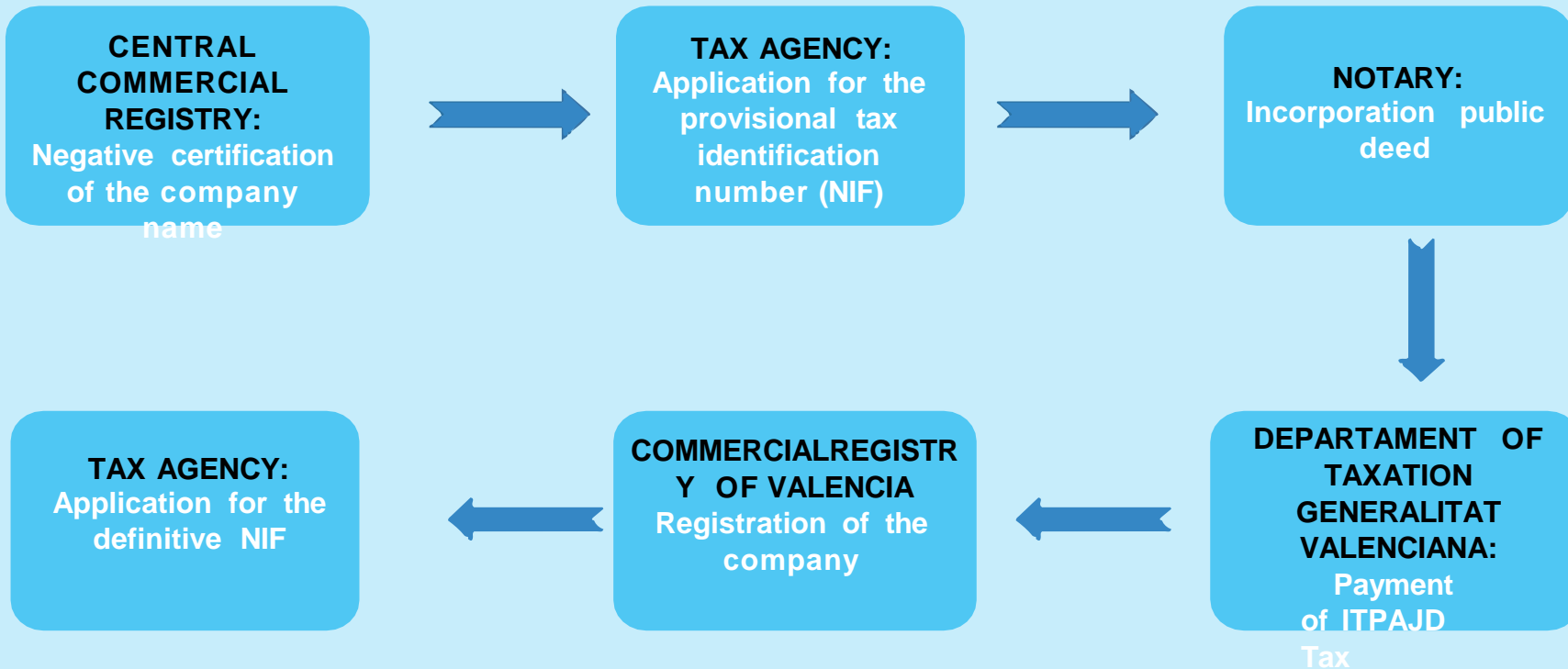
Basic features:

- Minimum number of members: it can be sole proprietorship.
- Minimum capital: 60,000 euros. 25% of the disbursement must be made at the moment of the constitution.
- They are opened societies: it is easier for new partners to enter. Partners can freely sell their shares.
- The capital is divided into shares, which are distributed between the partners according to the amount contributed by each of them.
- They have a more rigid regulation than the LLC. The procedures of constitution and operation are more expensive.
- Express company: They are pre-constituted companies, around 24 hours.

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3.2 Main procedures to constitute the LLC and the Inc. (Corporation)

Main procedures to constitute a company



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1. CENTRAL COMMERCIAL REGISTRY (RMC):	2. TAX AGENCY:
<p>Any of the partners shall request the negative certification of the company (reservation of denomination), to confirm that there is no other company with the same name. (It is valid for 3 months, renewable for another 3 months) The application can be processed through the RMC website (www.rmc.es). Cost: 25 euros approximately.</p>	<p>Application for the provisional tax identification number (NIF). Form 036 and 037.</p>
3. FINANCIAL INSTITUTION:	4. NOTARY:
<p>Opening of a bank account by entering the corresponding amount to the share capital and issuance of the certificate of the mentioned share capital.</p>	<p>Public deed of incorporation of the company (6 months from the issuance of the negative certification of the name of the company). The granting of the public deed will be made before the Notary freely chosen. <u>Notary freely chosen:</u> Approximate cost: 100-300 euros, depending on the share capital. If it is an “express company”, the cost will amount to 60 euros.</p>
5. TAX DEPARTMENT OF THE VALENCIAN COMMUNITY (TAX MINISTRY OF GENERALITAT VALENCIANA):	6. COMMERCIAL REGISTRY OF VALÈNCIA:
<p>Payment of property transfer assets tax and documents duties (ITPAJD) (1 month from the granting of the public deed). Form 600 (Currently the creation of companies is exempted from this tax payment).</p>	<p>Registration of the company (1 month from the granting of the public deed). Registration fee: 150 euros, approximately. Cost of publication in the Official Gazette of the Commercial Registry (BORME): 60 euros. Cost of registration and publication in case of “express companies”: 60 euros.</p>
7. SPANISH TAX AUTHORITIES (STA):	8. SPANISH TAX AUTHORITIES (STA):
<p>Application for the definitive NIF (Within the following month of incorporation of the company, and before starting the activity).</p>	<p>Registration in the census of employers, professionals and retainers. Communication of starting the activity (Must be submitted before starting of the activity). Forms 036 and 037.</p>
9. GENERAL TREASURY OF THE SOCIAL SECURITY:	10. COMMERCIAL REGISTRY:
<p>Registration of at least one administrator in the Self-Employed Worker Regime (RETA) or in the Assimilated Regime. Cost: Minimum fee around 365 euros. Possibility to benefit from a flat fee.</p>	<p>Legalization of the company's books (can be done electronically).</p>

Average term to set up a company

As long as all documentation is submitted correctly:

- Inc: 5 weeks
- LLC: 2 weeks
- Express company: They are pre-constituted companies, around 24 hours.

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3.2.1 Fast-Track procedure to creating a company: CIRCE.

It is especially focused on entrepreneurs. The **Information Center and Network for The Creation of Companies (CIRCE)** allows to carry out, in a telematic, agile and simplified way, the procedures of constitution and start-up of a company (especially of limited liability companies), with an important reduction of deadlines and costs.

For doing this, this, the entrepreneur must complete the **Single Electronic Document (DUE)** and CIRCE, automatically, will carry out all the necessary procedures, communicating with all the entities involved in the constitution of the new company (Spanish Tax Authorities, Notary, Commercial Registry, General Treasury of the Social Security).

The DUE can be completed in two ways:

- Start the procedures by filling out the DUE through the CIRCE web, for which it will be necessary to have an [electronic certificate](#).
- Go to a **Point of Attention to the Entrepreneur (PAE)**, where the Public Notaries can be found, where they will assist you in all the processing

3.2.2 Points of Attention to the Entrepreneur (PAE)

PAEs facilitate the creation of new companies, as well as the effective start of their activity and development. They rely on CIRCE to create companies and, in particular, on the Telematic Processing System (STT).

The [PAEs](#) has a dual mission:

- To provide information and advisory services to entrepreneurs in the definition of their activity and during the first years of operation.
- To initiate the administrative process of incorporation of a company through the Single Electronic Document (DUE).

3.2.3 Public Entrepreneur Service Points in València:

1. [València City Council – València Activa:](#)

St. Archbishop Mayoral, 1 (1st Floor)

Hours: Monday to Friday, from 9:00 a.m. to 2:00 p.m.

Phone: 962087673

Email: emprende@valencia.es

València Activa Headquarters

St. Guillem de Castro, 37 – 46007 València

Phone: 962083659 and 611048804

Email: diana.barranco@valenciaactiva.es

Website: <http://valenciaactiva.valencia.es>

2. [València Chamber of Commerce - CECREM](#)

St. Poeta Querol, 15 (València)

Hours: Monday to Friday, from 9:00 a.m. to 2:00 p.m.

Phone: 963103900

Contact person: Lorena Cebrian

Email: lcebrian@camaravalencia.com

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3.3 Procedures before the Spanish Tax Authorities (AEAT)

Before the start of the business activity, the registration in the Census of employers, professionals and retainers (taxpayers) will be carried out.

Registration in the Census of employers, Professionals and Retainers: Census declaration of beginning, modification or cessation of activity that must be presented for tax purposes by employers, professionals and commercial companies.

Documentation:

Fulfill Form 036 of census declaration (registration /cancellation).

- [Instructions Form 036](#)

It may be replaced by the Single Electronic Document (DUE), if the legislation authorizes its use.

Currently, you can process electronically the constitution of Limited Liability Companies (SL or SRL) and the New Company Limited Company, property communities, civil societies and the registration of individual entrepreneurs in the CEPR.

Complete Form 037 of simplified census declaration:

- [Instructions Form 037:](#)

Declaration of registration in the Economic Activities Tax (IAE): It is a tax derived from the exercise of business, professional or artistic activities.

Taxpayers who are not exempt from the tax are required to submit a declaration on their registration, using [form 840](#), which be submitted electronically by means of the corresponding digital certificate.

3.4 Registration in the General Treasury of the Social Security (so called in Spain, TGSS)

The employer must be registered in the TGSS for the assignment of an identification number and be able to control of his obligations in the respective Social Security System Regime.

This number is the so-called Main Contribution Account Code and must be requested through the [TA.6 Form](#), In addition, the employer must request a Contribution Account Code in each of the provinces in which he will be exercising the activity, through the [TA.7 Form](#).

It must be taken into account the following circumstances:

- a) Registration in the special regime for self-employed workers (RETA): Regime that regulates the Social Security contribution of self-employed workers (individual employers), community members and the partners and administrators of some companies.
- b) Registration of the partners and administrators in the Social Security regimes: a special social security regime is applied in each case, it will be conditioned to the type of company and / or participation in the share capital.
- c) In case of hiring workers:
 - Company registration.
 - Affiliation of workers.
 - Registration of workers in the corresponding Social Security Regime.

Registration in the TGSS may be requested electronically, through the electronic certificate via the [online Social Security](#).

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3.5 Digital certificate

It is necessary to have a digital certificate to conduct business and deal electronically with the Administration or Public Sector (Spanish Tax Authorities, Social Security Treasury, City Councils, etc...).

The digital certificate is a system that allows the identification of a physical person or representative of a company to carry out procedures and sign documents safely with the Administration. For example, the submission of declarations and forms and payment of taxes, the filing of appeals or claims...

The most common digital certificate is the one issued by the [Fábrica Nacional de Moneda y Timbre \(FNMT\)](#). Two types of certificates can be obtained:

- a) [Certificate of physical person](#): It can be obtained by any Spaniard or foreigner, of legal age, who is in possession of his DNI or NIE.

There are 2 ways to gain the digital certificate:

- Software certificate, as a [downloadable file on your computer](#).
 - [Certificate with electronic DNI](#).
- b) [Certificate of Representative](#): It is addressed to physical people acting as a representative of a juridical person: They can be of 3 types:
 - For [Sole or Solidary Administrator](#).
 - For [juridical people](#): for physical people acting as representatives who do not have the status of sole or joint administrator.
 - For [Entity if legal personality](#): property community, temporary unions of companies, investment funds, non-resident companies with permanent establishment in Spain, etc...

Processing: In general, the certificate will have to be processed through the [FNMT website](#) and requires 4 steps for a physical person and a representative certificate for an entity:

1. [Previous configuration](#). Installation the mentioned software in the respective certificate.
2. [Online application for the certificate](#). Once requested, an Application Code will be received by email, which will be required at the time of proving the identity of the interested party and will be requested again by the FNMT for downloading the certificate.
3. [Accreditation of identity](#). In certain cases, the interested person shall be identified online but in most of the cases the identity must be accredited before the Spanish Tax Authorities. The most common thing is going to your closest delegation. appointment is needed and the different [Delegations can be found online](#).

To prove the identity in the case of companies, in addition to providing the ID number (DNI) or the Foreigner Identification Number (NIE), it will be necessary a certificate for the issuance of electronic certificate issued by the Commercial Registry, and the powers of representation of the company in which, expressly, the representative is empowered to obtain the corresponding certificate.
4. Download the certificate. Once the identity has been accredited and introducing Application Code following the instructions of the FNMT, you can [download and install the certificate from the website itself](#).

The issuance of the digital certificate of representative has the following cost:

- Certificate of representative Sole or Solidary Administrator: 29.04.-€ (VAT included).
- Certificate of representative juridical Person: 16.94.-€ (VAT included).



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