Catalyst for success

Doing business in Spain

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Introduction

Spain is one of Europe's most attractive investment destinations, supported by its large and diversified economy, its full membership in the European Union, and its institutional stability. It boasts advanced infrastructure and a business environment conducive to foreign investment.

Furthermore, it is the fourth-largest economy in the eurozone and a major international hub, making it a strategic gateway to Europe, Latin America, North Africa, and the Mediterranean region.

This publication provides an overview and should not be used as a substitute for professional guidance specific to the reader's particular circumstances. The information contained in this Guide is derived from a variety of sources and is accurate, to the best of our knowledge, as of the date of production (Aug 2026). However, laws and regulations are subject to change at any time.

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Spain: A Strategic Platform for International Investment

For Investing and Growing in Europe

From an investor's perspective, Spain offers a particularly well-balanced value proposition.

- Domestic Market of 49 Million People
- Access to more than 450 million consumers in the EU
- Legal system and legal certainty
- A convertible and stable currency and competitive operating costs
- Highly skilled workforce

The stock of foreign direct investment in Spain exceeds 600,000 million euros, reflecting international confidence in the country's stability and growth potential.

For Quality of Life

Another distinguishing factor is Spain's exceptional quality of life, which significantly enhances its appeal as a location for regional headquarters, research centers, and executive relocations.

- World-class healthcare
- Well-developed transportation network
- Top-tier public and private universities
- Internationally recognized lifestyle
- Strong public safety

Madrid: The Economic, Financial, and Institutional Heart of Spain

Why Madrid

As the political capital, financial hub, and primary location for corporate headquarters, Madrid occupies a unique strategic position within the Spanish economy.

- It is home to the country's most important decision-making institutions
- Direct connection to regulatory bodies, financial markets, and multinational companies
- A dynamic, international, and innovative business ecosystem
- A stable, secure environment aligned with European standards

Political capital of Spain

Leading financial center

A leading location for corporate headquarters

Direct access to regulators, markets, and highly specialized talent

Madrid: Spain's leading platform for investment and corporate development

Madrid is Spain's economic engine and leader in foreign investment. The Community of Madrid generates approximately 20% of the national GDP and has the highest per capita income in Spain. Its economy specializes in high value-added activities, including financial services, technology, telecommunications, consulting, and professional advisory services.

Key sectors

- Financial services (banking and insurance)
- Technology and telecommunications
- Legal and consulting services

What are the advantages for investors?

- Streamlined procedures and approvals
- Integrated access to financing, partners, and specialized advisory services
- Proximity to public and financial institutions
- Strategic location for headquarters and decision-making

The Spanish Business Ecosystem and its Strategic Sectors

Spain offers investors a diversified, innovative, and competitive business environment, with world-leading companies, first-rate infrastructure, and a solid economic foundation.

2nd most popular tourist destination	94 million international visitors
€126,000 million in international tourism spending	13% contribution to national GDP

Financial services

Spain has one of the most advanced and diversified banking systems in Europe. Institutions such as Santander, BBVA, CaixaBank, and Bankinter provide international expertise, structured financing, and support for investment projects.

Infrastructure and construction

Spanish companies are global leaders in the development, construction, and management of transportation, energy, and water infrastructure. Groups such as ACS, Ferrovial, Acciona, Sacyr, and FCC have carried out some of the most complex projects worldwide.

Tourism and hospitality

Spain is a global tourism powerhouse that generates significant opportunities in hotels, leisure, restaurants, transportation, and tourism real estate.

- 309 million airport passengers
- 17,000+ hotels and lodging facilities
- 1.9 million accommodation beds
- 3.3 billion € in hospitality investment

Agriculture and the food industry

Spain is a European leader in olive oil, wine, citrus fruits, fruits and vegetables, pork, and seafood, backed by advanced logistics, processing capacity, and a strong international presence.

Technology and innovation

Spain has strengthened its innovation ecosystem and has become a leading technology hub in Europe.

Spain's Leadership in Energy, Infrastructure, and the Green Transition

Spain combines exceptional resources, a robust regulatory framework, leading companies, and a firm commitment to decarbonization, offering a unique environment for long-term investment.

Energy Leader

It has established itself as one of Europe's most attractive markets for investment in renewable energy and sustainable infrastructure.

- > 65 GW Installed renewable capacity
- 32 GW of installed wind capacity
- 57% of total electricity generation capacity is renewable
- 56% of electricity production comes from renewable sources

Spain ranks among Europe's most advanced and diversified energy systems, combining renewables, nuclear (over 20% of generation), hydropower, and flexible gas-fired generation.

Spain is home to leading energy companies with an international presence and a highly specialized, end-to-end value chain, such as Iberdrola, Endesa, Naturgy, and Acciona.

- A comprehensive ecosystem: developers, EPC contractors, infrastructure investors, financial institutions, consulting firms, and engineering and construction companies with global experience.
- Leadership in infrastructure: Spanish engineering and construction firms are global leaders in the development and operation of critical infrastructure.

Legal stability and solid regulatory environment

- Strategic sectors (energy, critical infrastructure, advanced technologies) are subject to foreign investment controls.
- Investments by non-EU entities may require prior authorization, especially if there is state ownership or if they involve strategic technologies.

European regulatory initiatives strengthen industrial and technological autonomy in key sectors.

The proposed "Industrial Acceleration Act" includes priority sectors such as batteries, electric vehicles, solar technology, and critical raw materials.

Possible requirements for large foreign investments

- European industrial participation
- Technology transfer
- Employment commitments
- Local value creation

These policies will drive industrial value chains and the localization of strategic investments, creating opportunities for companies with innovation, technology, and a long-term vision.

Opportunity for Investors

Spain offers a unique combination of competitive advantages that make it a top destination for sustainable investments.

- Exceptional natural resources
- Regulatory stability and legal certainty
- World-class industrial and technological capabilities
- Access to European funding and a large-scale market
- A firm commitment to decarbonization and sustainability

Tax Environment and Opportunities for Competitive Structuring

Spain offers a modern, stable tax framework aligned with international standards, which promotes operational efficiency and the structuring of sophisticated investments. The system is fully integrated with OECD standards, EU directives, and a broad network of double taxation treaties.

Main Tax Advantages	Key Aspects of Tax Planning
General corporate income tax rate: 25%, which is competitive within the European context	Acquisition and holding structures
R&D&I deductions, incentives for innovative companies, and support for research and development.	Financing and interest deductibility
Patent Box regime: reduced taxation on the exploitation of intangible assets	Transfer pricing
ETVE Regime: Tax advantages for international holding and investment management structures	VAT and customs duty optimization
Grants, employment incentives, and public funding programs related to industrial transformation, digitalization, and decarbonization	Employment and expatriate taxation
	Repatriation of dividends and capital gains

Community of Madrid

It is particularly attractive from a tax perspective drive by its historically competitive regional tax policy and its business-friendly environment.

When coordinated with legal and financial advice, the Spanish tax framework allows investors to structure their transactions efficiently, while ensuring full regulatory compliance.

Partnerships, Local Relationships, and Market Entry Strategy

The success of an investment in Spain depends not only on the attractiveness of the target market but also on the quality of the local relationships established from the outset. Spanish business culture places considerable importance on trust, institutional credibility, and long-term collaboration.

Foreign investors often benefit from partnering with:
- Industrial and technology companies
- Family-owned business groups
- Infrastructure developers and operators
- Financial institutions
- Regional and local authorities
- Ministry of Education, Universities, and Innovation Centers

Joint ventures, strategic alliances, and joint investment agreements are particularly common in sectors such as renewable energy, real estate, technology, and industrial manufacturing.

Institutional relationships play a key role. Early contact with authorities, regulatory bodies, and investment agencies can significantly streamline licensing, incentives, and administrative procedures.

Entering the Spanish market should be viewed as a strategic process that involves not only incorporating or acquiring a company, but also building a network of trust consisting of:
- Professional advisors
- Local partners
- Institutions and authorities
- Strategic partners
- Long-term vision

Legal and Regulatory Framework for Foreign Investors

Spain ranks among the OECD countries with the most open and transparent regimes regarding foreign investment.

Certain transactions involving strategic sectors may be subject to prior government authorization under the foreign direct investment control regime.

When is authorization required?

Non-EU investors may need authorization to:

- Acquire 10% or more of a Spanish company
- Gain control of the company

Sectors that may require authorization:

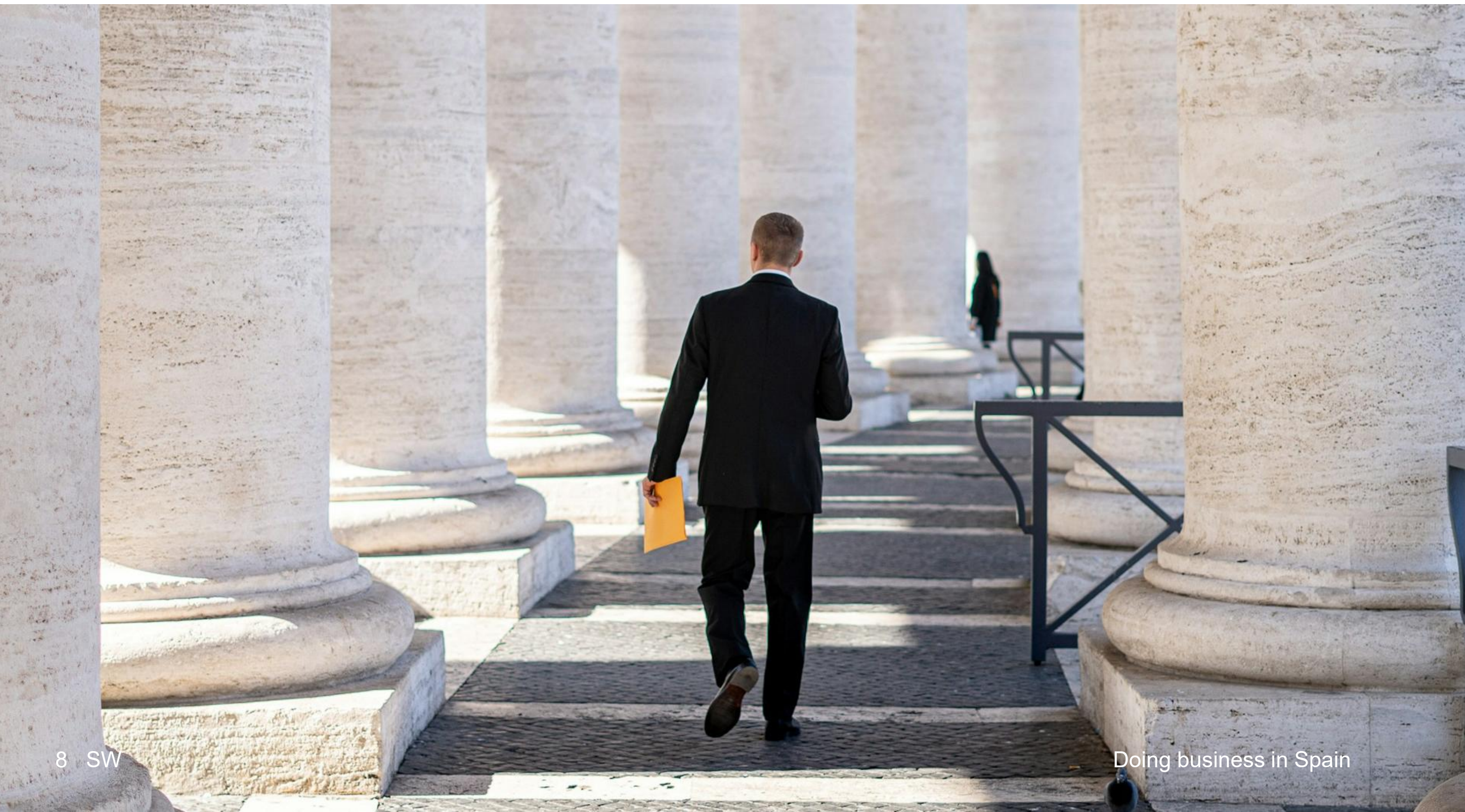
- Energy
- Critical infrastructure
- Sensitive technologies
- Data-intensive activities

The legal framework also includes post-closing reporting obligations to the Foreign Investment Registry.

Despite these controls, the Spanish system is structured to provide legal certainty and predictable procedures.

- Submit binding rulings in advance
- In transactions, early awareness of regulatory developments is sufficient to efficiently identify and manage potential requirements.

Spain strikes a balance between attracting investment and protecting key strategic sectors, with a proportionate and efficient control system.



Foreign Direct Investment Control and Regulatory Framework for Non-EU-Investors

Spain combines a regime open to foreign investment with control mechanisms applicable to transactions in strategic sectors.

The system seeks to balance the attraction of international capital with the protection of security, public order, and critical infrastructure.

The Spanish foreign investment control regime is based on:
- Law 19/2003
- Royal Decree 571/2023
- Regulation (EU) 2019/452

This system establishes a prior authorization mechanism to assess foreign investments in sensitive sectors.

It does not prohibit foreign investment, but rather regulates transactions that may affect public safety, public order, or public health.

Strategic Sectors
- Energy and renewables
- Telecommunications and data
- Transportation and infrastructure
- Defense
- Critical Technologies
- Sensitive digital infrastructure
- Strategic industries

The level of control may increase when the investor:
- Has direct state ownership
- Receives significant public financial support
- Can impact critical supply chains
- Is linked to foreign governments

The energy sector is one of the most sensitive areas under Spain's investment control regime, especially in the context of the energy transition and the importance of renewable energy assets.

It includes transactions involving:
- Renewable energy companies
- Energy asset portfolios
- Storage systems
- Strategic energy infrastructure

The need for authorization depends on the strategic importance of the asset, rather than on the legal structure of the transaction.

Scrutiny may intensify when the investor:
- Has state ownership or backing
- Receives significant public funding
- Has ties to foreign governments
- May affect strategic supply chains

In these cases, the potential impact on critical sectors and the security of supply is analyzed.

The Spanish regulatory framework includes exemptions designed to facilitate normal business activity and strengthen legal certainty.

Some transactions may be exempt from the authorization regime, especially when:
- Smaller companies are involved
- The activities are unregulated
- There is no change in effective control

Foreign direct investment is not generally considered subject to authorization.

Application in the Energy Sector

In the energy sector, exemptions may apply to certain acquisitions that:

- Do not involve regulated activities
- Do not create dominant positions
- Meet certain technical thresholds for renewable energy

These exemptions are technical in nature and require a case-by-case analysis.

Where do you file the application?

- General Directorate of Trade Policy and Economic Security
- Council of Ministers

What documentation is required?

- Ownership and control structure
- Identification of the ultimate beneficial owner
- Description of the transaction
- Financing Structure
- Corporate and contractual documentation
- Sector-specific information, where applicable

Timeframes and Decision

- General review period: up to 3 months
- Possible outcomes
  - Authorization
  - Approval (with conditions)
  - Denial

In addition to prior authorization, there is a notification requirement for most foreign investments:

- Foreign Investment Registry
- AFORIX System
- Notification prior to or after the closing of the transaction

Spain maintains an open and attractive environment for foreign investment, although certain transactions in strategic sectors require a prior regulatory review to ensure compliance with regulations.

Conclusion: Spain as a Long-Term Investment Platform

Attractive Investment Opportunities in Europe

Spain offers one of the most attractive investment opportunities in Europe. It combines economic scale, a strategic location, institutional stability, first-rate infrastructure, and world-leading companies in key sectors.

- Finance
- Infrastructure
- Energy
- Tourism
- Agribusiness
- Technology

STABILITY. COMPETITIVENESS. OPPORTUNITY

Ideal Operational Base

For international investors, it serves as the ideal operational base from which to access both the Spanish market and broader opportunities in Europe. It is home to:

- Major corporate headquarters
- Financial institutions
- Regulatory bodies
- Advisory professionals

A robust, transparent, and open environment

It is particularly attractive for investment because of its robust tax framework, institutional support, openness to foreign capital, and a stable and transparent legal environment. With the support of local partners and specialized advisors, it offers excellent opportunities for sustainable growth and long-term value creation.

How SW can support you

SW Spain offers an integrated advisory platform. International investments increasingly require a specialized and coordinated approach across different advisory areas. The success of a transaction depends on collaboration among multidisciplinary teams working in an integrated manner.

Operating firms of SW Spain

- SW AUDITORES ESPAÑA S.L.P,
- SW ADVISORY ESPAÑA S.L.P
- SW LÓPEZ IBOR ABOGADOS

SW Spain offers coordinated, top-quality advisory services—from strategic analysis and investment structuring to implementation, regulatory compliance, and future growth.

SW Spain offers an integrated model that combines:

- Audit
- Tax
- Consulting
- Corporate Finance
- Legal advice
- Risk Management
- Specialized industry knowledge:
  - industrial processes
  - automation
  - infrastructure
  - engineering and construction

Reach out to the SW local team today to see how best we could accelerate your growth for shared success.

Strategic → Structuring and Planning → Execution → Regulatory Compliance → Expansion and Growth

Value Proposition of SW Spain

Analytical Capacity
It provides insight into the possible evolution over time of the different factors that affect a project of this nature.

Expert knowledge
Deep understanding of the context and framework in which the firm operates, both at the regulatory and normative levels, as well as at the business level.

Experience
Understanding of the uniqueness of the process and the client's needs, establishing a structure that adapts to the entity's operations to ensure the smooth flow of the process.

Government structure
A defined and proven team structure with clearly defined roles that ensures an adequate level of governance, oversight, and project traceability.

Permeability
The ability to support the entire process across different alternatives, incorporating the required resources at all times.

Ethical Commitment
We are committed to maintaining the highest standards of ethical and professional conduct, with trust as the foundation of our business.

Market Benchmark
SW Spain is a benchmark across the various areas, having successfully completed numerous projects.

Technical solvency
The project leaders as well as the support teams are senior professionals recognized in their respective fields of expertise.

Technology
Recognition of the importance of technology, both in understanding the optimal system architecture for the outsourced service and in supporting the organization of the project.

Integrated, multidisciplinary team
Fully integrated teams acting as a single unit, experienced in successfully managing complex and economically significant processes.

About SW

SW is a global accounting and advisory network, with our member firms dedicated to connecting and collaborating to meet your locally, nationally and internationally.

Around 12,083 people

664+ partners

112+ offices

22 regions

USD 793.8 million
revenues of the year of 2025*

SW Spain is the only Asian international firm of Audit and Consulting professional services present in Spain.

SW Spain is a professional services firm belonging to the global network of SW International, which operates nationally and internationally, positioning itself as a highly qualified provider of professional services in strategic areas such as Audit & Assurance, Tax & Legal, Management Consulting, GRC or Financial Advisory. For this purpose, it counts on professionals of reference in their different fields of action that complement the solid reputation acquired during more than 30 years of activity in Spain.

Within the current economic context, our strong advantage in the Asian markets, together with our experience and knowledge of these markets, strategically positions SW Spain as a possible driving vehicle for cooperation between companies with an international vocation that want to enter these markets, and as a truly competitive alternative.

In this way SW Spain continues its national and international expansion, with a wide network deployed in Europe, Latin America, Africa, Asia and Australia.

*Statistics according to the World Survey 2026 of International Accounting Bulletin (IAB).

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