

SPANISH MUNICIPAL LEGISLATION INVOLVING QUESTIONS OF PRIVATE INTERNATIONAL LAW, 1991

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I. SOURCES OF PRIVATE INTERNATIONAL LAW

II. INTERNATIONAL JURISDICTION

III. PROCEDURE AND JUDICIAL ASSISTANCE

— Organic Law 12/1991, dated 10 July, on the modification of articles 411, 412, 413, 414, 415, 702 and 703 of the *Ley de Enjuiciamiento Criminal* (*LEC* — Law on Criminal Procedures) (*BOE*, n. 165, 11.7.91).

Note: Articles 411, 412.7 and 415 regulate the testimony of diplomats and adjunct personnel accredited in Spain and the members of consular offices. See the text of these provisions in its entirety in Section VI.4 (Privileges and Immunities) of the section called Spanish Municipal Legislation involving questions of Public International Law, published in this volume.

IV. RECOGNITION AND ENFORCEMENT OF FOREIGN JUDGEMENTS AND DECISIONS

V. INTERNATIONAL COMMERCIAL ARBITRATION

VI. CHOICE OF LAW: SOME GENERAL PROBLEMS

VII. NATIONALITY

— Instruction dated 20 March 1991, on nationality (*BOE* n. 73, 26.3.91; correction of errors *BOE* n. 74, 27.3.91).

Note: This instruction from the *Dirección General de los Registros y del Notariado* (*DGRN* — General Registry and Notary of the Ministry of Justice) sent to judges and consuls in charge of civil registries, establishes interpretive criteria by which to answer general questions related to the application of Law 18/1990, dated 17 December, on the reform of the *Código Civil* (*C.c.* — Civil Code) in matters of nationality (*BOE*, n. 302, 18.12.90).

— Order dated 11 July 1991, on the processing of requests for exemption from the residency requirement in Spain (*BOE* n. 176, 24.7.91).

Note: This order explains the authority given to the government by article 26.1, a), of the *C.C.* in the version given in Law 18/1990 dated 17 December, regarding the reform of the *C.C.* in matters of nationality and the Third Transitory Provision of that law by which an exemption from the legal residency requirement for the recovery or acquisition of Spanish citizenship can be granted in certain cases.

VIII. ALIENS, REFUGEES AND CITIZENS OF EUROPEAN COMMUNITY

— Order dated 9 January 1991, establishing assistance programmes for immigrants (*BOE* n. 19, 21.1.91; correction of errors *BOE* n. 40, 15.2.91).

Note: Different types of aid are established to help immigrants and their families in the areas of social integration and professional advancement.

— Royal Decree 174/1991, dated 15 February, on the citizenship requirement for admission to the Official Association of Attorneys and Solicitors (*BOE* n. 43, 19.2.91).

Note: Articles 15.1 of the General Statute on the Legal Profession and 5.1 of the General Statute on Solicitors are modified to allow the admission into both professional associations of citizens of European community countries.

— Law 5/1991, dated 28 February, which partially modifies article 14 of Law 83/1980, dated 30 December on Rural Rentals (*BOE* n. 52, 1.3.91).

Note: The only article of this Law says as follows:

“Only article: Section two of article 14 of Law 83/1980 dated 31 December, on rural leases is worded as follows:

Two. - Foreign individuals or corporations can not be leaseholders except in the following cases:

a) Individuals or corporations that pertain to a member State of the European Economic Community.

b) Individuals or companies that pertain to other States that apply the principle of reciprocity to Spanish citizens in this area”.

This modification is stipulated in European Community Council Directive 67/531/EEC dated 25 July.

— Royal Decree 357/1991, dated 15 March, developing Law 26/1990 on non-contributive pensions and establishing non-contributive Social Security services (*BOE*, n. 69, 21.3.91).

Note: This decree, and the Law developed from it, recognize the right to a pension for those individuals who do not earn the minimum amount of income established by these provisions. This right does not depend on a prior contribution to the Social Security system by the beneficiary. Foreign citizens are not excluded from the right to obtain this type of pension, although this right can only be exercised by persons who have held legal residency in Spain for at least five years — in the case of disability pensions — or for at least ten years — in the case of retirement pensions (articles 1 b), 8 b) and 10).

— Order dated 22 March 1991, modifying the one issued 8 July 1988, regulating the aptitude tests required for admittance to universities, technical schools and junior colleges for students with foreign studies that can be validated (*BOE* n. 80, 3.4.91).

— Resolution dated 7 June 1991, authorizing the publication of the Agreement of the Council of Ministers dated 7 June 1991 on the legalization of foreign workers. (*BOE* n. 137, 8.6.91).

Note: This Agreement of the Council of Ministers comprises the second opportunity since the entry into force of Organic Law 7/1985, dated 1 July on the rights and freedoms of foreigners in Spain, for individuals who are working illegally in Spain to legalize their situation. The deadline for this legalization ended 10 December 1991.

— Royal Decree 1017/1991, dated 18 June, regulating the recognition of diplomas, certificates and other degrees for midwives or obstetrical assistants from other EEC member States, and the actual exercise of the right to establish and freely provide services (*BOE* n. 155, 29.6.91).

Note: This decree is the result of the development of the EEC Council Directives 80/154/EEC and 80/155/EEC, modified by Directive 80/1273/EEC, by the Act of Accession of Spain and Portugal, dated 1 January 1986 and by Directive 89/594/EEC.

— Order dated 5 July 1991, substituting the annex to the Order issued 22 March 1991, which modified the order dated 8 July 1988, regulating the aptitude tests for admittance to universities, technical schools or junior colleges for students with foreign studies that can be validated (*BOE* n. 165, 11.7.91).

— Royal Decree 1521/1991, dated 11 October, on the creation, areas of responsibility and functioning of Offices for Foreigners (*BOE* n. 257, 26.10.91).

Note: These offices centralize the processing of all paperwork related to foreigners in one office at the provincial level.

— Order dated 14 October 1991, regulating the conditions and the procedures for validation of foreign degrees for Pharmacists and Medical Specialists to the corresponding official Spanish degree (*BOE* n. 254, 23.10.91).

Note: This provision refers to the general procedure for the validation of the aforementioned degrees. Those degrees obtained in EEC member countries are governed by their own specific rules.

— Royal Decree 1665/1991, 25 October, regulating the general system for the recognition of degrees in Higher Education granted in the member States of the European Economic Community which require a minimum of three years of formal academic preparation. (*BOE* n. 280, 22.11.91).

Note: This decree develops the European Community Council Directive 89/48/EEC, dated 21 December 1988.

— Organic Law 13/1991, 20 December on Military Service (*BOE* n. 305, 21.12.91).

Note: This Law includes several provisions regarding obligatory military service for Spanish citizens living abroad (articles 9.2, 9.4 and 14.1) as well

as exemption from military service for those who have served in the military in a foreign country (article 11.1 and the second additional provision).

IX. NATURAL PERSONS: LEGAL INDIVIDUALITY, CAPACITY AND NAME

X. FAMILY LAW

XI. SUCCESSION

XII. CONTRACTS

— Order dated 25 January 1991, which publishes the amount of European Currency Units (ECUs) that should figure in article 29 of the *Ley de Contratos del Estado* (Law on State Contracts) (*BOE* n. 54, 4.3.91; error correction *BOE* n. 93, 18.4.91).

Note: As a consequence of the provisions of Council Directive 89/440/EEC, any State contract for construction that is worth more than 5 million ECUs must be advertised in the Official Journal of the European Community. This amount was changed from 1 million. As a result, the quantity included in articles 29 and 36 bis of the Law on State Contracts is brought up to date.

— Order dated 19 April 1991, which determines the risk derived from international and foreign trade that is covered by the State (*BOE* n. 97, 23.4.91; error correction *BOE*, n. 109, 7.5.91).

Note: This provision determines the risks (breach of contract due to war or catastrophe abroad, breach of contract on the part of a public or private foreign entity, or even breach of contract due to regulations adopted by Spanish authorities) derived from foreign trade that are covered by the State and whose processing is exclusively the responsibility of the *Compañía Española de Seguros de Crédito a la Exportación* (CESCE — Spanish Insurers of Export Credits) which insures these risks both personally and in the name of the State.

— Law 31/1991, dated 10 December on the General State Budget for 1992 (*BOE* n. 313, 31.12.91).

Note: Point two of the Sixth Additional Provision establishes 450 billion pesetas as the maximum limit of coverage that the Spanish Insurers of Export Credits can offer in the name of the State for the 1992 fiscal year.

XIII. TORTS

XIV. PROPERTY

Note: See Section XI.2 (Cultural Cooperation) of Spanish Municipal Legislation involving questions of Public International Law published in this volume.

XV. COMPETITION LAW

— Law 3/1991, dated 10 January on unfair competition (*BOE*, n. 10, 11.1.91).

Note: The article 4 of this Law says as follows:

“Article 4. *Territorial level.* This Law will be applied to acts of unfair competition that produce or might produce substantial effects on the Spanish market”.

XVI. INVESTMENTS AND FOREIGN EXCHANGE

— Order dated 11 March 1991, abolishing the 4 August 1990, order regarding certain financial transactions with Kuwait (*BOE* n. 79, 2.4.91).

— Order dated 16 April 1991, authorizing foreign currency accounts for residents (*BOE* n. 93, 18.4.91; error correction *BOE* n. 121, 21.5.91).

Note: This provision was abolished by the Second Final Provision of Royal Decree 1816/1991, dated 20 December on Economic Transactions with Foreign Countries (see the reference to this rule in this section).

— Order dated 16 April 1991, authorizing banks to grant loans in *pesetas* to non-residents. (BOE n. 93, 18.4.91).

Note: This Order was abolished by the second final provision of Royal Decree 1816/1991, dated 20 December, on Economic Transactions with Foreign Countries (see the reference to this rule in this section).

— Resolution dated 16 April 1991, issued by the *Secretaría de Estado de Economía* (Secretary of the Treasury) on accounts belonging to residents of Spain in foreign currencies. (BOE n. 93, 18.4.91).

Note: See the note on the Order issued 16 April 1991, authorizing accounts in foreign currencies for residents.

— Resolution dated 6 May 1991, issued by the *Secretaría de Estado de Economía* (Secretary of the Treasury), on loans granted to non-residents by banks as authorized by the Order dated 16 April 1991 (BOE, n. 126, 27.5.1991).

Note: See the note on the order dated 16 April 1991, authorizing loans in *pesetas* granted by banks to non-residents.

— Order dated 13 June 1991 regulating the current invisible transactions with foreign countries (BOE n. 158, 3.7.91).

Note: This Order was abolished by Royal Decree 1816/1991, dated 20 December, on Economic Transactions with Foreign Countries — second final provision (see the reference to this rule in this section).

— Resolution dated 24 June 1991, issued by the *Dirección General de Transacciones Exteriores* (Office for Foreign Transactions) which develops the Order dated 13 June 1991 on current invisible operations with foreign countries (BOE n. 164, 10.7.91).

Note: See Note to the Order dated 13 June 1991 on current visible operations with foreign countries.

— Royal Decree 1080/1991, dated 5 July, determining the countries or territories to which article 2.3,4) of Law 17/1991, dated 27 May, on Emergency Tax Measures, and 62 of Law 31/1990, dated 27 December, on the General State Budget for 1991 refers (BOE n. 167, 13.7.91).

Note: This is a list of countries or territories that are considered to be “tax havens”. To which one refers the Royal Decrees 671/1991, dated 2 July, on Foreign Investment in Spain [articles 7.2,e), 13.3 and 15,b)], 672/1992, dated 2 July, on Spanish investments in foreign countries [articles 5.2,c), 6.2

and 13] as regards the system applicable to certain investments. See the Note on this same provision found in Section XXIII (Tax Law).

— Order dated 26 July 1991, on the constitution and regulation of aid to mixed corporations (*BOE* n. 186, 5.8.91).

Note: This order regulates the procedure by which Spanish builders of fishing vessels interested in creating mixed corporations in order to exploit fishing resources in other countries can obtain financial assistance from the E.E.C.

— Royal Decree 1285/1991, dated 2 August, establishing the procedure for payment of interest on the Public Debt in annotations for non-residents having no permanent business address in Spain who invest here (*BOE* n. 190, 9.8.91).

— Order dated 25 September 1991, modifying the order of 4 February 1990, on foreign investment in Spain (*BOE* n. 241, 8.10.91).

Note: The minimum amount for which prior verification was required was raised. This provision was abolished by Royal Decree 671/1992, dated 2 July, on foreign investment in Spain (Only derogatory clause number 10). This Royal Decree, together with Law 18/1992, dated 1 July, establishing certain rules on foreign investment in Spain, has replaced the 1986 Law on Foreign Investment in Spain (Royal Legislative Decree 1265/1986, 27 June) and its Regulations (Royal Decree 2077/1986, 25 September).

— Resolution dated 25 October 1991, issued by the *Dirección General de Transacciones Exteriores* (Office for Foreign Transactions), modifying the 20 December 1985 Resolution and Circular 33/1986, dated 18 March, on foreign accounts in ordinary *pesetas* (*BOE* n. 262, 1.11.91).

Note: This Resolution was abolished by the derogatory clause included in the Resolution dated 7 January 1992 by the General Office for Foreign Transactions. As regards foreign accounts in ordinary *pesetas*, see the first transitory provision of the Order dated 27 December 1991, whose purpose was to develop Royal Decree 1816/1991, dated 27 December on economic transactions with foreign countries.

— Law 28/1991, dated 5 December, which abolishes law 197/1963, dated 28 December, on National Points of Touristic Interest (*BOE* n. 292, 6.12.91).

Note: The declaration of a site as being of touristic interest implied the granting of the authorization established in the legislation based on reasons

having to do with strategic and national defense referred to in article 12 of the abolished Law on Foreign Investment in Spain (investment in real estate) — see in this Section, the Note to the Order dated 25 September 1991, which modifies the order dated 4 February 1990, on foreign investments in Spain. Currently Law 8/1975, dated 12 March, on zones and installations of interest for national defense is still in full effect. This Law was modified by article 106 of Law 13/1990, dated 27 December, on the General State Budget for 1991.

— Royal Decree 1816/1991, 20 December, on Economic Transactions with foreign countries (*BOE* n. 310, 27.12.91).

Note: This provision, together with Law 40/1979, dated 10 December, on exchange control (modified by Organic Law 10/1983, dated 16 August) with Royal Decree 671/1992, dated 2 July, on foreign investment in Spain, and with Royal Decree 672/1992, dated 2 July, on Spanish investment in foreign countries, comprises the basic regulations of Spanish law on exchange control. Under Law 40/1979, the movement of currency not specifically contemplated in the regulations on investment (Royal Decrees 671/1992 and 672/1992) is liberalized. In accordance with Royal Decree 1816/1991, all exchange transactions should be done through banks. The only situation that requires prior administrative authorization is the physical exportation of money in amounts that exceed five million *pesetas*; the absence of the proper authorization in such a case is the only monetary crime that exists in Spanish law. Royal Decree 1816/1991, in several provisions, expressly abolishes the Regulation on foreign investment in Spain that had been approved by Royal Decree 2077/1986 on 25 September.

— Order dated 27 December 1991, developing Royal Decree 1816/1991, dated 27 December, on economic transactions with foreign countries (*BOE* n. 313, 31.12.91).

Note: See, in this section, the Note to Royal Decree 1816/1991, dated 27 December, on economic transactions with foreign countries.

— Order dated 27 December, 1990, liberalizing certain movements of capital in foreign countries (*BOE* n. 10, 11.1.91).

Note: Some Spanish investments in foreign countries are liberalized in order to comply with the deadlines established in Council Directive 88/361/EEC or in order to speed up the liberalization process by proceeding with the modification of certain principles found in the Order dated 19 December 1988, on Spanish investment in foreign countries. The Order dated 27

December 1990, was abolished by Royal Decree 672/1992, dated 2 July, on Spanish investment in foreign countries (Derogatory Clause number 4).

XVII. FOREIGN TRADE LAW

— Order dated 14 January 1991, modifying the order dated 12 March 1987, modified by the orders dated 7 September 1989, 29 January and 10 October 1990, which established the phytosanitary rules applicable to the importation, exportation and transport of vegetables and vegetable by-products according to Directive 77/93/EEC and its modifications (*BOE* n. 20, 23.1.91).

— Royal Decree 288/1991, dated 8 March, regulating immunological medications meant for human use (*BOE* n. 61, 12.3.91).

Note: Article 5.2 establishes the regulations for the control of the importation and exportation of the products included in this Royal Decree.

— Resolution dated 11 March 1991, issued by the Secretary of State for Commerce, modifying the commercial system applicable to exports to Kuwait (*BOE* n. 64, 15.3.91).

— Circular 1020, dated 27 March 1991, issued by the *Dirección General de Aduanas e Impuestos Especiales* (Office for Customs and Special Taxes), on temporary storage depositories. The presentation of merchandise for importation in warehouses other than those belonging to Customs (*BOE* n. 79, 2.4.91).

— Order dated 4 April 1991, establishing time exceptions and modifying the Order dated 12 March 1987, which establishes phytosanitary rules for the importation, exportation and transport of vegetables and vegetable by-products in accordance with Directive 77/93/EEC and its modifications (*BOE* n. 83, 6.4.91; error correction *BOE* n. 86, 10.4.91, and n. 98, 24.4.91).

— Order dated 31 May 1991, modifying the commercial system for exchanges with Iraq (*BOE* n. 133, 4.6.91).

— Resolution dated 14 June 1991, issued by the *Dirección General de Aduanas e Impuestos Especiales* (Office for Customs and Special Taxes),

bringing the *Arancel Integrado de Aplicación* (TARIC) up to date (BOE n. 151, 25.6.91).

— Order dated 18 June 1991, developing Royal Decree 1192/1979, on customs clearance for merchandise being granted at warehouses belonging to the interested parties themselves (BOE n. 162, 8.7.91).

— Order dated 27 June 1991, modifying the system of commercial exchange with the Principality of Andorra (BOE n. 155, 29.6.91).

— Royal Decree 1109/1991, dated 12 July, approving the General Rules regarding frozen food for human consumption (BOE n. 170, 17.7.91).

Note: Article 8 establishes the rules on the importation and exportation of the products covered by these regulations which should be followed for items coming from non-EEC countries. However, compliance is not required for processed products exclusively destined for consumption in non-EEC member countries.

— Circular 1025/1991, dated 20 August, issued by the *Dirección General de Aduanas e Impuestos Especiales* (Office for Customs and Special Taxes) regarding instructions for the application of EEC Regulation number 1522/91 (BOE n. 209, 31.8.91).

— Order dated 24 October 1991, establishing exceptions to the phytosanitary controls on the importation of vegetables or vegetable by-products originating in or coming into Spain from countries that have signed the Schengen Accord (BOE n. 262, 1.11.91).

— Order dated 23 December 1991 establishing the different commercial systems for importation (BOE n. 313, 31.12.91).

See Section XXIII (Tax Law) in this chronicle on Private International Law and also sections XI.3 (Tariffs and Trade Cooperation) and XVI (Coercion and the Use of Force Short of War) in the section called Spanish Municipal Legislation involving Questions of Public International Law, also found in this text.

XVIII. BUSINESS ASSOCIATION/CORPORATIONS

— Order dated 26 July 1991, on the constitution and regulation of aid to mixed corporations (*BOE* n. 186, 5.8.91).

Note: See the note to this same order in Section XVI (Investment and Foreign Exchange).

XIX. BANKRUPTCY

XX. TRANSPORT LAW

— Resolution dated 5 November 1991, issued by the *Dirección General del Transporte Terrestre* (General Office for Land Transport), authorizing publication of the entire text of the Order dated 30 September 1986, which liberalizes certain types of international transport of passengers and merchandise, with the modifications introduced into it by the order dated 18 October 1991 (*BOE* n. 274, 15.11.91).

See Section XI.4 (Road Traffic and Transport) and XI.5 (Air Traffic and Transport) in the section called Spanish Municipal Legislation involving questions of Public International Law, published in this text.

XXI. LABOUR LAW AND SOCIAL SECURITY

XXII. CRIMINAL LAW

XXIII. TAX LAW

— Law 8/1991 dated 25 March, approving the tax on manufacturing and importation in the cities of Ceuta and Melilla (*BOE* n. 73, 26.3.91).

— Law 17/1991, dated 27 May, on Emergency Fiscal Measures (*BOE* n. 127, 28.5.91).

Note: The main object of this Law, which will be in effect between 1 January and 31 December 1991, is to adopt the provisions needed to ensure the enforcement of the budgetary provisions made for the 1991 fiscal year given the delay that occurred in the approval of the new tax laws on personal income and estates. Article 2 includes the types of taxes applicable to non-residents.

— Law 18/1991, dated 6 June, on Individual Income Tax (*BOE* n. 136, 7.6.91; error correction *BOE* n. 236, 2.10.91).

Note: The following articles are relevant from the perspective of private international law: article 4 (Treaties and Conventions), 9.2 (reciprocal exemption of certain types of income received by non-residents), 11 (persons subject to taxation, either due to personal obligation — those residing in Spain — or due to real obligation — those not residing in Spain who receive income produced in Spanish territory), 12 (circumstances that determine residency under this Law), 13 (irrelevance of the place income is produced for individuals who are subject to this law due to personal obligation), 14 (special issues related to personal obligation: Spanish civil servants residing in foreign countries), 15 (exceptions to personal obligation: foreign civil servants residing in Spain), 16 (rules regarding the real obligation to pay taxes), 17 (exemptions from the real obligation to pay taxes). Also of interest are articles 18 and 22 (taxable income, tax debt, deductions, formal obligations and duties and representation of non-residents who are taxpayers due to real obligation).

— Law 19/1991, dated 6 June, on Estate Taxes (*BOE* n. 136, 7-6-91; error correction *BOE* n. 236, 2.10.91).

Note: In this Law the following article stands out: article 2 (area of territorial application, taking into account the specific rules that are cited regarding the Basque Country and Navarra, as well as the application of the tax without prejudice to the provisions of the Treaties signed by Spain), 5 (individuals required to file a tax return due to personal or real obligation with reference to the provisions regarding the Law on individual income taxes) 6 (representation of non-resident taxpayers in Spain), 32 (taxes paid to foreign countries), and 37, letter b) (individuals required to file a tax return due to real obligation).

— Resolution dated 14 June 1991, issued by the *Dirección General de Aduanas e Impuestos Especiales* (Office for Customs and Special Taxes), updating the *Arancel Integrado de Aplicación* (TARIC) (*BOE* n. 151, 25.6.91).

— Royal Decree 1003/1991, dated 21 June, modifying the quantitative limits set on exemptions from value added tax applicable to travelers. (*BOE* n. 152, 26.6.91).

— Royal Decree 1080/1991, dated 5 July, determining the countries and territories referred to in articles 2, section 3, number 4 of Law 17/1991, dated 27 May, on Emergency Fiscal Measures, and 62 of Law 31/1990, dated 27 December, on the General State Budget for 1991 (*BOE* n. 167, 13.7.91).

Note: This text includes a list of countries and territories considered to be “tax havens” in terms of paying taxes on certain types of income received in Spain through the countries or territories included on the list. See the Note on this same provision found in Section XVI (Investment and Foreign Exchange) as well as the Note on Royal Decree 1841/1991, dated 13 December and included in this section.

— Royal Decree 1629/1991, dated 8 November, approving the Regulation of Taxes on Inheritances and Donations (*BOE* n. 275, 16.11.91).

Note: The following principles should be highlighted: article 5 (area of territorial application, taking into account the specific rules that are cited regarding the Basque Country and Navarra, as well as the application of the tax without prejudice to the provisions established in the Treaties signed by Spain), article 17 (personal obligation to pay taxes, that is, individuals who are required to pay taxes due to their residency status and independent of the situation of their property and other sources of income), article 18 (real obligation, that is, individuals who are not required to pay taxes due to personal obligation, should pay taxes on the acquisition of property and income from sources located in Spain) and article 46 (deduction for international double taxation when the obligation to pay taxes is personal).

— Law 31/1991, dated 10 December, on the General State Budget for 1992 (*BOE* n.313, 31.12.91).

Note: Article 70, only in effect for the 1992 fiscal year, modifies section 3 of article 23 of Law 61/1978, dated 27 December, on Corporation Tax, which establishes the tax rates for non-resident entities with no permanent business address in Spain. Article 71 establishes the deadlines for the payment in advance of corporation tax by non-resident corporations that are not permanently established in Spain. Finally, article 72 modifies article 26 of Law 61/1978, in which the deductions applicable to corporations for certain investments and expenses incurred in foreign countries are listed.

— Law 29/1991, dated 16 December, on the adaptation of certain tax principles to the Directives and Regulations of the European Community (*BOE* n. 301, 17.12.91).

Note: This Law is divided into four sections. The first establishes the tax system applicable to mergers, splits in corporations, contribution of assets or stock exchanges applied equally to operations carried out by entities residing in Spain or when entities from other countries intervene. The second section is meant to regulate taxation on the distribution of profit received by corporations residing in Spain from their subsidiaries in other CEE countries as well as the distribution of profit produced by corporations residing in Spain in benefit of the parent company which is located in an EEC member state. The third section introduces a series of modifications in the Revised Text on the Taxation of Estate Transfers and Documented Legal Acts, approved by Royal Legislative Decree 3050/1980, dated 30 December, among which we find the new wording for article 6 (personal and spatial scope) and article 20 (tax liability for non-resident entities for operations carried out within Spanish territory through branch offices located in Spain). Finally, the fourth section has to do with the modification of some principles of Law 30/1985, dated 2 August, on the value added tax. The most noteworthy changes are the new wording of article 11 (exemptions related to areas and customs and tax systems), article 22 (exemptions from duties on the importation of goods in tax free areas and those that come under certain customs and tax systems), and the addition of a number 5 to article 26 (importation of goods for consumption by persons who are not involved with those goods for business purposes).

— Royal Decree 1841/1991, dated 30 December, approving the Regulation of Personal Income Tax and modifying other tax rules (*BOE* n. 313, 31.12.91).

Note: The most noteworthy provisions of this Royal Decree that modify other tax laws are: the Second Additional Provision (fixing the coefficient referred to in article 16.9 of Law 61/1978, dated 27 December, on Corporation Tax related to indebtedness to linked entities with no registered office in Spain), and the Third Additional Provision (establishing that the tax havens referred to in article 17 of Law 18/1991 on Personal Income Tax, article 23 of Law 61/1978 on Corporation Tax and article 24 of Law 29/1991 on the adaptation of certain tax principles to the Directives and Regulations of the European Community, will be the ones specified in Royal Decree 1080/1991 — see this last disposition in this section).

In the area of the Regulation of Personal Income Tax, the following should be mentioned: Chapter VII — articles 69 to 75 — (real obligation to pay taxes), the Second Additional Provision (transfer of income to foreign countries), and the Fourth Transitory Provision (deadline for the filing of tax returns and payment for non-resident taxpayers that work with no permanent address in Spain). See the note in this section on Law 18/1991, dated 6 June, on Personal Income Tax.

Also see above Section XVII (Foreign Trade Law) in this chronicle on private international law, as well as Sections XI.2 (Cultural Cooperation), XI.3 (Tariffs and Trade Cooperation) and XIII (European Communities) in the section on Spanish Municipal Legislation involving Questions of Public International Law in this book.

XXIV. INTERLOCAL CONFLICT OF LAWS