



Serviap Global

Spain Country Facts 2025



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Spain Country Facts

Spain has a history of being a trade route between North Africa and the rest of Europe and the country’s capital city is Madrid. The Prime Minister is the President of the Government of Spain, while the King is the Head of State. The main language spoken is Spanish, though other co-official languages include Catalan, Basque, Galician, and Aranese.

Small to mid-size businesses tend to be family owned, while bigger companies often follow global trends. For Spaniards, family and personal relationships are very important, and business interactions typically develop over time. Business moves at the speed of trust, which may be slower than in countries such as the United States.

1. The Economy

Spain has the 15th largest GDP in the world and the 4th largest in the European Union (2024 IMF data). Exports account for about 34% of GDP, with strong contributions from manufacturing, agriculture, services, and tourism. Spain has a well-developed financial system with conservative banking practices and close collaboration with the Bank of Spain. The country is also a leading investor in Latin America and benefits from advanced infrastructure.

2. Small and Medium Businesses

Small and medium-sized enterprises (SMEs) represent about 62% of value added and around 66% of employment in Spain (Eurostat 2023). Main industries for SMEs include retail and wholesale, healthcare, hospitality, real estate, entertainment, and personal services.

12 3. Starting a Business

Foreign nationals can start a business in Spain, but non-EU citizens generally require a work permit or investor visa.

- The most common structure is a Limited Liability Company (Sociedad Limitada – S.L.), requiring a minimum capital of €3,000.
- Registration with the Mercantile Registry is mandatory, along with obtaining a Tax Identification Number (NIF or NIE).
- A Spanish bank account must be opened, and tax/social security registration completed.
- Self-employment (autónomo) is also a common option.



4. Payroll

Concept	Information
Minimum Wage	€1,184/month (14 payments) = €16,576/year (2025).
Payroll	Salaries are usually paid monthly, in 12 or 14 payments.
13th & 14th Salary	Mandatory. Paid in July and December (can be prorated).
Median Salary	Around €27,000–30,000/year.
Overtime	Maximum 80 hours/year (excluding force majeure).

Leaves of Absence

- Vacation Leave: 30 calendar days (22 working days). Two consecutive weeks must be taken.
- Workers’ Compensation: Social Security pays 75% from the day after an accident or occupational illness.
- Sick Leave: No employer obligation first 3 days. Day 4–20: 60% of base; day 21–545: 75%. Max 18 months.
- Maternity Leave: 16 fully paid weeks, extendable in specific cases (multiple births, premature child).
- Paternity Leave: 16 fully paid weeks, equal to maternity leave since 2021.

5. Taxation

Social Security Contributions: Employer ~29.9%, Employee ~6.35%.
Income Tax (IRPF 2025):

- 0 – €12,450 → 19%
- €12,450 – €20,200 → 24%
- €20,200 – €35,200 → 30%
- €35,200 – €60,000 → 37%
- €60,000 – €300,000 → 45%
- Over €300,000 → 47%

Capital income over €300,000 taxed at 30% from 2025.
VAT: Standard 21%. Reduced rates of 10%, 4%, and 0% apply to specific goods and services.

6. Renewable Energy

Spain generates about 47% of electricity from renewable sources (2023).

- Wind: ~23%
- Solar: ~14%
- Hydro: ~11%
- Others (biomass, thermal): ~2–3%

Spain is among the top 5 producers of wind power worldwide and continues rapid solar expansion.

7. Business Culture

- Build Relationships: Business relies on trust and personal relationships. Reputation and integrity are highly valued.
- Meetings: Spaniards may interrupt and show enthusiasm. Consensus is prioritized, so decision-making can be slow.
- Greetings: Handshakes are standard. Once relationships deepen, hugs or cheek kisses are common. Business cards are exchanged, preferably in Spanish.

8. Food Culture

Spain follows the Mediterranean diet, with high use of olive oil, fresh vegetables, legumes, seafood, and cured meats.

- Typical meats: pork, lamb, beef, chicken.
- Famous cured products: chorizo and jamón serrano.
- National dishes include paella, often prepared with rice, seafood, and saffron.
- Northern cuisine uses lard more, southern cuisine olive oil.

9. Population

Spain has about 49.3 million people (2025 est.), the 6th most populated country in Europe.

- Majority (~84–86%) are native Spaniards.
- Significant immigrant communities: Morocco, Romania, Colombia, Ecuador, Latin America.

4 10. Geography

Spain is the 4th largest country in Europe with 505,944 km².

- Borders: Portugal, France, Andorra, Gibraltar (UK), maritime border with Morocco.
- Territories: Ceuta and Melilla (North Africa).
- Islands: Balearic Islands (Mediterranean) and Canary Islands (Atlantic).
- Climate: Mediterranean, oceanic in the north, alpine in the mountains.

Madrid & Barcelona

- Madrid: Capital, financial and political hub, strong in technology and international business.
- Barcelona: Second city, leader in innovation, creative industries, and tourism.





General Highlights

Year	2025
Country	Spain
Capital	Madrid
Num. States / Province	17 autonomous regions, 50 provinces
Language	Spanish (official), Catalan, Basque, Galician, Aranese (co-official)
Local Currency	Euro (€)
Major Religion	Catholicism (majority), officially secular
Date Format	dd/mm/yyyy
Thousands Separator Format	999.999.999,99
Country Dial Code	34
Time Zone	GMT+1 (CET), GMT+2 (CEST in summer)
Population	49.3 million (2025 est.)
Border Countries	Portugal, France, Andorra, Gibraltar (UK), maritime with Morocco
Continental Surface	505,944 km ²
Fiscal Year	January 1 – December 31
VAT %	21% standard; reduced rates 10%, 4%, 0%
Minimum Wage	€1,184/month × 14 = €16,576/year (2025)
Tax ID Number	NIF (Spanish citizens), NIE (foreign residents)
Current President	Pedro Sánchez (Prime Minister)

What you need to know about employing personal in Spain

1. Laws and Agencies that regulate labor relationships

The main employment laws in Spain are the Spanish Civil Code and the Spanish Workers’ Statute (Estatuto de los Trabajadores). Employment law in Spain is comprehensive and protects many rights for both citizens and non-citizens.

Laws	Brief Description
The Constitution	Based on the indissoluble unity of the Spanish Nation and signed in 1978 with amendments up to 2011. It sets the fundamental rights that influence labor and social protections.
Organization Membership	Spain is a member of or observer in multiple international organizations including: ADB (nonregional), AfDB (nonregional), Arctic Council (observer), Australia Group, BCIE, BIS, CAN (observer), CBSS (observer), CE, CERN, EAPC, EBRD, ECB, EIB, EITI (implementing), EMU, ESA, EU, FAO, FATF, IADB, IAEA, IBRD, ICAO, ICC, ICRM, IDA, IEA, IFAD, IFC, IFRCS, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), LAIA (observer), MIGA, NATO, NEA, NSG, OAS (observer), OECD, OPCW, OSCE, Pacific Alliance (observer), Paris Club, PCA, PIF (partner), Schengen Convention, SELEC (observer), SICA (observer), UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, Union Latina, UNOCI, UNRWA, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO, ZC.
Labor Code	Spain does not have a single codified labor code. Instead, labor relations are governed by the Spanish Workers’ Statute, collective bargaining agreements (convenios colectivos), and supplementary laws.
Social Security	Known as Seguridad Social. The general contribution rate is approx. 36.25% (29.9% employer, 6.35% employee) as of 2025. Employers pay the majority of this cost. Contributions cover healthcare, pensions, unemployment, and other benefits.

2. Key Tax and Labor Authorities

Authority	Description
Ministry of Finance (Ministerio de Hacienda)	Oversees public finance policies.
Agencia Estatal de Administración Tributaria (AEAT)	The revenue agency responsible for the assessment and collection of national taxes and customs duties.
Customs Surveillance Service	Investigates and enforces any violations of tax and customs regulations.

3. Labor Contracts

Law Reference	Description
Article 8.1 of the WS	Contracts can be verbal or written unless one of the parties specifically requests a written form.
Article 8.2 of the WS	Some contracts must be in writing, including: - Workers employed in Spain to work abroad for more than 4 weeks - Part-time contracts - Fixed-discontinuous contracts or relay contracts
Articles 14.1, 12.5.a, 21.4 of the WS & Article 8.5 of the RD	Probation periods, permanence agreements, and complementary hours agreements must be set in writing. Employment contracts must also state the identity of the parties, job category, occupational group, salary, workday, holidays, and collective bargaining coverage.
Trade Union Rights	Article 2.2 of the LOLS grants trade unions the right to establish bylaws and regulations. Employees have the right to join a trade union. Employers must consult with trade unions on workplace issues, company conditions, and worker representation.
Work Councils	Companies with 50+ employees must establish a work council (comité de empresa). Work councils monitor compliance with labor standards, health and safety, equality principles, and can report certain issues before the employer makes a decision.
Work Hours	Standard working time is 40 hours per week (8 hours/day). Spain is piloting a 32-hour workweek / 4-day week in certain companies and regions, but this is not yet nationwide law (2025).

Annual Taxable Income

There are two income taxes in Spain:

- Personal Income Tax (IRPF) for residents.
- Non-Residents’ Income Tax (NRIT) for non-residents who obtain income in Spain.

Income is divided into general taxable income and savings taxable income.

Savings taxable income includes:

- Dividends and returns from holding company shares.
- Income from capitalization transactions and life/disability insurance.
- Interest and income from transferring own capital to third parties.
- Capital gains from transfer of assets.

Tax rates for savings income (2025):

Income in Euro	Tax in %
0 – 6,000	19
6,000 – 50,000	21
50,000 – 200,000	23
Over 200,000	28
Over 300,000	30 (new from 2025)

General taxable income (IRPF 2025):

Taxable Base in Euro	Tax Liability in Euro	Excess of Taxable Base in Euro	Tax Rate %
0	0	12,45	19
12,45	2,365.50	7,75	24
20,2	4,225.50	15	30
35,2	8,725.50	24,8	37
60	17,901.50	240	45
300	125,901.50	Remainder	47

Non-Resident Income Tax (NRIT)

For non-residents with a permanent establishment in Spain, taxation applies as follows:

Definition	Rate in %
General Rate	24
EU/EEA residents with effective exchange of tax information	19

Definition	Rate in %
Capital gains from asset transfers	19
Interest	19
Interest for EU residents (DTT countries)	Exempt or reduced
Dividends	19 (unless a Double Tax Treaty applies)
Royalties	24 (unless a DTT applies)
Pensions	8 – 40

Corporate Tax Rates

The general corporate tax rate remains 25% in 2025. Newly created companies may apply a 15% reduced rate during the first two profitable years. Certain entities (cooperatives, investment funds, and others) may have special rates.

4. Public Holidays

The Spanish Workers’ Statute and national regulations provide for the following mandatory national public holidays in Spain (2025):

Date	Holiday Name
1 Jan	New Year’s Day
6 Jan	Epiphany
18 Apr	Good Friday
1 may 2025	Labor Day
15 Aug	Assumption of Mary
12 oct 2025	National Day of Spain
1 nov 2025	All Saints’ Day
6 Dec	Constitution Day
8 Dec	Immaculate Conception
25 Dec	Christmas Day

Note: In addition to these 10 nationwide holidays, each of Spain’s 17 autonomous communities and municipalities may establish their own regional/local holidays (up to 2–3 additional days), so the total can vary by region.

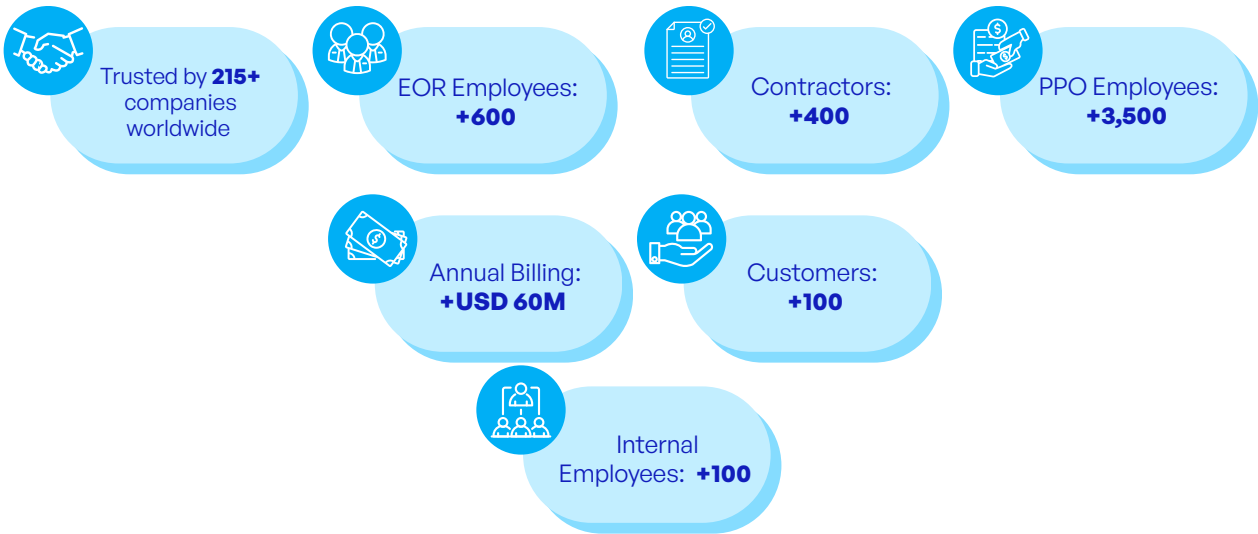
The background image shows a man in profile, seen from the side, working on a laptop. He is in a dimly lit office environment. Behind him, a large screen displays a grid of video call windows, each showing a different person, suggesting a global team meeting. The entire image has a blue color overlay. The text is centered over the image.

How Serviap Global Supports Your Expansion

Who we are?

Serviap Global, headquartered in Mexico City, brings over 25 years of local HR expertise and **15 years as a global Employer of Record (EOR) leader.**

With teams across the Americas, Europe, and Asia, we help companies build international teams without the complexity of foreign entities or regulations.



Our Solutions

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At Serviap Global, we provide comprehensive HR and workforce solutions to help companies expand and manage teams anywhere in the world.



How We Help You Hire and Onboard Talent

At Serviap Global, we simplify your international hiring process by managing every step , from contract creation to onboardin, ensuring full legal compliance in each country.

Below is an overview of our standard onboarding process for new hires, whether local or foreign:

Step	Description	Estimated Timeframe
1. Validate Onboarding Data	We verify candidate information and prepare the Service Order for client review.	2 business days
2. Formalize Service Order & Payment	The process begins once the Service Order is signed and advance payment is received.	2 business days (depending on client response)
3. Create Onboarding Documents	Draft job offer and employment contract.	1-2 business days
4. Send Documents to Candidate	Deliver approved documents to the candidate.	1 business day
5. Candidate Response	Candidate reviews, signs, and provides personal documentation.	2-4 business days
6. Confirm Acceptance & Finalize Onboarding	Receive signed documents and complete onboarding.	1 business day

Please note: timelines may vary depending on country-specific requirements such as background checks, pre-employment medical exams, or visa processing.

Why partner with us?

- **15+ Years of Expertise:** Proven track record in global expansions across 180+ countries.
- **LATAM Specialists:** Deep local knowledge for seamless hiring in high-growth regions.
- **Full Compliance & Agility:** Handle regulations so you can focus on business growth.
- **Human-Centered Support:** Multilingual team provides personalized, responsive service.
- **Cost-Effective Solutions:** Save on setup and operations with tailored, scalable plans.
- **All-in-One Platform:** Serviap Hub for total control and visibility.
- **Client-Driven Success:** 4.7/5 satisfaction, trusted by 215+ companies.
- **Value Differential:** Unlike competitors, we combine tech with human expertise for faster, more reliable global expansion.

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