

# Libertad – co-ownership in Spain

FACT SHEET | Co-ownership savings + Reduce your tax bills



Dream homes in Spain's finest locations can be bought using Libertad tax breaks purchase, coupled with co-ownership for family & friends.

## Libertad tax break co-ownership is seamless & easy

The UK Government-sponsored concept of SIPPs (self invested personal pensions) to simplify the UK's chaotic pension industry struck a cord with 1,000s of British families who loved the idea of buying a place in the sun with loads of tax breaks as promised. Unfortunately, tax break property pension options have been withdrawn as the so-called pension revolution fizzled out amid Whitehall chaos.

But now the good news from Spain – favourite vacation destination where most of the SIPPs property investment would have landed - is that a team of Spanish solicitors, accountants, banks and property experts have developed **Libertad** property purchase, which offers new “freedom” and a wide range of tax breaks in acquiring and running a Spanish property. **Libertad** is ideal for co-ownership and Spain's first long-term interest only mortgages can be used to minimise buying and running costs for all the co-owners!

**Libertad** offers tax breaks that exceed those promised by SIPPs and any that come when UK residents buy directly themselves – and without too much red tape, excessive clauses & regulation and is based on existing established rules. Just as SIPPs pension property purchase was termed a “tax protection wrapper” by the UK Government and pensions industry, **Libertad** provides a fully legal and tax efficient equivalent applied only to property purchase in Spain, Europe's fastest growing residential market and where most UK buyers want to be.

**Libertad** comes in three parts covering pre-purchase, legalised purchase and post purchase management and tax sheltering. As the same team is legally responsible for all inter-related Libertad formalities, buyers can expect a smooth, fully legal, red-tape and hassle free experience.

### What does it cost?

For off-plan properties you pay a standard reservation fee of EUR 3,000 to EUR 6,000 or 10% of purchase price for key ready or resales, amounts that secure your choice and price you pay. Then a one-off EUR 3,012 is required by Spanish Law as a formation deposit to form your **Libertad** company that acquires the property asset. When the company number and certificate are issued, the EUR 3,012 pays for the formation costs and preparation and submission of the first year's **Libertad** accounts.

### Personal Tax Haven

As **Libertad** property is held outside of the personal estate, it is unlikely (under current legislation) of inheritance tax being applied in Spain or the UK. This vital **Libertad** (Freedom) has a massive appeal with current IHT thresholds hitting so many UK families and uncertainties on pensions and retirement.

Property in Spain Factsheets provide invaluable briefing information on outstanding developments and investment opportunities as well as timely facts relevant to buying decision-making on your Spanish property aspirations. Information believed correct at publication. Property details have no contractual value. Take legal & fiscal advice.

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**FACT SHEET | Libertad tax breaks purchase & co-ownership**

Capital Gains Tax (max 18% levied on declared profit) in a **Libertad** can be rolled over into second or subsequent property purchase. It might be possible to mitigate all CGT upon disposal of **Libertad** wrapper, so there would be a NIL taxation balance during ownership. **Libertad** income, if taken, would be subject to personal taxation in the UK only after all Spanish tax breaks allowed via set-off within UK's Double Tax Treaty with Spain. Conversely, Spain might charge a nominal 3% transfer tax on **Libertad** home disposal. Running costs, municipal & property taxes are tax allowable.

**Co-ownership with family & friends**

**Libertad** tax break buying benefits can be extended to co-ownership purchase (shared ownership or as known in North America, fractional ownership) where family, friends or fellow investors buy together with full freehold rights and share the costs and benefits. It costs less for everybody and takes the waiting out of wanting, where a home of your own in Sunny Spain is concerned.

**Libertad 1** is for a one-family purchase...dad, mum and son or daughter.

**Libertad 2** is for a couple, or partners buying together.

**Libertad 3** is for extended family with friends or three friends/colleagues/investors buying together.

**Libertad 4** is for extended family with friends or four friends/colleagues/investors buying together.

Buying into **Libertad** property is seamless, with the low set-up and running costs fully tax allowable including the IVA (VAT) on fees. Selling involves a simple share transfer with the co-owner price either one third or one quarter of the latest property valuation. Mortgage share of the vendor co-owner can be taken over.

**Libertad** co-owners can sell through **PropertyInSpain.Net**

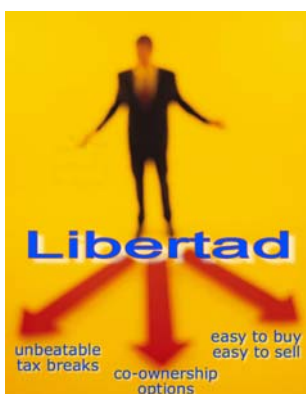
**At a Glance: Libertad benefits include:**

- No-or-Low Capital Gains & Inheritance Tax
- Wide range of tax break savings
- Extra tax breaks & benefits in Spain
- Fully legal with full tax reporting in Spain
- Low risk/low cost co-ownership options
- Carefully selected developments/locations
- Hassle-free purchase via own Spanish solicitor
- Full Spanish Consumer Laws protection
- All property deposit payments guaranteed
- 10 year construction warranty by law
- Enhanced property security options
- One-stop Libertad supervision
- Household & fire insurance cover options \*\*
- Operating & management costs tax allowable
- Local property taxes & fees tax allowable
- Low cost mortgages, no redemption fees
- Interest only mortgages for 15 years
- Low cost purchase/sale of property
- Tax free fiscal service reduces red tape

**Libertad banking & currency partners**



Read **The Sun's** review of **Libertad** co-ownership buying in Spain...



See latest **Libertad** developments and offers online at :

[www.PropertyInSpain.Net](http://www.PropertyInSpain.Net)

or Google search on "**Libertad tax break Spain**" for the latest media editorial coverage.

**REGISTER TODAY**

To secure the best choice of **Libertad** apartment, townhouse or villa just register on our website & type "**Libertad Register**" in the text box.

[We look forward to helping you further.](#)

## Viva Libertad Q&A - your questions answered

- Q1 Is Libertad another name for timeshare?**  
A Not at all. Maximum 4-5 co-owners own 100% of the freehold between them not as timeshare where dozens of people can have "timed" use of one property without any equity holding and profit when selling.
- Q2 How many owners would there be?**  
A 2 to 5, with 3 the most popular. That gives 100 days of Spanish sunshine every year for all co-owners.
- Q3 What % of the property would we each own?**  
A Divide 100% by the number of co-owners.
- Q4 What personal use can I have of the property?**  
A You can use it every day of your allocated time or rent it out when you can't be there.
- Q5 Who decides who uses it when?**  
A The co-owners decide – with the help of useful matrix rota sheets provided by Libertad.
- Q6 We would need the school holidays and summer, could that cause problems?**  
A Not really, the most popular matrix planner shares the main holiday periods evenly in any one year and then redistributes them differently in each successive year.
- Q7 Can co-owners swap their rota time if necessary?**  
A The matrix planner is only a guide and owners can follow it and vary by agreement.
- Q8 Who gets the money when it is rented out to non owners?**  
A The co-owner giving up his/her allocated time, pays the costs and keeps the rent – they own it after all. Or co-owners can agree to pool the rental stream and retain it within the Libertad for a better tax position.
- Q9 What are the tax break benefits of Libertad?**  
A Each Libertad is registered with the Spanish tax authority who will allow all costs associated with ownership, management, marketing and renewals.
- Q10 Who claims the tax breaks?**  
A The Libertad administrator in Madrid registers the Libertad, completes the annual tax return, claims all the legal allowances and hands over any tax due.
- Q11 What's the cost of the admin?**  
A It's included in the one-off set-up fee of EUR 3,012 per Libertad. For second and subsequent years, admin and tax returns would be the Spanish norm of EUR 1,200 to EUR 1,500. Use the Libertad administrator or any other fiscal advisor as the Spanish do.
- Q12 Why EUR 3,012 for a Libertad?**  
A Spanish corporate law requires companies to have a bank account with that amount in it at the point of incorporation. The Libertad administrator opens the account, the co-owners send the money and after the formation goes through that's the Libertad fee and first year's taxation fees.
- Q13 Will we get a mortgage?**  
A Spanish banks are backing Libertad with special deals as the risk for them is reduced with multiple mortgagees. Interest only or 80% advances are among the options.
- Q14 Don't we need a NIE card in Spain?**  
A Spanish law always required a this fiscal ID for ex-pats trading or buying property. Our **Finance2Go** service can organise NIE cards for co-owners for a nominal fee.