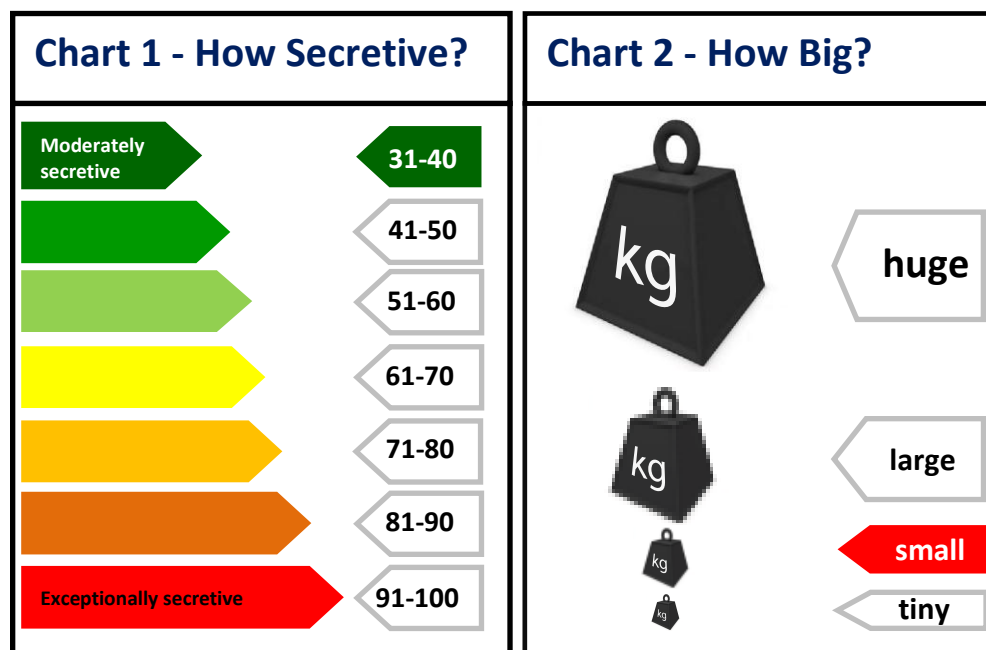


Report on Spain

Spain is ranked at 54th position on the 2011 Financial Secrecy Index. This ranking is based on a combination of its secrecy score and a scale weighting based on its share of the global market for offshore financial services.

Spain has been assessed with 34 secrecy points out of a potential 100, which places it into the moderately secretive category at the bottom of the secrecy scale (see chart 1 below).

Spain accounts for slightly under 2 per cent of the global market for offshore financial services, making it a small player compared with other secrecy jurisdictions (see chart 2 below).

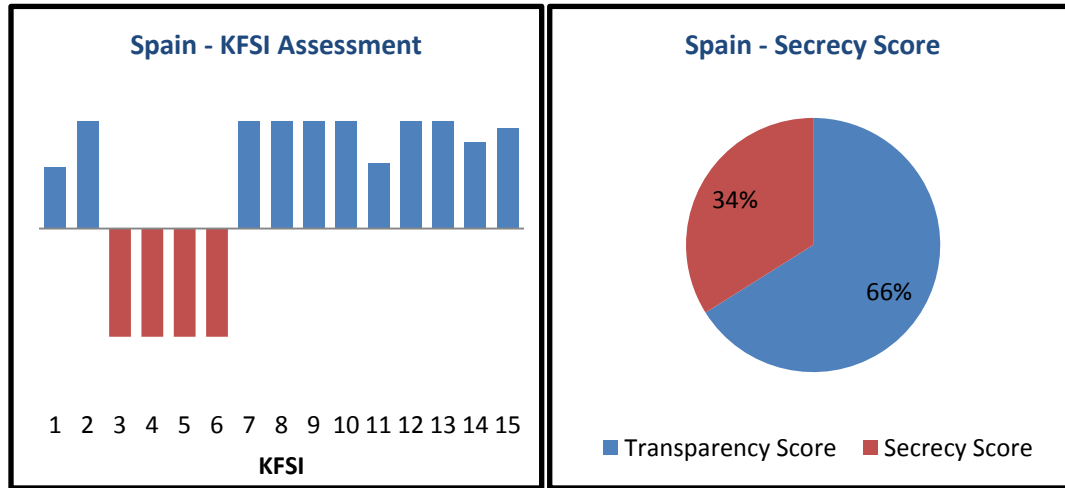


Next steps for Spain

Spain's 34 per cent secrecy score shows that it must still make major progress in offering satisfactory financial transparency¹. If it wishes to play a full part in the modern financial community and to impede and deter illicit financial flows, including flows originating from tax evasion, aggressive tax avoidance practices, corrupt practices and criminal activities, it should take action on the points noted where it falls short of acceptable international standards. See below for details of Spain's shortcomings on transparency. See this link <http://www.secrecyjurisdictions.com/kfsi> for an overview of how each of these shortcomings can be fixed.

Secrecy Scores

The secrecy score of 34 per cent for Spain has been computed by assessing the jurisdiction's performance on the 15 Key Financial Secrecy Indicators, listed below.



The numbers on the horizontal axis of the bar chart on the left refer to the Key Financial Secrecy Indicators (KFSI). The presence of a **blue** bar indicates a positive answer, as does **blue** text in the KFSI list below. The presence of a **red** bar indicates a negative answer as does **red** text in the KFSI list. Where the jurisdiction's performance partly, but not fully complies with a Key Financial Secrecy Indicator, the text is coloured **violet** in the list below (combination of red and blue).

This paper draws on key data collected on Spain. Our data sources include regulatory reports, legislation, regulation and news available at 31.12.2010². The full data set is available [here](#)³. Our assessment is based on the 15 Key Financial Secrecy Indicators (KFSIs, below), reflecting the legal and financial arrangements of Spain. Details of these indicators are noted in the following table and all background data can be found on the [Mapping Financial Secrecy web site](#)⁴. This data is the basis on which the [Financial Secrecy Index](#)⁵ is compiled.

The Key Financial Secrecy Indicators and the performance of Spain are:

TRANSPARENCY OF BENEFICIAL OWNERSHIP – Spain	
1.	Banking secrecy: Does the jurisdiction have banking secrecy? Spain does not adequately curtail banking secrecy
2.	Trust and Foundations Register: Is there a public register of Trusts and Foundations? Spain does not allow trusts and private foundations to operate out of its territory

3.	Recorded Company Ownership: Does the relevant authority obtain and keep updated details of the beneficial ownership of companies? Spain does not maintain company ownership details in official records
KEY ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Spain	
4.	Public Company Ownership: Does the relevant authority make details of ownership of companies available on public record online for less than US\$10? Spain does not require that ownership of companies is put on public record
5.	Public Company Accounts: Does the relevant authority require that company accounts are made available for inspection by anyone for a fee of less than US\$10? Spain does not require that company accounts be available on public record
6.	Country-by-Country Reporting: Are companies listed on a national stock exchange required to comply with country-by-country financial reporting? Spain does not require country-by-country financial reporting by companies
EFFICIENCY OF TAX AND FINANCIAL REGULATION – Spain	
7.	Fit for Information Exchange: Are resident paying agents required to report to the domestic tax administration information on payments to non-residents? Spain requires resident paying agents to tell the domestic tax authorities about payments to non-residents
8.	Efficiency of Tax Administration: Does the tax administration use taxpayer identifiers for analysing information effectively, and is there a large taxpayer unit? Spain uses appropriate tools for effectively analysing tax related information
9.	Avoids Promoting Tax Evasion: Does the jurisdiction grant unilateral tax credits for foreign tax payments? Spain avoids promoting tax evasion via a tax credit system
10.	Harmful Legal Vehicles: Does the jurisdiction allow cell companies and trusts with flee clauses? Spain does not allow harmful legal vehicles
INTERNATIONAL STANDARDS AND COOPERATION – Spain	
11.	Anti-Money Laundering: Does the jurisdiction comply with the FATF recommendations?

	Spain partly complies with international anti-money laundering standards
12.	Automatic Information Exchange: Does the jurisdiction participate fully in Automatic Information Exchange such as the European Savings Tax Directive? Spain participates fully in Automatic Information Exchange
13.	Bilateral Treaties: Does the jurisdiction have at least 60 bilateral treaties providing for broad information exchange, covering all tax matters, or is it part of the European Council/OECD convention? Spain has at least 60 bilateral agreements complying with basic OECD requirements
14.	International Transparency Commitments: Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency? Spain has partly ratified relevant international treaties relating to financial transparency
15.	International Judicial Cooperation: Does the jurisdiction cooperate with other states on money laundering and other criminal issues? Spain partly cooperates with other states on money laundering and other criminal issues

¹ Our definition of financial transparency can be found here:

<http://www.secrecyjurisdictions.com/PDF/FinancialTransparency.pdf>.

² With the exception of KFSI 13 for which the cut-off date is 30.6.2010. For more details, look at the endnote number 2 in the corresponding KFSI-paper here:

<http://www.secrecyjurisdictions.com/PDF/13-Bilateral-Treaties.pdf>.

³ That data is available here: http://www.secrecyjurisdictions.com/sj_database/menu.xml.

⁴ <http://www.secrecyjurisdictions.com>.

⁵ <http://www.financialsecrecyindex.com/>.