

Tax Update

Amendments to the Financial Transactions Tax Bill published

19th May 2020

On 13th May, **the amendments to the Financial Transactions Tax ("FTT")** Bill were published in the Official Gazette of the Spanish Parliament and will be the subject of a new plenary session for debate and voting in order to continue their processing.

The **VOX, Ciudadanos** and **Popular** parliamentary groups have submitted refund amendments to the entire Bill.

With respect to the **amendments to the articles** of the Bill made by the various parliamentary groups, in addition to technical improvements, it is necessary to highlight the proposal of **new exemption cases** for the following share acquisitions, which we comment on in summary:

- i. Operations to **acquire your own shares** carried out by the issuer or by any other entity of the same group (treasury stock).
- ii. Acquisitions resulting from the implementation of shareholder remuneration systems through the delivery of bonus shares (**scrip dividend** systems).
- iii. Acquisitions arising from the **delivery of shares of a company to its employees**, or to another entity of the group, carried out within employee remuneration plans.
- iv. **Acquisitions made by social welfare instruments**; pension funds, mutual social welfare associations, as well as insurance companies in the field of insured social welfare plans, corporate social welfare plans and collective insurance that instrument pension commitments.
- v. Acquisitions made by **socially responsible Collective Investment Institutions** referred to in the European Regulation on the disclosure of information relating to sustainability in the financial services sector.
- vi. Acquisitions made in the context of the **conversion or exchange of debentures or bonds into shares**.

Furthermore, it is proposed that the **accrual** of the tax be unified at the time when the transaction is executed, and the securities are recorded in favour of the acquirer. In this way, it is intended to give equal treatment to the payers of the tax and to simplify the obligations imposed on the proxies of the taxpayer.

Also, taking into account the complaints received by operators regarding the insufficient time period for the established **effective date** for the adaptation of internal processes to the levying of the tax, some parliamentary groups propose to extend the entry into force from three to **nine months**. It should be noted that in the specific case of the Partido Popular, that the ITF should enter into force once the ITF has been approved at European level is proposed.



For more information, you can contact:

[Miguel Blasco](#) | Partner in the Tax department
miguel.blasco@AndersenTaxLegal.es

[Rajae Hakim](#) | Associate in the Tax department
rajae.hakim@AndersenTaxLegal.es

The above comments are for information purposes only and do not constitute professional opinions or legal advice, nor do they necessarily include the opinions of the authors. If you are interested in obtaining additional information or clarification of the content, please contact us by telephone on + 34 963 527 546/34 917 813 300 or by e-mail at communications@andersentaxlegal.es.