For residents in Spain owning properties, bank accounts or any other kind of assets abroad

According to a new rule -Royal Decree 1558/2012- approved in November and which has just came into force last 1st January 2013, all Spaniards and residents in Spain have a new tax liability of reporting about all their assets and rights located outside Spain. This new liability is part of the Spanish Government anti-fraud program to prevent tax evasion.

This report requirement should be complied online by the model 720, between the 1st January to 31st Mach, although exceptionally for the first report which refers to the year 2012 , the period is from 1st February to 30st April 2013.

Who is liable of presenting the form 720? Residents (individuals and entities) in Spain are obliged to report the assets below detailed if they are the owner, a beneficiary, an authorised signatory or if they are only authorized by the owner to act on his behalf. If you are non resident in Spain, this new requirement does not apply to you.

Which assets have to be declared?

The following items located abroad will have to be reported if the value of each of them exceeds Eur 50,000:

1.- All accounts in financial institutions

2.- Securities or rights representing participation in any foreign legal entity. I.e: stocks and shares in companies, bonds, obligations, trusts. Shares and share capital or patrimonial fund of collective investment institutions. Life insurance or disability and temporary or lifetime income, which insurance company are located abroad

3.- Real properties and real property rights of ownership

The submission of this informative tax return in successive years is only compulsory when the values of your assets increase by € 20,000 or more.

The consequences of not providing the information requested will be considered a law infringement and sanctions and very high penalties will be applied with a minimun fine of Eur 10.000.