

Non-Monetary Contributions Of Capital In Companies Incorporated In Spain

Albeit shares are most commonly acquired via monetary transactions, it is also possible to acquire them through non-monetary contributions, such as, for example, the following:

- The exchange of movable or immovable goods;
- The exchange of Credit rights;
- Investment in Companies.

In no case will it be acceptable work or services as a non-monetary contribution to buy shares.

Below, we explain the main aspects to bear in mind when buying shares, whether by incorporating a company or increase its capital, through non-monetary contributions.

Non-Monetary Contributions In Corporation Company (*Sociedad Anónima*)

Spanish law establishes that those shares that are bought through a non-monetary contribution must be evaluated by an independent expert who will be appointed by the mercantile registrar.

The said evaluation should contain the accurate description and valuation of the non-monetary contribution(s) according to objective criteria.

If the expert fails in providing an accurate valuation of the non-monetary contribution(s), he/she will be held responsible by creditors, third parties and the company.

Nevertheless, Article 69 of the Spanish Company Act determines situations in which the non-monetary contributions can take place without an evaluation being needed.

Non-Monetary Contributions In Limited Liability Companies

In limited liability companies, the evaluation of the non-monetary contributions is made by the stakeholders of the company.

In the case of overvaluation of the non-monetary contributions, the stakeholders who made the non-monetary contribution and those who were stakeholders when the capital increase was agreed will be liable to the company and its creditors.

However, those stakeholders who voted against the evaluation of the non-monetary contributions will be exempt of liability.

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