

Doing business in...

Spain

ING Bank in Spain

Established in 1982, ING Bank Spain offers a wide range of products and services including corporate and investment banking, internet banking, financial and equity markets, general and car leasing, real estate and asset management, insurance and employee benefits.

General information

Currency

The euro (€) is the official currency of Spain and the international currency code is EUR.

Time difference

GMT +1 hour.

Means of payment

Transfers, direct debits, cheques and bills of exchange (pagarés) are the main payment instruments in Spain.

Business etiquette

Spaniards are proud people and have a high regard for status and hierarchy. At the same time, they have a natural reserve towards foreigners, so doing business requires patience and conviction. A good personal relationship is essential to doing business in Spain. Official contracts are usually legalised by a notary. The relationship between employer and employee can be described as formal and most companies have a rather hierarchical structure. Be aware of the social, cultural and political differences between the various Spanish regions and take care to respect local customs and traditions. It is wise to refrain from making strong political statements, especially in the early stages of building a relationship with your client or business partner.

Language

The business language in Spain is Castilian Spanish, although regional languages (Catalan, Basque, Galician) are also important in the respective autonomous regions. While translation and interpretation services are available in major cities, a working knowledge of Spanish is essential to form any kind of meaningful relationship. Although on the rise, the number of business people that speak English or French is still very small.

Many companies outsource their local banking and other business to 'gestorias' which provide tax and advisory services and can handle everyday payments, present documents to authorities, etc. In order to achieve fully transparent accounting procedures for your subsidiary, it is advisable to enlist international service providers with ties to your own country.

Meetings

Personal contacts and networking skills are essential when doing business in Spain. Doing the groundwork before arrival and setting up the right introductions can be the difference between success and a wasted trip. A timely phone call to the right person can cut through miles of red tape. Spaniards usually prefer to receive business visitors at the office in the morning, especially for first meetings. Most business meetings are informal. Do not expect to discuss business at the start of the meeting, with international sports and travel being preferred as opening topics.

Business gifts

Business gifts should be carefully chosen and not offered at a first meeting. Avoid gifts with a company logo; appropriate gifts include books or handicrafts from your country. If you are presented with a gift, you are expected to open it immediately.

Business hours

Business hours are generally Monday to Friday from 9 am to 1.30 pm and from 3 to 7 pm. Government offices are open Monday to Friday from 8 am to 3 pm.

Tax regime

Current accounts are allowed in any currency by both residents and non-residents. Cross-border transfers exceeding EUR 50,000 have to be notified to the Spanish Central Bank, as do domestic transfers between resident and non-resident accounts exceeding EUR 50,000.

ING is able to process all tax and social security payments, with the exception of some specific local taxes that are to be handled by a local partner.

Withholding tax

For residents, a rate of 15% applies on interest. For non-residents the rate is also 15%, though a rate of 0% applies to non-residents in possession of the right documentation issued by the tax authority in their country.

VAT

A standard 21% rate applies, with exceptions existing for specific products and services.

Business opportunities

Interesting areas of business

The larger metropolitan areas such as Madrid, Barcelona, Bilbao, Malaga, Seville, Valencia and La Coruña are interesting from a business point of view. Sectors of interest include agriculture and agricultural supplies, renewable energy, environmental technology, logistics, tourism and value-added manufacturing.

Useful links

- Spanish agencies for investment
www.InvestinSpain.org
www.catalonia.com
- Commercial information
www.ccble.com
www.icex.es
www.camaras.org
- Dutch Embassy (trade dept)
www.handelmetspanje.com
- Consultancy for market entry
www.transfer-lbc.com

Further information

If you would like to know more about ING's international network of European Business Desks, please contact your ING relationship manager.

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Office hours (local time)

Monday to Friday 8.30 am to 5 pm