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## **Spain**

### *Local stock exchange*

*Madrid, Barcelona, Bilbao, Valencia*

*<http://www.bolsamadrid.es/>*

*<http://www.borsabcn.es>*

*<http://www.bolsabilbao.es/>*

*<http://www.bolsavalencia.es/>*

Additionally, there is an alternative stock exchange, MAB (Mercado Alternativo Bursatil), which is similar to the British AIM or French Alternext (<http://www.bolsasymercados.es/mab>).

### **Rules for listed filings**

#### **IFRS required or permitted for listed companies?**

IFRS is required for consolidated financial statements for listed companies (issuers of debt or equity securities).

#### **Version of IFRS**

IFRS as adopted by the EU

#### **Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?**

Yes. The European Union has granted equivalence in relation to certain third country GAAPs under the Prospectus and Transparency Directives, granting issuers using US, Japanese, Chinese, Canadian, South Korean and Indian GAAP a permanent (US, Japan) or temporary (China, Canada, S. Korea, India) exemption from having to file IFRS financial statements, as long as the overseas parent whose subsidiary is listed on an EU exchange uses and publishes financial statements under one of the GAAPs mentioned above.

### **Rules for statutory filings**

#### **Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?**

In their standalone financial statements, all companies must apply Spanish GAAP, which is essentially based on IFRS but presents some differences in accounting and disclosure requirements. IFRS for SMEs is prohibited. Instead, Spanish GAAP for SMEs should be applied provided that the companies comply with certain thresholds to be considered as SME. Financial institutions must apply a local accounting plan that is IFRS compliant although it eliminates certain accounting options permitted by IFRS. Insurance companies and other stock-exchange regulated entities also need to comply with specific accounting plans mainly based on IFRS, as well.

In their consolidated financial statements, unlisted companies can choose between IFRS as adopted by the EU or Spanish GAAP. Listed companies and groups where any of its subsidiaries have issued debt or equity in a regulated market of the European Union, need to prepare consolidated financial statements in conformity with IFRS as adopted by

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the EU. Once a group voluntarily applies IFRS as adopted by the EU, it will not be able to withdraw from that decision.

### **Version of IFRS**

IFRS as adopted by the EU

**In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?**

No

### **IFRS conversion plans**

#### **Plans for converging**

IFRS for SMEs is not expected to be permitted in the medium-term and no debate has begun regarding its applicability.

As IFRS as adopted by the EU develops, subsequent changes of Spanish GAAP are expected in order to comply with the objective of converging to IFRS.

#### **Other useful websites**

Instituto de Contabilidad y Auditoría de Cuentas (“ICAC”)

<http://www.icac.meh.es/>

Comisión Nacional del Mercado de Valores (“CNMV”)

<http://www.cnmv.es/>

### **Tax information**

#### **Type of tax regime**

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

#### **Comments on tax regime**

All Spanish companies adopted a revised Spanish GAAP from January 1, 2008 which was a partial convergence with IFRS. A tax law was enacted that was intended to make this transition tax neutral.

#### **Plans for IFRS converging as the basis of tax reporting**

None. The taxable income is calculated based on the profit for the period as determined under Spanish GAAP, so convergence would be imply changing the accounting standards, which is not planned.