Global Template Configuration

Spain

Last Updated: June 2017
## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jun-2017</td>
<td>Updated Spain Policy to support SII data requirements</td>
</tr>
<tr>
<td>22-Oct-2015</td>
<td>Updated best practice VAT</td>
</tr>
</tbody>
</table>
Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Spain. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Spain based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)
- 4 VAT Rates:
  - Standard 21%
  - Reduced 10%
  - Reduced 4%
  - Zero/Exempt 0%
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system

Airfare

VAT (the reduced rate of 10%) is only applicable on Airfare expenses where the destination is domestic and the ticket is purchased within Spain. Even if the City of Purchase selected by the user is within Spain, if the trip is overseas (International) then no VAT is applied. In order to assist in providing the necessary information to calculate VAT on Airfare the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

Car Rental

If you hire a Rental Car you can reclaim 100% of the Standard rate of VAT so long as both of the following apply:

- You hire the car for less than 1 year
- You use it specifically for your business.

In the event that the car is rented for over 1 year and/or it is used for something other than business during this period then only 50% of the VAT may be reclaimed.

To support the VAT handling for these conditions the Car Rental Expense Entry Form will allow the user to select from the following required drop-down (with no default value):

- Business Use Only/Less than 1 year
- Business and Personal Use/More than 1 year

Selection of the value ”Business Use Only/Less than 1 year” combined with a Tax Receipt will reclaim 100% VAT. Selection of any other value will calculate the reclaimable VAT to 50% together with a Tax Receipt.
**Newspapers/Magazines/Books**

The VAT rate for Newspapers, Magazines and Books varies depending on what is purchased. VAT on Books is 100% reclaimable at the reduced VAT rate of 4% while for Newspapers and Magazines the reclaimable amount is 0%.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Books
- Newspapers/Magazines

Based on the selection of the value above together with the Receipt Status of “Tax Receipt” the system will determine whether VAT is reclaimable.

**Non-Reclaimable Expenses**

Certain expense types have the Standard 21% VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.

- Alcoholic Beverages
- Entertainment - Clients
- Entertainment - Staff
- Gifts - Clients
- Laundry
- Relocation Expenses
Expense Types without Special Handling

**Standard 21%**
- Car Maintenance/Repairs
- Courier/Shipping/Freight
- Fuel
- Gifts - Staff
- Internet/Online Fees
- Marketing/Promotional Costs
- Mobile Phone
- Office Equipment/Hardware
- Office Supplies/Software
- Parking
- Printing/Photocopying/Stationery
- Professional Subscriptions
- Seminar/Course fees
- Telephone/Fax
- Tuition Reimbursement

**Reduced 10%**
- Breakfast
- Dinner
- Hotel
- Individual Meals
- Lunch
- Public Transport
- Taxi
- Tolls/Road Charges
- Train

**Zero/Exempt 0%**
- Airline Fees
- Bank Fees
- Currency Exchange Fees
- Fixed Meals
- Miscellaneous
- Passports/Visa Fees
- Personal Car Mileage
- Postage
- Tips/Gratuities
Exclusions
Special VAT conditions for which we do not include special tax handling conditions:

Canary Islands (Indirect General Tax)

On the Canary Islands, the Indirect General Tax (IGIC) applies. The IGIC, which is very similar to VAT, is an indirect tax that is levied on supplies of goods and services on the Islands by traders and professionals, as well as on imports of goods. Effective since July 1, 2012 the rates are as follows:

- Standard 7%
- Reduced 3%
- Increased Rates 9.5% and 13.5%

Concur is not configured to support IGIC VAT in the Canary Islands

**NOTE:** If customers wish to calculate and reclaim VAT separately for the Canary Islands this will require working with your Concur Implementation Consultant to scope the additional configuration work required.
Expense Types Not Activated

The following are a list of standard Expense Types not activated for Spain:

- Company Car Mileage
- Ex Pat Expenses
- Fixed Lodging
- Medical fees
- Non Reimbursable Expense
- Staff Awards/Incentives

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
**Travel Allowance**

**Common Practice**

The Spanish travel allowance regulations define the allowable amounts of reimbursement to the employee for travel expenses. Any reimbursement above those amounts defined is viewed as income by the taxation authorities. If a company elects to pay above the government allowance rates, then the company must also track the amount above the allowance as taxable income for the employee. It is common for collective agreements to set reimbursement amounts higher than those of the government.

Two methods of reimbursement are defined by the regulations: reimbursement for actual expense and reimbursement of a fixed allowance. Use of a fixed allowance for meals and actual expenses for lodging is the more commonly used method in Spain. A meals allowance is available if the meal occurred outside the employee's usual municipality. Amounts differ depending on whether the trip was within Spain or abroad.

Our standard template for Spain Travel Allowances includes the following features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Fixed Meals Allowances for trips “with” and “without” and Overnight stay

For more information please see the section *Allowance Rules Overview*

**Allowance Rates**

The tax regulations establish limits for reimbursement, which will not be considered taxable for the worker who receives them. These rates are not revised periodically and are updated rarely.
Allowance Rules Overview

The following is a brief overview of the core rules and calculations provided as part of the standard Spain travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Spain.

- The definition of a “Day” for Allowances is based on the Calendar Date method (i.e. a new allowance day commences on/after midnight).
- The day of departure uses the travel allowance rate for the traveller’s location at midnight, most often this is the destination location. The day of return travel gets the travel allowance rate of the last location visited (where the traveller spent the previous night). If several countries were visited during the same day, the last country visited that day decides the travel allowance rate (where the traveller spent the night).
- For a single day trip (the traveller leaves and returns on the same date), the allowance location is the traveller’s domestic location.
- Meals allowances are as follows:
  - With Overnight Stay:
    - €53.34 (Spain)
    - €91.35 (Abroad)
  - Without Overnight Stay:
    - €26.67 (Spain)
    - €48.08 (Abroad)
- The Spanish government does not define any rules for reducing the allowance amount for a partial day. Therefore, partial days will have no reduction and the traveller will be entitled to the full allowance as determined by other rules such as provided meals.
Exclusions

Provided Meals

Handling of provided meals is not clearly defined by the Spanish government. If meals are provided to the employee in addition to a fixed allowance, the amount of the meal can be deducted from the allowance.

**NOTE:** By default Provided Meals are NOT activated. If customers wish to configure Spanish travel allowance to support Provided Meals this will require working with your Concur Implementation Consultant to scope the additional configuration work required.
Mileage Rates

**Personal Car Mileage**

Personal Car Mileage in Spain is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
</tr>
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<tbody>
<tr>
<td>Personal Car</td>
<td>0.19 EUR</td>
</tr>
</tbody>
</table>

**Company Car Mileage**

No statutory Company Car Mileage rates are configured as part of the Template for Spain.
Other Known Legislative Requirements

SII (Immediate Submission of Information)

New receipt requirements in Spain come into effect in 2017.

In December 2016, an announcement was by the Spanish government requiring businesses that file monthly value-added tax (VAT) returns to electronically submit transactional invoice data for both sales and purchases as of July 1, 2017. As a result companies will need to implement a new reporting standard that includes real-time registration of transactional data, dubbed the Immediate Submission of Information (SII). The SII will require companies to submit all documents related to VAT liabilities in real time.

The term "Receipt" is no longer applicable - it is either an Invoice or a Simplified Invoice (traditional receipt).

VAT recovery rules have been changed to reduce the period in which a company can reclaim/deduct VAT on expenses from the tax authorities. The new rules stipulate that once an expense transaction has been posted to the GL/accounting system (sent for extract in Concur terms) the company has 4 days to report the deductible VAT to the authorities.

- For invoices issued, within 4 days of the invoice being issued (not applicable to Concur)
- For invoices received, within 4 days of the invoice being accounted for (i.e. being registered in GL)

Tax Information Required

The main consideration for Spain SII is that configuration is needed to ensure Concur is able to capture additional tax and vendor information required by the authorities.

The following data is required to be captured within Concur for posting into the accounting system:

- Merchant Tax Registration ID (NIF/CIF)
- Invoice Number/Series
- Type of Invoice
- Invoice Issue Date / Transaction Date
- Name of Vendor/Issuer
- Vendor Address
- Taxable Amount
- Tax/VAT Rate
- Deductible VAT Amount
- Description of Transaction
To support the requirement to gather additional information for Merchant/Vendor Invoice and Tax information the Spain Expense Policy includes entry forms configured to include the following:

- **Business Purpose** - required on all forms
- **Vendor Name/Vendor List** - required on all forms
- **Merchant Tax ID** - not required. This is a core system field. Audit rules can be used to force the user to complete this.
- **Tax Invoice Number** - required on all forms. This is a reserved custom entry text field.

**Example Concur Expense Entry Form used for Spain**

![Expense Entry Form](image)

**Merchant Tax ID Validation Formula**

There is a possibility of differences in the format of the Merchant Tax ID (NIF) and therefore it may not be possible to have a field validation in Concur using a regular expression that covers all scenarios. However here are some examples:

- A-NNNNNNNN-X \^[A-Z]\{1\}-(\d-9\{7\})-(\d-9\{1\})$  
- ANNNNNNNN-X \^[A-Z]\{1\}(\d-9\{7\})-(\d-9\{1\})$  
- ANNNNNNNNX \^[A-Z]\{1\}(\d-9\{7\})(\d-9\{1\})$

**NOTE:** If customers wish to add a regular expression to validate values entered in the Merchant Tax ID field this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

**Availability of the Merchant Tax ID in the Standard Accounting Extract**

IMPORTANT - The system entry field Merchant Tax ID is only currently available in the latest version of the Standard Accounting Extract (version 3.03). Customers must therefore ensure that they are either on the latest version of the SAE.

**NOTE:** If customers are not using the latest version of the SAE this will require working with your Concur Implementation Consultant to scope the additional configuration work required to use a custom entry field for Merchant Tax ID instead of the system field.