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Beckham Law in Spain: Remote Workers and Directors

Spain's special tax framework for inbound taxpayers is still widely known as the "Beckham Law." The nickname may be dated, but the subject is not. Since 2023, Article 93 of the Spanish Personal Income Tax Law has covered a much broader range of international relocations, while recent binding tax consultations have clarified its application to remote employees and foreign directors.

These developments make the rules particularly relevant to multinational groups transferring executives to Spain, foreign businesses allowing employees to work from the country and international investors taking an active role in Spanish companies. Nevertheless, the option is often presented too simplistically. It is not merely a 24% tax rate available to anyone arriving from abroad. Eligibility depends on the reason for the relocation, the sequence of events and the documentation prepared before and after the move.

A broader framework for international relocations

Individuals who acquire Spanish tax residence as a result of moving to the country may elect to be taxed under rules based largely on the Non-Resident Income Tax system while retaining their status as Spanish personal income tax taxpayers. The framework applies during the year in which residence is acquired and the following five tax years, giving a maximum duration of six years.

Applicants must not have been Spanish tax residents during the five preceding tax periods. Before 2023, the previous non-residence requirement was ten years and the range of qualifying circumstances was considerably narrower.

Following the changes introduced by Law 28/2022, eligibility can arise from employment with a Spanish business, an assignment ordered by a foreign employer or remote employment performed from Spain using information and telecommunications systems. The rules also extend to company directors, qualifying entrepreneurs and certain highly qualified professionals working with startups or conducting training, research, development and innovation activities.

Certain accompanying family members can apply as associated taxpayers. These include the spouse, children under 25—or children of any age if they have a disability—and, where the couple is not married, the other parent of their children. Additional conditions apply, including limits based on the relationship between their taxable income and that of the principal taxpayer.

The reform has made Article 93 more useful for modern international mobility, but it has also increased the importance of distinguishing between different reasons for moving. A conventional transfer by an employer is relatively straightforward to document. A relocation involving remote work, an investment or a subsequent corporate appointment may require a much clearer evidentiary record.

Remote employees do not necessarily need a digital nomad visa

The expansion is especially significant for employees who move to Spain while continuing to work for a foreign company. The legislation recognizes remote employment when the activity is carried out at a distance through the exclusive use of computer, telecommunications and similar systems.

It expressly refers to employees holding Spain's international teleworking visa. However, the wording does not make the visa an absolute tax requirement; it identifies it as one situation in which the remote-work condition is considered satisfied.

This interpretation was confirmed by the Directorate-General for Taxation in Binding Consultation V2460-25. The case concerned an individual with Spanish and US nationality who intended to move from the United States and continue working remotely for a US employer. As a Spanish citizen, he could not obtain the international teleworking visa.

The tax authority concluded that the absence of the visa did not prevent him from opting for Article 93. What mattered was the existence of a genuine employment relationship, the ability to perform the work remotely through the required systems and the connection between that activity and the acquisition of Spanish residence.

The decision is relevant not only to returning Spanish nationals, but also to EU citizens and other employees who can reside in the country without relying on a digital nomad visa. Nationality and immigration status remain relevant to the relocation, but they do not replace the specific tax analysis.

Evidence from the foreign employer is still necessary. It should confirm the employment relationship, the date on which remote work in Spain begins and its expected duration. The employee must also provide evidence of registration with Spanish Social Security or, where permitted, documentation supporting continued coverage under the home-country system.

At the same time, the employee's eligibility does not resolve the employer's position. A foreign company that allows a member of staff to work permanently from Spain may face separate questions concerning payroll withholding, social security and the possible existence of a corporate tax permanent establishment. Those risks should be reviewed alongside the individual application rather than after the move has taken place.

Foreign directors and controlling shareholders

A similar need for advance planning arises when an investor relocates to manage a Spanish company. The current wording permits access when the move occurs as a consequence of becoming a company director.

Since 2023, a substantial shareholding does not automatically disqualify the applicant. The ownership restriction becomes decisive where the company is considered a passive asset-holding entity for Spanish corporate income tax purposes. A director may therefore hold a controlling interest in an operating company, provided that the remaining requirements are satisfied.

This change is potentially useful for foreign entrepreneurs who establish or acquire a business in Spain and intend to participate in its management. However, the commercial project and the appointment cannot simply be used to justify a relocation that has already occurred for unrelated reasons.

In Binding Consultation V1857-25, the Directorate-General for Taxation considered the position of a UK national who had moved under a family reunification arrangement and was later appointed as a remunerated joint director of a Spanish family business. He also intended to acquire an 80% shareholding.

The consultation confirms that an 80% participation would not, by itself, prevent access if the company conducted an active business and was not an asset-holding entity. More importantly, it emphasizes the need for a causal relationship between the move and the appointment. If the individual had already relocated for personal reasons and the directorship was only decided later, the statutory requirement might not be met.

The order in which the investment, appointment and relocation take place is therefore important. Board resolutions, investment agreements, correspondence concerning the move and the terms governing the director's remuneration should present a consistent commercial explanation.

The individual's actual functions must also be examined. Income received for performing the statutory duties of a director does not necessarily have the same treatment as fees for separate consulting or professional services. If additional activities create a permanent establishment in Spain, access to Article 93 may be lost unless one of the specific exceptions for qualifying entrepreneurs or highly qualified professionals applies.

For a foreign-owned company, this makes it advisable to distinguish clearly between board responsibilities, employment duties and independent services. The corporate documentation, contracts, payroll and accounting treatment should all reflect the same arrangement.

Why the 24% rate can be misleading

Even where eligibility is clear, the financial benefit should not be assumed. Employment income and other income included in the general tax base are taxed at 24% up to €600,000 and at 47% above that threshold.

The comparison may be favorable for a highly paid executive who would otherwise face the ordinary progressive rates. For a person earning a more moderate salary, however, ordinary taxation can produce a lower liability once personal and family allowances and available deductions are considered. Under Article 93, many of those allowances and deductions do not operate in the same way.

The source of the income is equally important. Although the framework largely follows non-resident taxation principles, employment income earned during its application is deemed to arise in Spain. Salary paid by a foreign employer is therefore not excluded merely because the payer or bank account is located abroad. Where the same income is also taxed in another jurisdiction, relief for international double taxation may be available, subject to the applicable limits.

Foreign dividends, interest and capital gains can receive different treatment. If they are not considered Spanish-source under the relevant rules, they will generally remain outside the Spanish income tax base. Spanish-source investment income is taxed separately under the corresponding savings-income rates.

The composition of the individual's income can consequently be more important than salary alone. An executive with substantial foreign investments may obtain a different result from an employee receiving the same remuneration but holding most assets in Spain.

Tax treaty access creates a further complication. According to the Spanish Tax Agency, taxpayers using Article 93 are not considered Spanish residents for the purposes of double tax treaties because they are taxed only on Spanish-source income, subject to the special treatment of employment and qualifying business income. This can affect the availability of residence certificates and treaty benefits in other countries.

Wealth taxation must also form part of the calculation. Qualifying individuals are subject to Spanish Wealth Tax by reference to assets and rights situated or exercisable in Spain rather than on their worldwide estate. This limitation can be advantageous, although Spanish real estate, company interests and other domestic assets still need to be reviewed.

The proper comparison is therefore between two complete scenarios: taxation under the ordinary Spanish system and taxation under Article 93. Salary, bonuses, share-based remuneration, foreign investments, Spanish assets, family circumstances and tax liabilities in other countries should all be included.

Timing and documentation

The option is exercised through Form 149. As a general rule, the principal taxpayer must file it within six months from the starting date recorded in the Spanish Social Security registration or in the documentation that permits continued application of the home-country social security system.

Supporting documents must be submitted electronically before the form itself. The registration number obtained from that submission is then entered in Form 149. This procedural sequence can easily be overlooked when immigration, payroll and corporate matters are being handled by different advisers or departments.

Missing the deadline cannot ordinarily be corrected by selecting the special treatment in the annual income tax return. The analysis should therefore be completed before the employment, remote-work arrangement or directorship begins.

The parties should first establish why and when the individual is moving. They can then prepare the employment contract, assignment letter, remote-work confirmation, corporate resolutions and social security documentation around that chronology. Once the Tax Agency accepts the election, payroll withholding must also be adjusted. Employment income is generally subject to withholding at 24%, increasing to 47% on remuneration exceeding €600,000 from the same payer during the calendar year.

Spain's Beckham Law is therefore not an outdated subject. What has become outdated is presenting it as a simple preferential rate for foreigners. Its practical value now lies in the wider range of international relocations it can accommodate, provided that the commercial reason for the move is credible, the documentation is consistent and the overall tax comparison supports the election.

This article provides general information and should not be treated as advice on any individual relocation or tax position.