

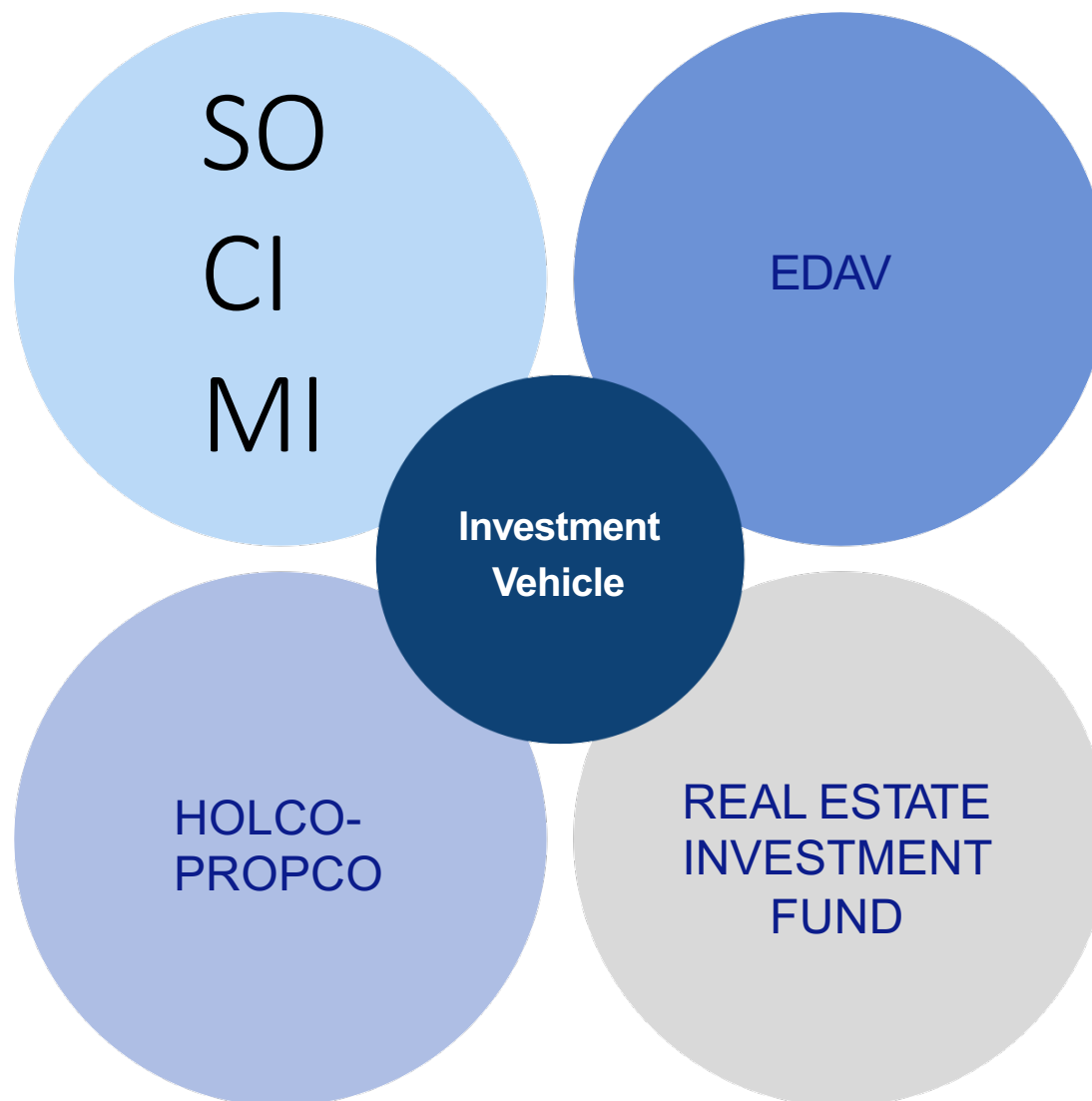
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IBERIAN INVESTMENT BRIEFING – WHY IBERIA?

INVESTMENT VEHICLES IN SPAIN – OPPORTUNITIES FOR INVESTORS

18 OCTOBER 2022

INVESTMENT VEHICLES ALTERNATIVES



INVESTMENT VEHICLES (I)

HoldCo - PropCo		
Key characteristics	Application of the general 25% CIT tax rate on all income obtained	✗
	Only protects the capital gain	✗
	Every layer to the structure adds a 1.25% taxation	✗
	Must have business rationale	✗
	More flexible for private investors	✓
	Easy and quick to implement	✓

EDAV		
Key characteristics	Effective CIT tax rate of 15% on income derived from the lease of residential properties	✓
	4% VAT reduced tax rate for the acquisition of residential properties	✓
	Private vehicle easy to manage	✓
	Only applicable to residential properties	✗
	Does not protect the capital gain	✗

INVESTMENT VEHICLES (II)

SOCIMI - Spanish Real Estate Investment Trust (REIT)		
Key characteristics	CIT tax rate 0% over all income obtained (including that income derived from ancillary activities) and capital gains	✓
	Dividends distributed from the SOCIMI to its shareholders are taxed at a 10% tax rate	✓
	Must comply with the Asset Test/Income Test and mandatory distribution of annual profits	✗
	Mandatory listing: Official Stock Exchanges or alternative markets	✗

Real Estate Investment Funds		
Key characteristics	1% reduced CIT tax rate on the income derived from lease and capital gains on the transfer of real estate	✓
	Minimum of 100 investors	✗
	Bad market reputation	✗
	Supervision by the National Securities Market Commission	✗

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