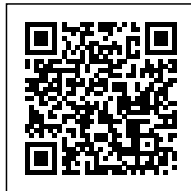


TO TAX OR NOT TO TAX - URÍA MENÉNDEZ

Posted on 26/02/2013



Category: [Uncategorized](#)



International pressures adding weight to Spain's tax agenda mean complications for companies

La presión internacional ha afectado a la agenda fiscal española con más responsabilidades tributarias para las empresas. Rafael Fuster de Uría Menéndez afirma que al considerar un plan fiscal, las empresas deben analizar el impacto del mercado internacional en el desarrollo y reformas legislativas del país.

When it comes to tax planning, companies in Spain need to look at developments outside of the country to understand the direction that Government policy may be heading, says Rafael Fuster, Head of Tax at Uría Menéndez.

"National governments may collect tax revenues, but they no longer have a monopoly on setting the tax agenda," says Fuster, "and they must think globally when setting tax rules and combating fraud. If business is global, so must be tax." The downturn has seen countries more closely align their tax agendas, he explains, and so more than ever companies need to understand the bigger picture.

It has brought greater scrutiny on tax collection, planning and avoidance, with companies receiving considerable negative attention, in places like the UK, for utilising entirely legitimate schemes that nonetheless dramatically reduce their national liability.

"Tax authorities in different countries are clearly being more stringent in applying the criteria they use to calculate what they believe is owed and are coming down much harder on those they perceive to be engaged in tax avoidance," says Fuster. "But they are also looking to prick the consciousness of companies – is the tax being paid 'fair' relative to the profits being made?" Spain has already seen a number of major tax regime changes. But more significant is the renegotiation of international tax treaties, such as with the US, to encourage more inbound investment.

The Spanish Government, like many others, is looking to reduce the incentives to channel revenues out of the country and offer greater certainty to investors on the amounts that must be paid within.

"On a national level, policy is changing, but in addition to raising revenue, it is basically intended to bring Spain into line with developments elsewhere," says Fuster. "Across Europe and globally, companies are not likely to pay significantly more or less tax overall – it is instead more a question of where they pay it."