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1. FACTS AND FIGURES SPAIN

Spain, with a population of 45.2 million inhabitants and an area of 504,645 Km², is the eighth world power and a member of the European Union since 1986.

The GDP per inhabitant of financial year 2007 was 23,396 Euros, with the between-year variation rate of the third quarter of 2008 being 0.9%.

The between-year inflation rate of the same period was 4.9% (in 2007 it was 2.8%), having gone down with respect to the previous quarters.

The between-year unemployment rate of the third quarter of 2008 was 11.3% (in 2007 it was 8.3%).

Public expenditure with respect to the GDP of 2007 rose by 0.2% to reach 39.2%, due to the increase in current expenses and in social benefits rising to 11.6%. At the same time, the surplus of the Public Administration of 2007 was 1.92% of the GDP. The debt of the Public Administrations in the same period represented 36.2% of the GDP.

The exports up to the month of August 2008 grew by 4.8% while imports in the same period rose 3.72%, with 68.78% of the exports and 59.1% of the imports being carried out with EU Member States.

Income per inhabitant (2007)	23,396 Euros
Between-year GDP variation (3 rd quarter 2008)	0.9%
Between-year inflation rate (3 rd quarter 2008)	4.9%
Between-year unemployment rate (3 rd quarter 2008)	11.3%
Public expenditure/GDP (2007)	39.2%
Public debt/GDP (2007)	36.2%

2. TYPES OF SPANISH COMPANIES

The most usual Spanish commercial structures are the Stock Company or *Sociedad Anónima* (SA) and the Limited Liability Company or *Sociedad de Responsabilidad Limitada* (SL).

The aforementioned commercial structures must be incorporated by granting a Public Deed before a Notary Public and registered in the Spanish Commercial Registry (*Registro Mercantil*).

2.1. Stock Companies

The Stock Company as well as the Limited Liability Company are the basic standard forms for carrying out business in Spain. In both cases the investor will only be liable to the extent of his contribution to the capital, and there is no minimum of partners required, one being sufficient, although specific formalities shall be observed in such case.

The main characteristics of this type of companies are the following:

- Share capital: The minimum capital required to incorporate a Stock Company is Euros 60,101.21 and at least 25% of it must be paid up at the start. The capital is divided into negotiable shares, which can be either bearer or nominative.
- Transfer of Shares: Shares are freely transferable, but should the founders wish to establish certain limitations for the transmission of the shares, they must then be of a nominative type and such restrictions must be expressly established in the company's By-Laws. In some specific transfers of shares, public deed shall not be required.
- Contributions in kind: If contributions in kind need to be made at the incorporation or in subsequent capital increases, a stock company will need a special report drawn up by an independent expert appointed by the Commercial Registry.
- Management of the Company: The Company can be managed by a Board of Directors, a Sole Director, two Joint Directors or by two or more joint and several Directors. The management system has to be specified in the By-Laws of the Company, and an amendment to the By-laws shall be mandatory so as to modify the management system.
- Shareholders' Meetings: Under this mercantile structure, the Shareholder's Meetings have to be called by publishing two advertisements, one of them in the BORME -Gazette of the Commercial Registry- and the other one in a newspaper. This obligation has to be fulfilled unless all the shareholders agree to go into a universal meeting. If the Company is owned by only one shareholder, no official call is needed.

2.2. Limited Liability Companies

Limited Liability companies are intended for business which wish to benefit from limited liability and simpler and more flexible legal formalities and documentation requirements. The main characteristics of this type of companies are the following:

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- Capital: The minimum capital of a Limited Liability Company is Euros 3,005.6, which must be fully paid in at the date of incorporation and it is divided into "participations", which cannot be represented by negotiable shares.
- Transfer of Participations: The main difference with the Stock Companies is that the transfer of these participations is more restricted, and the existing members have a pre-emptive acquisition right. Public deed shall be required in all transfers of participations.
- Contributions in kind: If contributions in kind need to be made at the incorporation or in subsequent capital increases, the report of an independent expert appointed by the Commercial Registry will not be necessary.
- Management of the Company: Like in the Stock Company, the Company can be managed by a Board Of Directors, a Sole Director, two Joint Directors or by two or more joint and several Directors. Unlike the Stock Company, if the different management systems are foreseen in the By-Laws, there is no need to modify the By-Laws when changing them.
- Members' Meetings: Under this mercantile structure, no publications are needed. The call to the meeting can be done by means of a personal communication to the partners. No specific call is required if all members agree to go into a universal meeting or in case of a sole member company.

3. ACCOUNTING, AUDITING

3.1. Accounting

Spanish legislation on the subject of accounting is enforced by Royal Decrees 1514/2007 and 1515/2007 of 16 November, with the adaptation of the commercial law on the subject of accounting taking place for its international harmonisation based on the laws of the European Union.

The reporting requirements for companies are different depending on their size, with there being three limits of which two must be surpassed in two consecutive financial years in order to pass to the next stage:

Limits	Micro-enterprises	Small and Medium Enterprises	Other Enterprises
Total Assets	€1.00 million	€2.85 million	+ € 2.85 million
Sales	€ 2.00 million	€ 5.70 million	+ € 5.70 million
Number of staff	10	50	+50

The accounting must be carried out by applying the accounting principles of a company in operation, accrual principle, uniformity, prudence, no compensation and relative importance.

At the end of each financial year, which does not have to coincide with the calendar year, all companies must deposit their annual financial statements, comprised of the balance sheet, the profit and loss statement, the statement of changes in net equity and the annual report, in a public registry. For the companies that in the above table of limits are included in the last column, the annual statements must also include the effective cash flow statement. Furthermore, these companies must prepare a management report, with information on the evolution of the business, which does not form part of the annual statements.

Consolidated financial statements have to be prepared for a group of companies if the limits of total assets (€11.40 million), sales (€22.80 million) and number of staff (250) are exceeded during two consecutive years.

3.2. Auditing

The companies that in the above table of limits are included in the last column must conduct an audit of their annual accounts, as do the companies that must prepare consolidated financial statements. The audit must be conducted by an auditing company or auditor registered in the Official Auditors' Registry.

The result of the audit is presented in a report that includes the opinion of the auditor on whether the annual statements for the financial year express the true and fair view, in all significant aspects, of the equity, of the financial position and of the results of the financial year.

4. TAX LAW

The taxes in Spain can classify in:

a) Direct state taxes:

- » Taxes on Income
 - Individual Income tax (Impuesto sobre la Renta de las Personas Físicas).
 - Non-resident Income tax (Impuesto sobre la Renta de No Residentes).
 - Corporate tax (Impuesto sobre Sociedades).
- » Wealth taxes (only for individuals)
 - Wealth tax (Impuesto sobre el Patrimonio).
 - Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones).

b) Indirect state taxes

- » Value added Tax (IVA).
- » Estate Duty (Impuesto sobre Transmisiones Patrimoniales y Actos jurídicos Documentados).
- » Special Taxes (Impuestos especiales): alcohol, hydrocarbon and tobacco.
- » Import Taxes (Derechos arancelarios a la importación).
- » Insurance Premium Taxes (Impuesto sobre las Primas de Seguros).

c) Regional Taxes (tasas y contribuciones especiales).

d) Town council taxes:

- » Real Estate Tax (Impuesto sobre Bienes Inmuebles).
- » Economic Activities Tax (Impuesto sobre Actividades Económicas).
- » Tax on Mechanic Traction Vehicles (Impuesto sobre los Vehículos de Tracción Mecánica).
- » Tax on Constructions, Installations and Works (Impuesto sobre Construcciones, Instalaciones y Obras).
- » Local capital gain (Impuesto sobre el Incremento de Valor de Bienes de Naturaleza Urbana).

The most important are:

4.1. Taxes on Income

4.1.1. Individual Income tax

Taxable persons: Residents

An individual is resident in Spain for tax purposes if:

- He stays in Spain for more than 183 days in any calendar year;
- His centre of vital interests, i.e. his economic interest or business or professional activities, is in Spain.
- In the absence of proof of the contrary, a married individual is deemed to be a resident of Spain if the permanent home of his spouse and dependent minor children is in Spain.

Spanish nationals who move their residence to a tax haven country remain taxable on the worldwide income in the year of emigration and the subsequent four years.

Individuals who move their residence into Spain with a labour contract can opt to be taxed under this tax or under Non Residents Income Tax (see Non-Residents income Tax) for the period which exercises the option and 5 the following Tax periods.

The individual is considered Spanish resident for Double Tax Treaty purposes but only pays taxes in Spain for the assets located here.

UE residents and non residents in Spain can opt to pay as residents in Spain without losing their non resident status if at least 75% of their income comes from Spanish labour or economics activities.

Taxable income:

Residents are taxed on their worldwide income. Non-residents are liable to Non Residents Income Tax only on their Spanish-source income (see 4.2).

The taxable income is classified into the following five categories:

1. Employment income.
2. Savings income (income from movable or immovable property, e.g. dividends, royalties, interest, real estate,...).
3. Business income.
4. Imputed income.
5. Capital gains.

Exempt income:

- The most important are:
- Dividends up to 1.500 €.
 - Salaries earnings from work performed in a foreign country with an income tax similar to the Spanish income tax are exempt up to EUR 60.100.

Rates

- a) The general taxable base, reduced with some personal and family allowances, is taxed in accordance with the following progressive rate table (year 2.008 and, foreseeably, for the year 2009):

Taxable income (EUR)		Tax on lower amount (EUR)	Rate on excess (%)
Up to	17,707.20	0	24
17,707.20 -	33,007.20	4,249.73	28
33,007.20 -	53,407.20	8,533.73	37
53,407.20	and over	16,081.73	43

- b) Savings income: The taxable base of savings income (see 4.1.2.2) and capital gains (see 4.1.2.5) are subject to tax at a **flat rate of 18%**.

Withholding taxes:

Income	Withholding tax
Employment income	General withholding taking into account the personal and family circumstances of the taxpayer.
Directors' remuneration	35%
Entrepreneurs, self-employed professionals, artistes and athletes	15% (7% during the first 3 years).
Business Rents	15%
Dividends, interest, royalties and life and disability insurance	18%
Investment funds and stock market shares capital gains	18%

4.1.2. Non Resident Income Tax

4.1.2.1. Non-resident acting through a permanent establishment (PE).

Non-residents are subject to the entire income from Spanish or foreign source attributable to such establishment if they operate through a PE in Spain.

Rates

Generally, the PE is subject to tax on Spanish-source income and capital gains at the general rate of Corporate Tax (see 4.3.4).

In addition, a 18% branch profits tax applies to any after-tax profits paid by Spanish PE to its foreign head office. In countries with double tax treaty the branch profit tax is only applied if expressly allowed in the treaty. This branch profit tax is not levied on PE of companies resident in EU Members States (except Tax Haven Countries e.g. Cyprus and Luxembourg exempt holding companies).

4.1.2.2. Non-resident acting without permanent establishment (PE).

Non-residents are subject on their Spanish-source income and capital gains.

Exemptions

The most important are:

- Interest derived without PE by non-residents from their bank deposits in Spain.
- Interests and capital gains from public bonds derived directly by a non-resident bondholder without a PE.

- Interest and capital gains from movable property (excluding: capital gains from substantial (25%) shareholdings and shares and similar rights in real estate companies; and obtained through Tax Haven country) obtained by EU residents.
- Dividends, interest and capital gains from securities issued in Spain by non-residents directly, irrespective of the residence status of the financial institution involved, if the actual owner is a non-resident investor.
- Capital gains from the sale of the shares quoted and transferred on a Spanish stock exchange derived by non-residents without PE if the taxpayer is a resident of a country with which Spain has an income tax treaty including an exchange of information clause (all of Spanish Treaties).

Withholding taxes:

Income	Withholding tax
General	24% (in general, deduction of expenses are not allowed)
Seasonal workers	2%
Dividends and interests	18%
Capital gains derived from savings (see 4.1.4. b)	18%
Other capital gains	24%
UE Royalties	10%
Pension	8%/30%/40%

There is a withholding tax concerning sales of immovable property, under which purchasers of Spanish immovable property from non-residents owners without permanent establishment must withhold 3% of the transacted price.

4.1.2.3. Special immovable property

A non-resident company holding Spanish immovable property or usufruct must pay annually the 3% of the cadastral value.

However, the tax is not chargeable to:

- Companies resident in a country with which Spain has a Tax Treaty including an exchange information clause.
- Individual last beneficial owners resident in Spain or in a country with which Spain has a Tax Treaty including an exchange of information clause.
- Companies quoted on officially recognized stock exchanges.
- Companies which conduct economic activities in Spain on a regular basis that can be distinguished from mere holding or leasing of immovable property.

4.1.3. Corporate Income Tax

Taxable corporations: Residents

A company is resident in Spain if it meets one of the following conditions:

- It is incorporated under Spanish law.
- Its legal seat is located in the territory of Spain.
- Its place of effective management is in Spain.

Taxable income:

Resident companies are taxed on their worldwide income and capital gains. The taxable income is generally calculated using a direct method of computation based on taxpayer's accounting records.

Deductions

Business-related expenses are deductible. Non-deductible items include dividends and similar distributions, the Corporate tax itself, penalties and fines, certain expenses paid to residents in listed tax havens and all gifts except those qualifying beneficiaries (e.g. Foundations).

Rates

- a) The general tax rate is 30% for 2.008.
- b) Companies with annual turnover not exceeding EUR 8 million are taxed at a rate of 25% for 2.008 on the first EUR 120,202.41 of annual profits. Any excess is taxed at 30%.

Holding companies (ETVE)

Entities whose business purpose includes the supervision and the management of participations in non-resident entities may benefit from the participation exemption regime. Under this regime, dividends and other profit distributions and capital gains from non-resident companies are exempted from corporate tax (please note that certain conditions have to be met). Also, the distribution of profits from holding company to non-resident shareholders is exempted, unless the beneficiary is resident in a listed tax haven.

Double taxation relief

There are two methods to avoid double taxation of foreign-source income: the exemption and ordinary tax credit methods.

4.1.4. Anti-Avoidance Rules

Some specific rules may be applied in transactions between a Spanish company and a resident in tax haven country or low taxation territory:

- a. The tax haven company may be considered resident in Spain if its main assets are, directly or indirectly, located in Spain and its main activity is performed in Spanish territory with some exceptions.
- b. The expenses related to services rendered are not deductible (except if it is possible to prove that the service is real and necessary).
- c. Operations are valued at market price although both companies are not related parties.
- d. Non application of the exemption to avoid international double taxation.
- e. Strict money laundering prevention rules.

Transfer pricing

- In Spain it is applied the same EU and OCDE criteria: Operations between related companies must be performed at market prices (arms length). The main methods to determine the market price are:
 - Comparable free price
 - Increased cost.
 - Resale price
 - Distribution of results
 - Net margin of the set operations

- Management fees: For the correct application of the costs the companies involved have to:
 - Describe the services provided
 - Analyze the costs incurred
 - Justificate the mark-up to be applied
 - Comparison between the cost applied and the market value.

- Cost sharing: Similar to management fees taking into account the share in the risks and the results of the participants.

Thin-capitalization rules

- Spanish companies can not deduct the interest accrued on the part of the debt with non resident related companies exceeding the ratio of 3 times the equity amount.
- A different ratio may be applied if the taxpayer so requests to the Tax Administration.
- This rule is not applicable when the non resident company is located in another EU Estate, except if it is considered a tax haven.

Controlled foreign company (CFC)

Spanish companies shall include as profits certain passive income obtained by non-resident company (except UE Estate members) if:

- Spanish company holds, directly or indirectly, stake of at least 50% and
- non-resident company pays taxes under 75% of the taxes it would be charged in Spain on the same revenue.

4.2. Value Added Tax (IVA).

The Spanish tax is levied on:

- The supply of taxable goods or services in Spain by an entrepreneur within the scope of this business.
- The intra-Community acquisition of goods.
- The importation of taxable goods into Spain by any person.

The taxable persons are individuals or corporate entrepreneurs making taxable supplies of goods or services.

Exemptions

The most important are:

- Medical and social services.
- Educational and sports services.

- Financial operations and insurance contracts.
- Lease of certain types of immovable property.
- Some real estate purchases.

Rates

The rates of IVA in mainland Spain and the Balearic Islands are:

Type of rate	Rate (%)
General	16%
Reduced rate (goods, dwellings, transport, tourism, ...)	7%
Super-reduced rate (basic necessities)	4%
Export-related goods and services	0

Other rates are levied in the Canary Islands.

Non-residents

Non-resident entrepreneurs, except EU residents, are required to appoint a tax representative to the tax authorities.

4.3. Other Taxes

4.3.1. Wealth Tax (Impuesto sobre el Patrimonio).

Since 1st January 2008, wealth tax is no more paid, but the obligation to file the corresponding declaration remains.

4.3.2. Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones).

Inheritance and gift tax is levied on property passing to individuals by gift or on death. Gratuitous transfers to Corporates are not subject to this tax.

Individual who is resident in Spain is liable to this tax with regard to property in Spain or abroad, acquired through a gratuitous transfer.

Non-resident individuals are subject to this tax:

- With regard to any assets located in Spain.
- With regard a life insurance policies with a Spanish insurance company.

Taxable income:

Transferred assets are valued at their fair market value. For inheritance tax purposes, the value of the deceased's household furnishing is assumed to be 3% of the heritable mass.

For inheritances, the taxable base is reduced for family allowances provided by law. There is also a deduction of 95% of the value of the family business, qualified holdings and the permanent residence of the deceased.

For gifts, the family allowances and the deduction of the 95% of the permanent residence are not applied. And the deduction of 95% of the value of the family business and qualified holdings only are applied if, besides other conditions, the transferor is older than 65 years old.

Rates

The autonomous regions of Spain are authorized to set their own tax rates within certain limits. If a region fails to set its own rates or the taxpayer or the deceased is non-resident, the progressive rates are:

Taxable income (EUR)		Tax on lower amount (EUR)	Rate on excess (%)
Up to	7,993.46	0	7.65
7,993.46 -	15,980.91	611.50	8.50
15,980.91 -	23,968.36	1,290.43	9.35
23,968.36 -	31,955.81	2,037.26	10.20
31,955.81 -	39,943.26	2,851.98	11.05
39,943.26 -	47,930.72	3,734.59	11.90
47,930.72 -	55,918.17	4,685.10	12.75
55,918.17 -	63,905.62	5,703.50	13.60
63,905.62 -	71,893.07	6,789.79	14.45
71,893.07 -	79,880.52	7,943.98	15.30
79,880.52 -	119,757.67	9,166.06	16.15
119,757.67 -	159,634.83	15,606.22	18.70
159,634.83 -	239,389.13	23,063.25	21.25
239,389.13 -	398,389.13	40,011.04	25.50
398,389.13 -	797,555.08	80,655.08	29.75
797,555.08	and over	199,291.40	34.00

Net wealth-related surcharge

The final tax liability of the beneficiary is the amount resulting from applying fixed surcharges to the basic tax due by reference to the beneficiary's net wealth before receipt of the inheritance or gift in question and his relationship with the deceased or the transferor.

4.3.3. Estate duty

- a) Capital Duty: is generally levied on the contribution of capital to a company or a branch (constitution, increase or decrease of capital, liquidation of companies,...). The duty is 1% on the value of the assets contributed/refunded.
- b) Transfer tax:
 - 6% (7% in most autonomous regions) on the second and subsequent transfers of immovable property and rights thereon. No transfer tax is levied when the transaction is subject to VAT.
 - 6% (7% in most autonomous regions) of the transfer of qualifying real estate shares.
 - 4% on the constitution and transfer of rights on movable property and on granting of any administrative concession.

- c) Stamp duty: 1% on officially documented acts which are formalized in Spain. Stamp duty is levied concurrently with VAT.

4.3.4. Real estate tax

This tax is levied annually on the possession of a immovable property. The general tax rates are 0.4% on the cadastral value for urban property and 0.3% for rural property, but higher rates may be applied.

5. LABOUR AND SOCIAL SECURITY LAW

5.1. Labour Law

The basic law that regulates labour relations in Spain is the Workers' Statute. Such regulation includes the companies and workers' rights and duties and acts as the necessary minimum right for both parties. This minimum right being respected, workers and companies agree the rules that will regulate their rights and duties in the specific sector of activity of the company by means of Collective Bargaining Agreements. Currently there are hundreds of collective bargaining agreements in Spain.

Apart from labour relations of workers hired by an employer, the Spanish Law regulates special relations for groups whose relation with the person who contracts them for rendering their services is special, i.e., it is different from the ordinary labour relation in the Workers' Statute, such as Executives, domestic servants, professional sportsmen/sportswomen, artists, etc.

The labour relation starts by an indefinite employment agreement with a trial period. During this trial period, both the company and the worker can terminate the agreement without any penalty. Temporary contracting is possible for given periods of time and reasons fully justified, but if such reasons are not fulfilled, the contracting can be finally considered as indefinite.

During the employment, workers are obliged to render their work pursuant to the labour rules agreed upon and the employer undertakes to fulfil them and pay the workers the salary agreed therefore. Payment of salary is made in 12 monthly instalments and at least two bonus pays (usually, in Summer and at Christmas). Any breach can be reported by workers or be penalized.

The usual working hours are 40 hours a week with one day and a half of rest and twelve hours of mandatory rest between working days. Minimum vacation is of 30 calendar days and 14 holidays a year. However, these standard working hours are adaptable to each activity sector. There are different permits that allow workers to reconcile their labour and family life and a special protection for pregnant women and persons taking care of children and ill relatives.

The labour relation is terminated basically for any of the following causes:

- Worker's resignation. The worker may from time to time terminate his/her employment agreement by means of a minimum prior notice of 15 days, unless a longer prior notice has been agreed according to the rank and position of the worker. If the worker fails to fulfil such prior notice, the company may discount the prior notice days not notified from his/her final payment.
- Termination of a temporary agreement. It implies a prior notice to the worker stating that his/her employment agreement expires and a compensation equivalent to 8 days per year worked.
- Worker's dismissal.

3.1. Disciplinary dismissal. When the worker has committed a very serious offence pursuant to the labour regulations in force, the company may penalize the worker with disciplinary dismissal without paying him/her any

compensation. If the worker contests this decision, the company will be obliged to prove the facts that caused the dismissal before the Judge; if these facts are not proven, the Judge may determine the existence of an unfair dismissal, which means the payment of a compensation to the worker equivalent to 45 days of salary per year worked, with a maximum of 42 monthly instalments.

3.2 Economic, technical, organization or production causes. If the company is obliged to dismiss any worker due to any of these causes, the company shall give a 30-day prior notice to the worker and pay him/her a compensation equivalent to 20 days per year worked with a limit of 12 monthly instalments. If the worker does not accept the dismissal and the company cannot prove the existence of these causes, the compensation will be the same as for unfair dismissal, i.e., 45 days of salary per year worked, with a maximum of 42 monthly instalments. If such measure affects a number of workers in the amounts and periods provided in the Workers' Statute, the company may not terminate these agreements and the State labour authority will be the one to, at request of the company and justifying the causes, authorize the company to terminate these agreements.

It is worth mentioning that in the event of unfair dismissal judicially ordered, all salaries not paid to the worker from the dismissal date to the communication of the judgment will be paid by the company to the worker, additionally to a compensation equivalent to 45 days of salary per year worked.

Labour Courts (*"Juzgados de lo Social"*) are the specific judicial bodies to settle labour conflicts in Spain. Moreover, the State, through the Labour Inspection (*"Inspección de Trabajo"*), ensures that labour regulations are fulfilled and can fined the companies for any breaches thereof by means of an investigation on its own initiative or upon a report by workers.

Finally, the European Community regulations allow all EC citizens to work in Spain without a work and residence permit being needed. For the other Non-EC workers, an entry visa and a work and residence permit or a special working authorization for certain sectors and activities is required.

The general principle is that the Spanish Labour and Social Security Law is applied to all workers rendering their services in Spain, either national citizens or not, since the workplace law is the law of direct application. There can be exceptions to this rule in temporary trips of foreign workers to Spain in accordance with the existing bilateral conventions with each Non-EC country or the EC regulations for European citizens.

5.2. Social Security

The Spanish Social Security system is inspired by the universality and solidarity principles under which all citizens are guaranteed a public health system and certain minimum basic benefits.

However, the system is supported by the contribution of active companies and workers that make their monthly contributions to the Social Security. The company pays approximately a percentage of 34%-40% over the salary paid to workers depending on the activity and the risk of industrial accidents. Among these contributions, the company pays a Salary Guarantee Fund (*"Fondo de Garantía Salarial"*) to cover any compensations or salaries due in the event of closure or dismissals for economic reasons that prevent the company from paying.

Workers contribute a percentage of 6.35 % over their gross salary to the Social Security.

Both the contribution of the worker and the company are based on and cover the following contingencies:

- Unemployment in the event of loss of employment for any reason other than dismissal.
- Temporary illness or industrial accidents, which guarantees to receive, at least, approximately 60 % of the salary, although in many cases the Collective Bargaining Agreement guarantees 100% of the salary during the illness or part thereof.
- Maternity, paternity and risk during pregnancy. The Social Security ensures the payment of 16 weeks after the birth during which the worker will not work, covers 13 days of absence for parents and pays a benefit in the event the pregnant woman cannot carry on working to avoid risks in her pregnancy.
- Permanent incapacity. Benefit under which a temporary or life pension is guaranteed for workers who suffer an illness or accident that prevents them from resuming their current or any other job.
- Widow's or orphan's pension.
- Retirement pension. To be entitled to this benefit, a minimum contribution of 15 years is required, 2 within the last 15, and be 65 years old, so that 50% of the pension would be paid. Payment of 100% of the pension requires 35 years contributing to the Social Security.

Self-employees or employees working for an employer are entitled to the same benefits, except for the right to unemployment and the other special groups of the Social Security (domestic servants, artists, etc.) have some exceptions with respect to rights and amounts.

Furthermore, such people who are not entitled to any benefit because they lack any minimum income, are unemployed, do not earn sufficiently and provided that they fulfil certain precise requirements, may be entitled to a non-contributory pension not conditional on their contribution to the system.