
Tax Advisory

New developments in corporate tax filling

May 2017

On May 5, by Order HFP/399/2017, the revised Corporate Income Tax forms were approved for the 2016 fiscal year, as were those for Non-resident Income Taxes intended for permanent establishments and for entities residing in Spanish territory that declare overseas income.

From this point forward, the transactions that companies carry out with related parties should no longer be included on the Corporate Income Tax return, as the information tables for related transactions on Forms 200 and 220 are being phased out.

The reason for eliminating the aforementioned forms stems from the fact that this information is more informative in nature than it is indicative of declarable income. For this reason, the Ministry of Finance and Public Administration will approve a dedicated form for declaring transactions with related parties.

In this regard, the Draft Order approving Form 232 has been published on the AEAT website, which will be used for informative declarations regarding related transactions, as well as transactions and financial situations related to countries or territories considered tax havens. It will be available exclusively in electronic format, and the taxpayers who will be obliged to submit it include:

- Firms that execute transactions with related parties, providing these exceed €250,000.
- Firms that execute transactions with the same person or related entity, and which are of the same type, using the same valuation method, and provided that the total amount exceeds €100,000.
- Firms executing specific transactions (transactions excluded from the simplified content of the documentation referred to in Articles 18.3 LIS and 16.5 RIS), provided that the combined total of each type of transaction exceeds € 100,000.

Regardless of the amount, firms that carry out transactions linked to the same person or entity, which are of the same nature and use the same method, providing the total amount is greater than 50% of the firm's turnover.

In addition, those who apply the income exclusion from certain intangible assets provided for in Article 23 LIS, and those who have carried out transactions with countries or territories considered tax havens, or involving instruments related to said tax havens or territories must also file.

Regarding the deadline for the submission of Form 232, this will extend from 1 to 31 May, following the end of the tax period to which the information to be supplied refers. In addition, there is a specific deadline for the tax periods commencing in 2016, which will extend from 1 to 31 November following the end of the tax period to which the information to be supplied refers.