

A serious country?

Lately, I have had the opportunity to discuss with an Irish economist about the unsuccessful pressure put on Ireland by other European countries, mainly Germany and France, to increase the tax rate, currently 12,5%, applicable to the companies that perform economic activities in that country. He mentioned that Ireland did not give up to such a pressure for its compromise, responsibility and loyalty with the companies that had invested in this country as a direct result of its favorable Tax Legislation. Moreover, they understand that their recuperation closely depends on their capacity for the internationalization of their activities that could be seriously affected if they deceive their investors.

Dr. Joaquim Muns wrote rightly in this very newspaper pages that “ markets give a lot of importance to the countries’ seriousness”, and added that “ finally, markets want countries to be predictable and confidence inspiring”.

It does not help out our seriousness the fact that most part of the tax incentives created by our legislators to promote national and foreign investments (ETVE, SICAV, deductions based on investigation and development etc.) have been systematically brought into question as well as attacked by our Tax Authorities, demotivating its use.

It does not strengthen our image the fact that, being Spain in the eye of the storm of the financial turbulences and under permanent control of the markets, we allow ourselves the frivolity of resuscitate in a rush the obsolete, inefficient and folkloric Wealth Tax, with the declared target of taxing “ rich people, residents and non residents”, and to propose as well and, for the same group of tax payers, additional encumbrances without taking into account that in Catalonia tax rate on the Income Tax has increased, for the current financial year from 43% to 49%.

It is not acceptable either the general non compliance by our Public Administrations of the legal payment terms settled by the Late Payment Directive (what an example!), and that , at this very moment, when the business’ organizations claim for a higher capitalization of the SME, the last amendment to the Capital Company Act, grants separation rights for the minority shareholders in case the company does not distribute at least a third of its profits.

If our wish is to promote growth we must arrange a country strategic plan, consensual and not tied down by political ups and downs, a plan that shows us towards what kind of activities our efforts in education and investment must be addressed to. We should make good use of the new legislature to get the Parliament and Government resulting from the 20-N (elections) to encourage a demarcation to achieve an economic and tax stable frame for our country. A frame endowed with the legal security for us to be considered as a really serious country.

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