



## **MOVING TO SPAIN?**

Looking to enjoy a permanent or semi-permanent life in Spain? Then in an attempt to make your stay easier, we advise you to follow these general suggestions:

- Register on the Town Hall Census.
- Apply for an NIE number (identification number for foreigners). You will need it to buy a property, car, take out insurance, etc.
- Apply for your Residence Card.
- If your country has a reciprocal health agreement with Spain, apply for an E11 or E121 form. If not covered by the Social Security system, it is essential to take out a private medical plan.
- If your car has a foreign registration, remove it from Spain or change the registration to Spanish plates.
- Exchange your driving licence for a Spanish one.
- Pay every year the Town Hall taxes (IBI-Urbana Rates, Road Tax, etc.).
- Pay annually the Income Tax Declaration to the Taxation Office in Vélez-Málaga.
- If you are considering improvements to your house, either inside or outside, you must apply for a Building Licence.
- To open a business you must have an Opening Licence from the Town Hall and ensure your premises conform to all health, safety and legal requirements.
- Ah those who own a property in Spain should have a Spanish will in addition to one in their country, to avoid possible complications.
- At the -moment, most of the local authorities and administration centres only speak Spanish. It is advisable therefore to be accompanied by someone who speaks fluent Spanish when you need to communicate with them.

## **ADVICE BEFORE BUYING A PROPERTY**

To help you enjoy your new property in Spain to the full and not encounter any bad experiences, we suggest the following:

- It is of prime importance that the property or land that you want to buy has a title deed (*escritura*). If it doesn't have a title deed, it could cause you numerous problems and the need to undergo many different processes to rectify the omissions.
- If the house you wish to buy is not completely constructed, it is advisable to retain part of the purchase price to guarantee the total completion of the dwelling together with the roads and other infrastructure.

- If you are buying a detached or terraced house, both the land and the dwelling, with the corresponding square meters for each, should be stated in the title deed. If only the land appears, then you will be the owner of the land but not of the house and, in the future, you will be unable to sell it because you will not have the corresponding deeds.
- Never buy a property that has an embargo as the debt is against the property and not against the previous owner. You could risk losing the property you have bought.
- Don't buy a property that doesn't appear in the Land Registry. It is possible that there may be problems and even it could happen that the seller may not be the actual owner.
- It is commonplace to find that country properties and very old houses do not have a title deed (*escritura*) as they have been inherited from parents to children. The process of obtaining an escritura could take as long as two years. It is also possible that you will never obtain the deeds especially if there are various heirs and one is not in agreement with the signing. You should not buy until the owner has obtained a title deed.
- If the house you are buying has a mortgage and you wish to continue with it, you should consult with the bank that issued the mortgage to ensure you can continue with the payments.
- Don't buy a Timeshare property from agents who try to enlist business on the street. If it is a recognised company, it should have a permanent office with no need to resort to on-street sales activities. There are some fraudulent companies that offer prizes (a lunch with sangria, champagne, weekend holidays etc.) in exchange for visiting a property. In the end, the clients pay a deposit for the purchase of a property of Timeshare, which in many cases, is non-existent.

### **BUYING A PROPERTY**

In order to avoid problems, **it is very important before buying any property (house, land, business or garage)**, to verify its existing planning consents and to establish if there are any outstanding debts.

The property should be free of debts. If there are outstanding bills, the owner should pay them before selling or deduct them from the sale price.

If you wish to buy a property that doesn't fulfil all the prerequisites, it is important to have the appropriate information and to have knowledge that possibly, in the future, you may be required to make additional payments.

To fully guarantee your purchase, you should consult the following offices for information:

1. Planning Department of the Town Hall.
2. Land Registry in Torrox.
3. Nerja Tax Office.
4. Community of Owners (if the property is part of a community).

This information can be requested by yourself, your advisor or your representative. It could take one or two days to verify all of the necessary details. The following is an explanation of the requirements of each of these departments

1. **PLANNING DEPARTMENT OF THE TOWN HALL (URBANISMO)**

(1st floor, Monday to Friday from 10:00 to 14:00; Tel. 95 254 8442/39).

Before buying a house or land it is essential to consult with the Planning Department about the planning consents of the property. This will avoid problems such as: buying a house under construction and later being fined for not having a Building Licence; having to pay for infrastructure (streets, drains etc.); no electricity connected to the house; no connection to the municipal water system, etc.

Consultations regarding houses or land require an appointment and you will need to be accompanied by someone who speaks fluent Spanish. To obtain precise information, it is preferable to take a plan, photographs of the area and of the house and the name of the owner or builder.

**The information provided by the Town Hall always prevails over any information given by an agency or third party.**

**Requisites for house purchase:**

It is necessary that there is a First Occupation Licence issued for your house. This means that it is legal and has complied with all the conditions necessary to classify it as a habitable dwelling. This licence is granted by the Town Hall to the promoter only when the house fulfils the construction regulations as well as those of infrastructure; i.e. paved streets, water and drains connected to the municipal services, street lights, green areas...

The Planning Department will advise you if the property has a First Occupation Licence. You can buy the property if it doesn't have this licence, but you must understand that it is possible, in the future you will have to pay to the Town Hall your share to complete the necessary infrastructure.

**Requisites for land purchase:**

The Planning Department will advise whether or not you can build, as well as the size and number of levels that are permitted. The construction regulations always depend on where the land is situated.

2. **LAND REGISTRY OFFICE IN TORROX (REGISTRO DE LA PROPIEDAD)**

(C/ Calzada 6, Torrox; Monday to Friday from 8:00 to 13:00; Tel. 95 2538053).

This office will inform you of the name of the owner and if the property has an embargo, mortgage or outstanding debts. You must apply for a *Nota Simple* to check that the property is free of charges. For this you need to indicate the complete address of the house or the name of the owner if it refers to land. The *Nota Simple* costs about 4 € and can be obtained on the same day.

3. **NERJA TAX Office (OFICINA DE RECAUDACIÓN)**

(C/ Diputación 2; Monday to Friday from 9:00 to 13:30; Tel. 95 2523690).

This office will inform you if there are any outstanding municipal debts such as IBI- Urbana Rates, Land Value Tax (*Plusvalía*) etc. Before buying you should confirm that there are no outstanding debts, as the debts go against the property and not against the previous owner. If debts are not paid within a determined time period you could receive notice of an embargo.

#### 4. **COMMUNITY OF OWNERS**

A building will have a community when there are common areas for the individual owners e.g. gardens, pool, exterior lighting, lifts, stairs, generators... If the building belongs to a community, you should find out who the Administrator of the Community is and verify that the house, apartment, business premises, garage or land does not have any outstanding debts.

### **DRAWING UP THE TITLE DEED (ESCRITURA)**

The title deed (*escritura*) is the document that you sign when buying a property. It is formalised in front of a Notary and the purchaser and the seller should be present to sign the terms of the purchase. If you cannot be present, another person can represent you with a notarial power of attorney in Spanish.

In order for a title deed to have complete validity it must be registered in the land Registry of Torrox, which is the public body where all purchase-sales are registered in this area. It isn't sufficient to simply sign the deeds, it is essential to register it in the Land Registry.

The title deed is formalised in a Notary Office. In Nerja, the Notary Office is in C/ Jaén, Edificio Tomé; Monday to Friday from 10:00 to 15:00; Tel. 95 2520192.

After the signing of the title deed, the Notary will supply you with a Copia Simple, a provisional copy of the deed. You will receive the formal deeds at a later date once it has been inscribed in the Land Registry.

The inscription in the Land Registry of Torrox can be carried out either by yourself, your representative or the Notary, who will charge about 78 € for this service.

### **PURCHASE EXPENSES**

Apart from the price of the property, you will pay approximately an additional 10% for the following purchase expenses:

#### 1. **NOTARY EXPENSES**

These expenses depend on the selling price that appears in the title deed. The Notary expenses are paid according to the agreement between purchaser and seller, however, it is the custom that the purchaser pays all the expenses. A Foreign Non-resident has one month to present the NIE number (identification number for foreigners) in the Notary Office.

## 2. **VALUE ADDED TAX (IVA) ONLY FOR NEW PROPERTIES**

You must pay the builder 7% IVA of the price that is declared in the title deed when purchasing:

- A home.
- A garage with a home in the same building.

You must pay the builder 16% IVA when purchasing:

- A business premises.
- A garage without a home.

It will show in the title deed that you have paid this tax to the builder.

## 3. **STAMP DUTY OFFICE IN TORROX (OFICINA LIQUIDADORA)**

(Plaza Almanzor, Edificio Centro, Torrox; Monday to Friday 8:00 to 13:00; Tel. 95 2539130).

### **New Buildings:**

If you have bought a newly constructed property and have already paid the IVA, you must pay 1% tax based on the price that appears in the title deed to the *Oficina Liquidadora*.

### **Resale's and Land:**

If you have bought a resale property or a land, you must pay 7% tax based on the price that appears in the title deed to the *Oficina Liquidadora*.

## 4. **LAND REGISTRY IN TORROX (REGISTRO DE LA PROPIEDAD)**

After the purchase of a property, and to ensure that the sale has total validity, you must inscribe the title deed in the Land Registry of Torrox. The amount you pay will depend on the declared price in the title deed.

## 5. **LAND VALUE TAX (PLUSVALÍA)**

The Plusvalía is a Town Hall tax and it is paid only once at the time of purchasing a property. It depends on the rateable value of the property and on the number of years which have elapsed since the last sale. To obtain the exact amount payable, you can consult the Rentas Department

(1st floor of the Town Hall; Tel. 95 254 8423).

## 6. **PUBLIC TREASURY TAX (HACIENDA) 5%**

This tax applies only if the seller is a Foreign Non-resident and if the title deed is dated after 1987. The purchaser must discount 5% from the declared sale price and deposit it with the Hacienda Office in the name of the seller.

Example:

The sale price of a property is 100,000 €

The purchaser will discount 5% -5,000 €

95,000 €

The final price the purchaser gives to the seller is 95,000 €

### **AFTER PURCHASING A PROPERTY**

After completing your purchase, it is essential to change the seller's name to your name on all of the following receipts:

1. Land Value Tax (*Plusvalía*).
2. IBI-Urbana Property Rates.
3. Water.
4. Electricity.
5. Community of Owners (if your property belongs to a community).

In order to effect the change of name, you must present your new title deed in the following offices:

1. Land Value Tax (*Plusvalía*):

Nerja Town Hall (Rentas Department, 1st floor; Monday to Friday from 10:00 to 14:00; Tel. 95 254 8423).

2. IBI- Urbana Rates:

Nerja Tax Office (Oficina de Recaudación) (C/ Diputación 2; Monday to Friday from 9:30 to 13:30; Tel. 95 252 3690). Besides the title deed, you must present your NIE number and the last receipt of IBI-Urbana Rates.

3. Water:

Company Aqualia (Sogesur) in Nerja (C/ Málaga 11, Edf. Las Palmeras; Monday to Friday from 9:00 to 13:30; Tel. 952520154).

The change of name is free. If there are any outstanding debts you must pay them before the contract can be put in your name. If your property is on the outskirts of Nerja and does not receive water from the municipality, you should find out which company supplies your water.

4. Electricity:

Company Sevillana Endesa in Nerja (C/ San Miguel 3; Monday to Friday from 9:00 to 14:00; 17.00 to 20.00; Tel. 95 252 0875).

The change of name will cost approximately 30 €. If there are outstanding debts from the last owner, you need to make a new contract that will cost you from 90 € to 110 € depending on the level of power.

5. Community of Owners:

If your property belongs to a community, you should find out who the Administrator is in order to notify the change of name.

### **SELLING A PROPERTY**

When you wish to sell your property, you must pay taxes to the Public Treasury (*Hacienda*) for the profits obtained from the sale. The profits correspond to the difference in price that features in your purchase title deed and your sale title deed. Depending if you are a Foreign Resident or Non-resident, it would be calculated in one of the following ways:

#### **Foreign Non-residents:**

If you are a Foreign Non-resident you must pay Hacienda 35% of the profits made from the sale of your property.

At the time of selling, the purchaser will discount 5% of the declared purchase price and deposit it with the Hacienda. The seller has four months from the date of completion of the sale to pay the appropriate tax to Hacienda. If the property was purchased before 1986 the buyer will not pay any tax to Hacienda.

#### **Foreign Residents:**

If you are a Foreign Resident you must declare to Hacienda 15% of the profits obtained by the sale of your property in the following year. If you sell your permanent borne and within two years of the sale you buy another permanent home reinvesting all the profits of the sale, you will not pay any tax to Hacienda. A "permanent home" is considered as one in which you have lived continuously more than three years.

### **CENSUS REGISTER**

The Census gives the number of inhabitants in a municipality and is of great importance, since the economic contributions from the central and regional government to the Town Hall are based on the number of registered inhabitants in the town. These funds are to provide town services i.e. local police, doctors, schools, cleaning, Lighting, infrastructure etc. Therefore, the more registered inhabitants, the more money will be granted to the Town Hall for these services.

If you live in Nerja continuously, or for minimum period of four, five or six months during a year, you should register on the Census. You do not need a Residence Card. A passport is sufficient.

Apart from the fact that you will receive better services from the Town Hall by registering on the Census, you will have the following benefits:

You can apply for a Census certificate to:

- Buy a car in Spain.
- Be a member of the Pensioners' Centre.
- Have a pensioner discount on the Nerja Urban Bus.
- Have a bonus discount in the Municipal Car Park.
- Vote in the local, national and European elections and stand as

candidate in these elections, according to the International Treaties.

**Inclusion in the Census Registry has no relation with the payment of local or Public Treasury taxes (Hacienda).**

To register on the Census, you only have to present yourself at the Town Hall Foreigners' Department with your passport or Residence Card and one of the following documents:

- Title deed (*escritura*).
- Rental contract.
- Telephone receipt.
- Electricity receipt.

**NIE NUMBER (FOREIGNER IDENTIFICATION NUMBER)**

Foreigners will need an NIE number to purchase or rent property, buy a car, take out insurance, apply for a bank loan or mortgage, make tax declarations or apply for a Residence-Work Permit.

You can apply for the NIE number at the National Police located in Torre del Mar (Avda. Andalucía 3; Monday to Friday from 9:00 to 14:00; Tel. 95 296 5085). The NIE number takes about two weeks, it is free and it doesn't need renewal.

Documents to present: (original and copy)

- Passport.
- One of the following:

Title deed, pre-contract for the purchase of a house, rental contract, work contract, purchase contract of a vehicle, provisional insurance contract, bank certificate of loan or mortgage.

**TAXES**

**GENERAL TAXES FOR FOREIGNERS**

Generally, a foreigner must pay two basic taxes when owning a property or living in Spain.

### **Non-residents:**

You will pay every year the following only if you have a property in Spain.

1. The IBI-Urbana Rates to the Town Hall. This is paid from July to August.
2. The Wealth Tax Declaration (*Declaración del Patrimonio*). Paid at the Public Treasury (*Hacienda*) at any time of the year.

### **Residents:**

You must pay every year:

1. The *IBI-Urbana* Rates to the Town Hall only if you have a property.

This is paid from July to August.

2. Income Tax Declaration (*Declaración de la Renta*).

This is a tax on your income and you have to make a declaration only if your income is more than:

Non-pensioners = 21,035 € Pensioners = 7,813 €

It is paid at the Public Treasury (*Hacienda*) from May to June.

The IBI-Urbana Rates tax is explained in the following section and the taxes for Public Treasury (*Hacienda*) are detailed at the end of this book.

Apart from these taxes, which are those normally paid by all foreigners, are other Town Hall taxes that are paid only in specific cases and are explained in the following.

### **NERJA TOWN HALL TAXES**

The general taxes of the Town Hall are:

TAX    DATE OF PAYMENT

Land Value Tax (*Plusvalía*) when purchasing a house

Property Rates (*IBI- Urbana*) from July to August

Water every three months

Road Tax from March to April

Car Entrance from March to April

Building Licence prior to carrying out works

Businesses see chapter on businesses

Cemetery from July to August

### **LAND VALUE TAX (PLUSVALÍA)**

The Land Value Tax (*Plusvalía*) is paid every time a property changes owner by means of a sale-purchase, inheritance or donation. The Land Value Tax is paid only once. The new owner must obtain a title deed to register the property in his / her name.

You will also pay Plusvalía when, in a marriage, one of the spouses passes away. If the property is in joint names, the remaining spouse will have to make a new title deed to transfer the half of the property that belonged to the deceased spouse to the remaining spouse and pay the Plusvalía for this inherited half

After signing the title deed, a copy of the deeds should be presented within 30 days in the Rentas Department of the Town Hall (1st floor). In the case of inheritances, the time allowed to present is six months. Following this, you will receive an invoice requiring you to pay the Plusvalía in a time period of 20 days.

The payment of the Plusvalía will be according to the terms of the title deed. The custom is that [he purchaser pays the Plusvalía. According to law, the payment is the responsibility of the vender unless this is a Foreign Non-resident, in which case the responsibility is with the purchaser.

The amount of the Plusvalía depends on the rateable value of the property and the number of years elapsed since the last sale. The more years which have passed then the greater the amount to be paid. The maximum that can, be paid is 20 years. If the time passed since the last sale is less than one year, there will be no Plusvalía to be paid.

### **PROPERTY RATES (IBI-URBANA)**

If you have a home or another property (garage, business premises, land) you must pay the IBI -Urbana Rates. This tax is paid every year from July to August and the amount is approximately 0.6% of the rateable value of property. Normally the rateable value is lower than the purchase price.

#### **IBI-Urbana of a new construction:**

In a new construction, the builder has the obligation, before selling the property, to register the property in the Cadastral Office in Malaga.

After signing the title deed, the new owner must present a copy of the deed:

in the Nerja Tax Office (Oficina de Recaudación) C/ Diputación 2, to change the IBI- Urbana Rates in the name of the new owner.

In the case of a new property, you will receive the bill for the IBI-Urbana Rates after a few years. The initial bill, however, will include the charges for the previous years without any surcharge.

### **WATER**

Aqualia (Sogesur) is the municipal water company and it is located in Nerja at C/Malaga 11.

The water is billed every three months whether the property is occupied or empty. There is a minimum consumption of 30 m<sup>3</sup> which will be charged whether there has been consumption or not. The standing charge is approximately 8 € every three months.

#### **Water Tariffs:**

The first 30 m<sup>3</sup>.....0.18 € per m<sup>3</sup> every three months  
from 31 m<sup>3</sup> to 60 m<sup>3</sup>.....0,24 € " "  
over 61 m<sup>3</sup>..... 0.30 " "

### **ROAD TAX**

Anyone who has a car or other class of vehicle must pay this tax every year between March and April.

This tax is based on the cylinder capacity of the vehicle and will be approximately the following:

#### **CARS:**

less than 8 hp.....16 € per year  
from 8 hp to 11 hp.....44 € " "  
from 12 hp to 15 hp.....94 € " "  
from 16hp to 19 hp.....116 € " "  
over 20 hp.....146 € " "

#### **MOTORCYCLES:**

less than 125 cc.....6 € " "  
from 125 cc to 250 cc.....10 € " "  
more than 250 cc to 500 cc.....20 € " "

more than 500 cc to 1000 cc.....39 € " "

more than 1000 cc.....79 € " "

### **CAR ENTRANCE**

Those who have a garage or an entrance that allows access of a vehicle to a house or building must pay this tax. The tariffs are approximately:

#### INDIVIDUAL GARAGE:

up to 3 meters of frontage.....72 € per year

#### COMMUNITY GARAGE:

- with two spaces.....36 € per year per garage
- with three spaces.....24 € " " " "
- with four spaces.....18 € " " " "
- with five spaces or more.....14 € " " " "

#### CAR ENTRANCE (VADO PERMANENTE):

Every garage entrance should have a Keep Clear (Vado Permanente) sign so that no one parks in front. In case a vehicle blocks the entrance, you can advise the local tow truck to remove it. The sign costs about 32 € , you pay it only once and is applied for in the Planning Department (1st floor of the Town Hall).

### **BUILDING LICENCES**

**For whatever works you are going to do, whether inside or outside, you**

**must apply for a Building Licence.**

Before starting any works you must apply for a Building Licence in the Planning Department (*Urbanismo*) (1st floor), indicating the total cost of the works.

You must include the price of the materials and the labour of the builder, plumber, electrician, carpenter etc. If you are doing the works yourself, you must include your labour charged as that of a professional.

We suggest that you ask the builder for a detailed estimate that specifies exactly all of the works to be done and the quality of the materials to be used (make and quality of tiles, taps, doors, windows etc.). Also include the date of completion of the works.

#### **WHO SHOULD APPLY FOR THE BUILDING LICENCE?**

This licence can be applied for by:

- The owner of the property

- The representative of the owner.
- The builder.

The representative and the builder must present a notarial power of attorney from the owner authorising the works.

### **CLASSES OF WORKS AND REQUISITES**

Alterations to an existing building which are considered as MINOR WORKS include:

- Change of flooring.
- Change tiles.
- Build or knock down partitions.
- Install or remove doors, windows, bars.
- Tile the garden or terrace.
- Install decorative beams in the garden or terrace.
- Raise garden walls.

These works don't require plans and once the licence has been paid and issued, you can start the works.

The addition of an extension or the erection of a new property are considered as MAJOR WORKS and are the following:

- Construction of new rooms, garages, ceilings.
- Construct an additional floor.
- Roofing over a terrace or garden.

These works require plans that have been passed and stamped by the Board of Architects. The fees of an architect to produce these plans are in the range of 10% of the value of the works and do not include the tariff for the Building Licence, which is paid separately.

### **BUILDING LICENCE TARIFFS**

The Building Licence is calculated according to the estimate of the works and values are:

- Works up to 300 €.....0 €
- Works from 300 € to 643 €.....30 €
- Works from 643 € to 60,101 € .....5.8%
- Above 60,101 €.....6.4%

### **CONCESSION OF THE BUILDING LICENCE**

The Town Hall grants the Building Licence only if the works to be carried out complete the planning rules.

If during the construction you wish to do works that have not been applied for, you should request an extension of your Building Licence.

A technician from the Town Hall will inspect the works when they are finished. If the actual works exceed those applied for, you will have to pay the difference and a fine.

### **PLANNING FINES**

**You will be liable to pay a fine if you do not apply for a Building Licence or, if that which has been built does not comply with what you have applied for.**

The fine will vary from 50% to 300% of the value of the works. If it is no possible to legalise the works, proceedings will be initiated to demolish the offending building.

### **CONSTRUCTION MATERIAL OCCUPYING PAVEMENTS AND ROADS**

If you have occupied the pavement or the road with construction materials or rubble during the works, once completed the works you will receive invoice from the Town Hall for about 0.50 € per square meter per day depending on the location of the works in the town.

### **BUSINESS TAXES**

The taxes to be paid by businesses depend on the location of the business and are the following:

<u>TAXES</u>	<u>PAYMENT DATE</u>
1. Fiscal Licence (IAE).....	September to October
2. Industrial Rubbish.....	February
3. Signs and Neon.....	February
4. Boards and articles on the pavement ...	February
5. Canopies.....	Every six months
6. Articles of the facade.....	Every three months
7. Tables and Chairs.....	Every month

### **CEMETERY**

Only those having a niche in the municipal cemetery for a deceased family member or friend are liable to pay this tax every year from July to August.

The tariffs are approximately:

- New fische.....150 € per year
- Niche occupied by family.....36 € " "
- In a common grave.....0 € " "

When someone dies and has a burial insurance, the funeral company will pay the funeral and the niche until the month of December of that year. After this, the family or friends will have to pay the cemetery tax, which is approximately 17 € per year.

If this tax is not paid, in the fifth year the body will be transferred to a common grave.

### **PAYMENT OF THE TOWN HALL TAXES**

There are two ways to make the payments.

#### **1. Direct Debit at the Bank**

For your convenience, we suggest that you arrange a direct debit at your bank for payments of municipal taxes and, thus, the bank will take care of the payments on the date they are due. This will avoid unnecessary surcharges for late payments.

To direct debit your payments you only need to take your bank details to the Tax Office (Oficina de Recaudación) at C/ Diputación 2 and sign a form. After, you give a copy of this form to your bank. You cannot effect a direct debit if there are outstanding debts.

#### **2. Municipal Tax Office (Oficina de Recaudación)**

If you do not have your payments on direct debit, the Tax Office will send you a notice when each bill is due, indicating the date for payment. You must take the notice to your bank and pay it.

**If, due to loss or misdirection, you don't receive the notice, this does not serve as an excuse for non-payment.** You should collect the notice at the Tax Office and take it to the bank for payment within the allotted payment period.

Taxes not paid within the allotted time period will carry a surcharge of 20% and, after a determined time, the Tax Office will embargo your bank accounts and later the property.

### **RESIDENCE CARD**

#### **TIME THAT A TOURIST MAY REMAIN IN SPAIN**

The maximum time a tourist can remain in Spain is:

- A. **European Community Countries:** six months.
- B. **Non-EC Countries:**
  - Canada, EEUU, Argentina, South America, Eastern Countries, Japan: three months. In your passport you will have a visa stamp. You can request an extension of three months only for exceptional cases.
  - Morocco, China, India: the time specified in the visa. This visa can be extended for a maximum of three months in total.

After this time, if you wish to continue living in Spain for more than six months a year, you must apply for a Residence Card. This six months stay

can be consecutive or in several periods which, in total, amount to a minimum of six months during a year.

## **APPLYING FOR A RESIDENCE CARD**

You must apply for a Residence Card in the following cases:

### **European Community Countries:**

Those who **must** apply for a Residence Card:

- Foreigners who do not work.
- Pensioners. You apply for this card once only as a renewal is not required.

Those who **do not need** to apply for a Residence Card:

- Foreigners working in Spain and their families.
- Those who have lived in Spain more than three years and have worked in Spain one year before their retirement.
- Students.

These persons will identify themselves with their passport and NIE number or a census certificate from the Town Hall. Nevertheless, even if not needed, we suggest you apply for a Residence Card.

### **Non-EC Countries:**

All foreigners from Non-EC Countries must apply for a Residence Card.

You apply for the card at the National Police in Tone del Mar (Avda. Andalucía 3; Monday to Friday from 9:00 to 14:00; Tel. 95 296 5085).

You can start the proceedings from the moment you decide to live in Spain.

You do not have to wait six months to pass. The Residence Card will take three months to obtain but, meanwhile, you will have a provisional foreigner identification number.

## **DOCUMENTS TO PRESENT**

### **European Community Countries:**

You must present the following:

8. Passport (original and a copy).
9. Four photographs.
10. A census certificate from the Town Hall.
11. Pay approximately 7 in any bank with the form you get from the

Police in Torre del Mar.

Consultant (*Asesoría*) will charge approximately 70 for the processing.

**Non-EC Countries:**

Apart from the documents required for EC Countries, you must also present:

12. A residence visa from the Spanish Consulate in your own country.
13. Proof of financial means to be able to live in Spain. For this you must present a bank certificate showing that you receive regular deposits from your pension or any other income indicating the purpose of these deposits. Normally the amount required is of:
  - Pensioners: Approx. 5,500 € per year per person. A married couple will need a higher amount.
  - Non-pensioners: Approx. 11,000 € per year per person. A married couple will need a higher amount.
14. Medical insurance.
  - Pensioners: A form from the Social Security of your country.
  - Non-pensioners: A private Spanish medical insurance.

**RECEIPT OF THE RESIDENCE CARD**

You can collect your Residence Card from the National Police in Torre del Mar about three months after your application. Once you have obtained it, you will have the same rights and obligations as a Spanish citizen.

**RENEWAL OF THE RESIDENCE CARD**

You must present the same documents as the first time plus your Social Security card.

**European Community Countries:**

- Pensioners: Do not have to renew the Residence Card.
- Non-pensioners: Need to renew the Residence Card every five years.

**Non-EC Countries:**

- 1st and 2nd renewal: every year.
- 3rd renewal: every three years.
- 4th and subsequent renewals: every five years.

**RESIDENCE-WORK PERMIT**

Foreigners who wish to work in Spain must apply for a Residence-Work Permit.

**European Community Countries:**

You **do not** need to apply for a Residence-Work Permit.

Nevertheless, it is compulsory to have medical assistance from the Social Security and a work contract. In the case of having your own business you must have a Fiscal Licence.

**Non-EC Countries:**

You may not work in Spain without a Residence-Work Permit. You apply for at the *Subdelegación del Gobierno* in Malaga, Department of Trabajo-Extranjeros (Plaza de la Aduana sin; Monday to Friday from 9:00 o 14:00; Tel. 952128526/28/31).

The Residence-Work Permit will take three to four months, but you can start working from the moment you have applied for it.

**DOCUMENTS TO PRESENT (Non-EC Countries):**

There are two classifications of Work Permits:

- 20. Employee (*Cuenta Ajena*): working as an employee with a contract.
- 21. 2. Self Employed (*Autónomo*): working in your own business.

**Employee (working with a contract):**

Present the original and two copies of the following:

- o Contract pre-contract of work with details of the employer.
- o A residence visa from the Spanish Consulate in your country, which

you obtain by presenting a work contract or pre-contract.

- o Passport.
- o NIE number.
- o Four photographs.
- o Pay approximately 7 €

If the contract is for less than one year, the permit will be valid for one year.

If the contract is for one year or more, the permit will be valid for five years.

**Self-employed (your own business) (*Autónomo*):**

Present the original and two copies of the following:

- o A residence visa from the Spanish Consulate in your country.
- o Passport.
- o NIE number.
- o Report of the activity of your business indicating the investment that you propose.

- Bank certificate indicating that you have the money available to make this investment.
- Fiscal Licence (IAE).

You apply for this at Hacienda in Vélez-Málaga (C/ Romero Pozo 4; Tel. 95 255 8442) presenting your NIE number.

- Social Security for Self-employed (*Autónomo*).

You apply for this Tesorería de la Seguridad Social in Vélez-Málaga (C/ Dr. Fernando Vivar 3; Tel. 95 2500 0948), presenting your NIE, passport and Fiscal Licence. The minimum payment to the Social Security is approximately 200 € per month.

- Opening Licence for business premises. Apply at the Town Hall.
- Rental contract or title deed of the business premises.
- Pay approximately 7 € .

The Residence-Work Permit will be valid for 5 years.

Due to the complexity of the procedure we suggest that you have a Consultant (*Asesoría*) to do the processing, who will charge approximately 180 €.

### **RESIDENCE-WORK PERMIT FOR ARGENTINIANS**

#### **Argentinians who are children or grandchildren of Spaniards:**

To apply for the Residence-Work Permit, you must attend the Subdelegación del Gobierno in Malaga (Plaza de la Aduana s/n) and present the documents indicated in the previous paragraph together with a Spanish birth certificate of your parents or grandparents. This will facilitate obtaining your permit.

#### **Argentinians married to a Spaniard:**

You must apply in the National Police in Torre del Mar (Avda. Andalucía 3) presenting the original and two copies of the following:

- A residence visa from the Spanish Consulate in your country, which can be requested with a notarial power of attorney, or demonstrating that you have been living in Spain with a Spaniard for more than one year.
- Family Book (*Libro de Familia*).
- Four photographs.
- DNI of your Spanish spouse.
- Certificate of co-existence (*convivencia*) from the Town Hall.
- Work contract stamped by the Employment Office indicating starting and termination date of the contract.
- Pay approximately 7 €.

### **RENEWAL OF THE RESIDENCE-WORK PERMIT**

You must present the same documents as the first application together with your Social Security card.

### **SOCIAL SECURITY**

To receive health assistance from the Spanish Social Security, you must be registered with the Social Security system in your country bringing with you the form E121 or E 111 whichever applies. If you never had Social Security in your country, you must take out private medical cover.

## **Tourists**

Those who come for holidays to Spain must bring a form E 111 from their country. If you need medical assistance you must present a photocopy of this form at the Social Security centre you attend.

If you don't have this form, in case of emergency, you will be attended in any Social Security centre. Later, you must present the form E 111. If this form is not presented you will receive a bill for the services.

### **Foreign Residents:**

If you live more than six months in Spain you must apply for the Social Security card, which will give you the rights to medical services and determined medicines. To obtain this card you do the following:

#### **Pensioners:**

You must attend the *Instituto de la Seguridad Social* in Vélez-Málaga (C Dr. Fernando Vivar 3; Monday to Friday from 9:00 to 14:00; Tel. 95 250 0948), presenting the following documents:

45. The form E 121 from your country.
46. A copy of your Residence Card. If you don't have a Residence Card, present a copy of your passport and NIE number.
47. The number from the *Tesorería de la Seguridad Social*.

The Social Security card is free and you will receive it by post in about 20 days.

#### **Non-pensioners:**

Non-pensioners must bring from their country the form E 111 completed and photocopied to present in any medical centre at the time medical assistance is required. This form is valid for three months. After this period there are two options:

48. Contract private medical care in Spain until you are a pensioner and can obtain a form E121 from your home country, or
49. Work in Spain and apply for Spanish Social Security coverage.

### **NERJA MEDICAL CENTRE (AMBULATORIO)**

The medical centre (*Ambulatorio*) is situated in C/ Carlos Millón. Open Monday to Thursday from 8:00 to 20:00 and Friday from 8:00 to 14:00; July - August from 8:00 to 14:00; Tel. 952523131 and 952522416.

The emergency telephones are: 061 and 902 505 061.

There is a service of voluntary interpreters Monday to Friday from 9:30 to 13:30.

### **TRAFFIC DEPARTMENT (TRÁFICO)**

(Avda. Mauricio Moro 13 in Malaga, near the central bus station. Open Monday to Friday from 9:00 to 14:00; Tel. 95 204 1600 / 10).

All traffic processes are complicated. We, therefore, recommend you contact a Consultant (*Asesoría*) or the Real Automovil Club (C/ Córdoba 17 in Malaga; Tel. 95 222 9836).

### **DRIVING IN SPAIN**

#### **Tourists:**

A tourist may drive in Spain with one of the following documents:

#### **European Community Countries:**

- A driving licence from your own country.
- An international driving licence.

#### **Non-EC Countries:**

- An official translation of your driving licence from your country.

#### **Foreign Residents:**

A Foreign Resident **may not** drive in Spain with a foreign driving licence.

You have six months from obtaining your Residence Card to change your foreign driving licence for a Spanish one. If you don't have a Residence Card, you will have one year from your arrival to Spain to make the change.

To change your licence you must present in *Tráfico* the original and a copy of the following:

#### **European Community Countries:**

- Residence Card.
- Driving licence from your country.

- Two photographs.
- A census certificate from the Town Hall if your address is different from that on your Residence Card.
- Pay approximately 16 €.

If you don't have a Residence Card, you should present, along with the above documents:

- Passport.
- NIE number.
- Census certificate from the Town Hall.

The change of driving licence can be done on the same day. A Consultant (*Asesoría*) will charge approximately 50 € for the processing.

You also have the option of having your foreign licence included in the Registry of Foreign Drivers. This costs approximately 7 € , although it is preferable that you change your licence for a Spanish one.

#### **Non-EC Countries:**

You must take out a Spanish driving licence as if for the first time and pass the corresponding exams.

#### **FOREIGN REGISTERED CARS**

A car with foreign registration may not remain in Spain for more than six months. These six months can't be extended from one year to another. After this time, you must remove the car from Spain or change the registration to Spanish.

In Spain you can't sell or gift a car with foreign registration.

#### **Tourists:**

Tourists **may not** have a car with a foreign registration in Spain for more than six months. Also, it is **not permitted**:

- To keep a foreign registered car in a garage until you next return to Spain.
- To leave Spain after six months to stamp the document at the frontier and re-enter. The car can't return to Spain until six months have passed.
- To have a foreign registered car if you have a business or work in Spain.

#### **Foreign Residents:**

A Foreign Resident **may not** have a foreign registered car in Spain for more than six months. You must change the registration to a Spanish one within six months from obtaining your Residence Card. If you do not have a Residence

Card, you will have one year from your arrival to Spain to change the registration.

### **CHANGING FOREIGN REGISTRATION**

The cost of changing a foreign registered car to Spanish registration is based on the age of the car and its cylinders. This is a complicated process both in Customs and Traffic and we suggest that a Consultant (*Asesoría*) handle the process, for which the cost is approximately 1,600 €.

### **BUYING A CAR OR A MOTORBIKE**

A foreigner can buy a car or a motorbike in Spain only if in possession of one of the following documents:

#### **Tourists:**

You must present your NIE number with one of the following:

- Census certificate from the Town Hall
- Title deed (*escritura*) of the house.
- Rental contract.

#### **Foreign Residents:**

- Residence Card. If you don't have a Residence Card you must present:
  - Passport.
  - NIE number.

### **NEW CARS**

The dealer where you buy the car will process the new registration. The tax for registering will depend on the cylinders and will be from 7% to 12% of the value of the car. Also you will pay approximately 150 € for the processing.

### **USED CARS**

To avoid the numerous problems that can arise in purchasing a second-hand car without previously making the necessary checks and completing the appropriate procedure, **it is very important that before buying** you do the following:

**68. Check that the car has the following documents:**

69. Documentation of the vehicle consisting in two documents:

1. Technical detail card (*Tarjeta de Inspección Técnica*) with the up-to-date MOT (ITV)
2. Permission to drive card (*Permiso de Circulación*).

70. The Road Tax receipt for the current year.

71. **Draw up a purchase contract:**

The contract must include the details of the buyer, the vendor and the vehicle. In the case that the transfer isn't done by the new owner, you can present this contract to *Tráfico* and avoid all responsibilities for the sold car.

## 72. Do the transfer of ownership.

### **TRANSFER OF VEHICLES**

It is compulsory to officially transfer ownership when you purchase a used vehicle to ensure that it is registered in the name of the new owner. If you don't do the transfer, the seller is responsible for all the expenses that the new owner could incur, i.e. accidents, fines or taxes.

It is not enough to sign the form for the transfer it must also be presented at *Tráfico*. To assure that the transfer is completed, it is preferable that the seller completes the process, charging the expenses to the buyer. You cannot complete the transfer if there are fines outstanding.

### **DOCUMENTS TO PRESENT**

You must present in *Trafico* in Malaga the original and a copy of the following documents:

- 73. Residence Card, passport or NIE of the buyer and the seller.
- 74. Application for the transfer signed by the buyer and the seller.
- 75. Documentation of the car consisting in two documents:
  - *Tarjeta de Inspección Técnica* showing that the vehicle has passed the MOT.
  - *Permiso de Circulación*.
- 76. The Road Tax receipt for the current year.
- 77. Pay 4% of the value of the vehicle depending on model, cylinders and age of the car. Also you must pay 40 € for the *Tráfico* tax.

A Consultant (*Asesoría*) will charge approximately 90 plus the *Tráfico* expenses to process.

### **MOTORBIKE TRANSFER**

The charge to transfer a motorbike is the same as a car. In the case of mopeds (motorcycles of 49cc) you do not have to pass an MOT and the transfer will cost approximately 7 €.

### **WHAT TO DO IF YOU HAVE SOLD THE VEHICLE AND STILL**

#### **RECEIVE THE TAX DEMAND**

If you sold your vehicle and still receive the tax demand, this means that the transfer was never completed. Therefore, you are still registered as the owner of the car and are responsible for whatever expenses the vehicle may incur, i.e. accidents, fines, taxes etc.

It is essential to have the purchase contract that you signed at the time of the sale, or a certificate from the scrap yard indicating that the car has been taken out of circulation because it is not roadworthy.

To resolve the problem of receiving tax demands for a car that you no longer own, you must present to *Tráfico* the original and a copy of the following documents:

- 78. Purchase contract or contract for scrapping.
- 79. Residence Card or passport of purchaser.
- 80. Road Tax receipt for the current year.

If you don't have any documentation it will be more complicated and you must present in *Tráfico* the originals and a copy of the following documents:

- 81. Residence Card or passport.
- 82. Road Tax receipt for the current year.
- 83. A letter stating that you don't possess the documentation of the car

### **RENEWAL OF DRIVING LICENCE**

Driving licences are renewed in the following manner:

- 84. From 18 to 45 years of age.....every 10 years
- 85. From 46 to 70 years of age.....every 5 years
- 86. After 71 years of age.....every 2 years

Before your licence is due for renewal, *Tráfico* will send you a letter so that you can renew your licence by post. To do this you will have to take to the Post Office the following documents:

- 87. A medical certificate from a specialist medical centre. Jn Nerja, Clínica Rincón in C/ Fray Junipero Sena (beside the Mercadona Supermarket).
- 88. Copy of Residence Card, passport or NIE number.
- 89. Your expired driving licence, original and copy.
- 90. Two photographs.
- 91. An envelope with a stamp and your name and address.
- 92. The bottom part of the letter from *Tráfico* completed.
- 93. Send a postal order for 16 € for the *Tráfico* tax indicating number and date of the postal order. Persons over 70 years old don't have to pay this tax.

All these documents must be sent by registered post to *Tráfico* in Malaga. You will receive your new licence in several weeks. In the meantime, you can drive with the upper part of the letter from *Tráfico* and the receipt of the postal order. It is advisable to keep a photocopy of the old licence in case it gets lost.

If you haven't received the letter, you should phone *Tráfico* and request it to be sent (Tel. 95 204 1600), or go to *Tráfico* with the necessary above-mentioned documents.

## **MOT (ITV) TECHNICAL INSPECTION OF VEHICLES**

All vehicles must periodically pass the MOT (ITV), Technical Inspection of Vehicles. Thus you cannot buy, sell or insure a vehicle that doesn't have a current MOT.

The MOT can be done in any province. The nearest centres are in Algarrobo, Tel. 95 255 0862 and in Motril, Tel. 958 600 166, where you will need to make an appointment.

For the inspection of a vehicle you must present the car documentation, consisting in two documents: *Tarjeta de Inspección Técnica* and *Permiso de Circulación*.

Vehicles requiring MOT certificates:

### CARS:

new cars.....on the 4th year

from 4 to 10 years old.....every 2 years

more than 10 years old.....every year

Price: Approximately 30 €

### MOTOS:

49 cc.....do not need MOT

new and more than 49 cc.....on the 5th years

more than 5 years old.....every 2 years

Price: Approximately 14 €

Foreign registered cars can pass the MOT in Spain but should also pass it in their own country.

## **PUBLIC TREASURY (HACIENDA)**

### **INCOME TAX**

Foreigners who have a property or an income in Spain must declare to *Hacienda*, the state body that collects the Income Tax. The nearest *Hacienda* Office is in Vélez-Málaga (C/ Romero Pozo 4; Monday to Friday from 9:00 to 14:00; Tel. 95 255 8242).

The tax year is from January to December of the previous year. The principal details on which the tax is based are your income, the rateable value of the IBI- Urbana Rates and the bank account balances.

Generally, foreigners must make two types of declaration depending upon their circumstances:

- 94. Income Tax (*Declaración de la Renta*), wherein income is calculated.
- 95. Wealth Tax (*Declaración del Patrimonio*), wherein value of your properties is calculated i.e. houses, land, bank accounts, vehicles...

It is not compulsory to have a Fiscal Representative, but it is advisable. The representative can be any Spaniard or Foreign Resident. All the forms can be collected at the Hacienda Office, or via Internet. Foreign Residents can obtain a diskette for their declaration in any tobacco shop.

Following are samples of the most common cases that affect the majority of foreigners. For any specific cases you should contact Hacienda.

#### **Foreign Non-residents:**

The Foreign Non-resident who has assets or receives an income in Spain will make a *Declaración de la Renta* and *Declaración del Patrimonio*. Considered as assets are: houses, garages, business premises, land etc. Income is originated from: rentals, businesses, bank accounts etc.

You must declare in the following instances:

- 96. When you possess only one house for private use, you will make the *Declaración de la Renta* and *Patrimonio* on the same form, model 214. It can be presented and paid at any time of the year at the Hacienda Office in Vélez-Málaga.
- 97. When you own various houses or rent out any of these houses, you will make the *Declaración de la Renta* and *Patrimonio* on two different forms, model 210 and 714. They can be presented and paid at the *Hacienda* Office in Vélez-Málaga from 2nd May to 1st July.

The declaration for Foreign Non-residents is easy to prepare. However, if you don't have basic fiscal knowledge it is better to contact a Consultant (*Asesoría*), who will charge approximately 120 € per declaration.

#### **Foreign Residents:**

You must declare if your income and properties in Spain are higher than a certain amount and dependent whether you are Pensioners or Non-pensioners. This is explained in the following.

#### **INCOME RECEIVED IN SPAIN:**

##### **Non-pensioners:**

You must make an Income Tax declaration (*Declaración de la Renta*) in the following cases:

- 98. If you have an income of more than 21,035 € per year per person.
- 99. If the interest of your bank accounts, actions, Treasury Bonds etc.

totals more than 1,502 € per year per person.

The Income Tax Declaration is complicated so if you don't have fiscal knowledge, we suggest you have it compiled by a Consultant (*Asesoría*), who will charge approximately 120 € per declaration.

### **Pensioners:**

You must make an Income Tax Declaration (*Declaración de la Renta*) in the following cases:

- 100. When you receive income from foreign pensions above 7,813 € per year per person.
- 101. When you receive a pension as a civil servant (person who has worked for the government), you must make your declaration according to the agreement between your country and Spain. Such pensioners generally make their declaration in their own country.

### **PROPERTIES YOU HAVE IN SPAIN:**

If the total sum of the value that appears in the title deeds of your properties (houses, land, bank accounts, vehicles, etc.) is above 108,182 € per person, you must do a Wealth Tax Declaration (*Declaración del Patrimonio*), model 714. This declaration applies to both Pensioners and Non-pensioners.

If both circumstances apply to you regarding income and properties, you must do the *Declaración de la Renta* and the *Declaración del Patrimonio*.

The time period to do the declaration is 2nd May to 1st July. It can be presented and paid in any Bank, Savings Bank or Hacienda Office.