

How to set up a Bank in Spain



Banks incorporated under Spanish law are authorised to exercise any type of banking activity well as investment services. Banks may benefit from the EU passport and render cross-border services in other EU Member States by means of establishing a branch or through the freedom to provide services.

Authorisation procedure

The application for the creation of a Spanish Bank must be submitted with the Spanish Public Treasury (*Dirección General de Tesoro y Política Financiera*). The process may legally take a maximum of 12 months since the application form is completed. If no official reply is formulated within the aforementioned period, the application will be deemed to be rejected.

Authorisation is granted by the Minister of Economy and Finance, prior favourable report from the Bank of Spain and the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences (*Seplac*).

Once the authorisation is granted, the entity must be constituted and incorporated into the Spanish Mercantile Registry (*Registro Mercantil*). Afterwards, it must be incorporated into the Special Registry of the Bank of Spain. The registration will be published in the State Official Bulletin (*Boletín Oficial del Estado*) and communicated to the European Commission.

Supervisory authority

Spanish Banks are supervised by the Bank of Spain. They are also supervised by the Spanish Securities Market Commission (CNMV) on investment services conduct rules provided that they render investment services.

Regulatory framework

The legal conditions governing the establishment of a Spanish Bank are laid down in the Royal Decree 1245/1995, of 14 July, on Banks Creation.

Capital and shareholders

The minimum capital of the Spanish banks is 18,030,363.13 Euros, which will be subscribed and fully disbursed.

The bank shareholders may be either individuals or legal entities. Shareholders who own Bank holdings which may result in significant influence are subject to commercial and professional honorability requirements. In addition information on their annual accounts/economic situation will need to be disclosed.

Requirements to carry out their activity

Spanish Banks will be incorporated as a public limited company (*Sociedad Anónima*). They will have sound administrative and accounting organization. Defined risk control procedures and adequate internal control processes for the detection of money laundering and terrorist financing are required.

Central administration

The registered seat and central administration of a Spanish bank must be in Spain.

Members of the Board of Directors (a minimum of 5) must evidence their commercial and professional honorability. Likewise Board Members must be experienced and have adequate knowledge to carry out their functions. These same requirements will be applicable to Banks' general managers. Directors and general managers will be incorporated into the Bank of Spain Official Registry of Banking Top Management.