Outbound expatriates regime

The high level of specialization and significant investment of companies in key employees require a wider pool from where to draw human capital. Internationalization creates solutions and opportunities traditionally unavailable and mobility becomes an extended practice. However, what brings added value is the administration of the mobility.

A job abroad is considered as a career opportunity but there are factors surrounding an employee's dislocation that need to be taken into serious account as they will require intense adjustment to the candidate and family.

Multinationals must prepare a comprehensive and well structured mobility plan in order to be cost effective and guarantee a desirable successful outcome both for the company and the employee.

Outbound expatriates regime. Art. 7 p) Income Tax Act 35/2006

1. Outbound expats **should maintain the tax residency in Spain** and continue to pay tax in Spain for their world-wide income.
2. Destination countries with **double tax agreements** with Spain.
3. In absence of DTA, **with a similar income tax and not a tax haven.**
4. **Max. amount tax exempt in Spain: 60.100 €**.
5. Employer must be a company non resident in Spain or a permanente establishment located abroad.

Excess regime. Art. 9 A) 3 b) Income Tax Regulation

Alternatively when expatriates travel abroad fore a continued period of 9 months maximum, they can opt to apply an income tax exemption on the increase in their salary.