



Summary

Royal Decree 1363/2010 of 29th October that regulates obligatory online administrative notifications and communication of the State Agency for tax Administration (AEAT).

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The Royal Decree is part of the package of regulations that develops Law 11/2007 of 22nd June, about electronic access of citizens to public services, to regulate the cases in which AEAT will use the electronic communications in their relationships with taxpayers.

This legal text establishes, the obligatory submission by certain tax payers to the notification system of Enabled Electronic Address (EEA), by virtue of which the Tax Authorities will carry out the majority of the notifications.

Obligated tax payers will be the following:

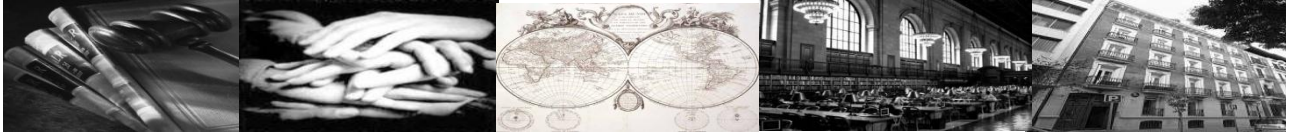
- Stock Companies and Limited Liability companies (NIF beginning with the letter A or B, respectively).
- Legal persons and non Spanish entities without legal personality (NIF beginning with the letter N).
- Permanent establishments and branches of non-residents entities (NIF beginning with the letter W).
- Temporal union of companies (NIF beginning with the letter U).

- Economic interest groups and certain funds (NIF beginning with the letter V).

Notwithstanding the abovementioned, the persons or entities incurring in at least one of the following requirements will be also obliged to EEA:

- To be registered in the Register of Large Companies, under the Tax Inspection Regulations.
- Have opted for taxation in the Tax Consolidation Regime under Companies Tax Law.
- Have opted for taxation in the Special Group of Entities under the VAT Law.
- To be registered in the Registry of monthly VAT return, in accordance with the VAT development regulations.
- Have a permit in force from the Department of Customs and Special Taxes of the SATA to file custom declarations by electronic system, in accordance with Legal Regulation (EEC) 2454/93 of the Commission.

The Tax Authority will carry out the inclusion into the EEA system of the tax payers obliged. Tax Authorities will notify, by traditional means, the inclusion of the tax payer in the EEA system. Individually, tax payers are entitled to request the inclusion in the EEA system by themselves.



In the case of registration in the Census of Taxpayers, the notification of inclusion in the system can be carried out along with the communication of the CIF number.

This Royal Decree foresees that the majority of the notifications to be made by the Tax Authorities are carried out by the EEA system.

Notwithstanding the abovementioned, there are several circumstances in which the Tax Authority may not use electronic media for notifications:

- In case of notification during the proceeding caused by the spontaneous appearance of the taxpayer at the offices of the AEAT, and request of personal communication.
- When the electronic notification is incompatible with the immediacy and speed principles, required by the particular administrative action.
- When postal notification has been entrusted to the postal service, before becoming aware of the notice to the taxpayers of their inclusion in the electronic management system.

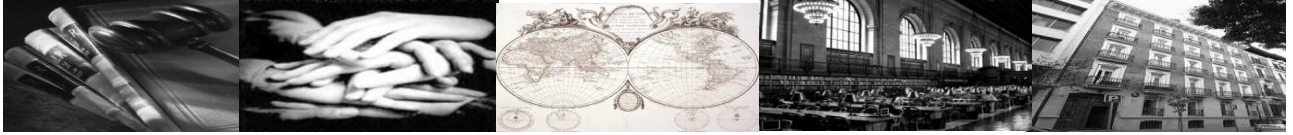
On the other hand, the following communications and notifications will never be made through the EEA system:

- Those in which the act to be notified is accompanied by elements that cannot be converted to electronic format.
- Those in which the specific applicable rules request notification in person or any other non-electronic form.

- Those made in economic-administrative proceedings.
- Those that enclose any payment means in favor of the taxpayers, such as checks.
- Those addressed to credit institutions, even when they are adhered to the electronic notification procedure, when attempting the seizure of money in bank accounts at credit entities or in the development of collaboration of such institutions, or in the scope of information obligations to the tax authorities on standardized extracts of accounts.
- Those that they must be carried out during the participation by electronics means in asset disposal procedures developed by the administration of the AEAT.

In proceedings beginning by request of the taxpayer in which he or his representative have designated a domicile for notifications, they will be practiced in the indicated domicile. Notwithstanding the abovementioned, when after two attempts the Tax Authority is not able to notify to the Tax Payers, this notification will be made through out the EEA system.

In our opinion and spite of any modification aiming to speed the relationship with the Public Authorities is beneficial, either by reducing the bureaucracy or reducing the administration size, given that less human resources are required, we deem that this



EEA system which is still deficient, will be developed in the near future. With the current EEA system very small companies will be obliged to establish orderly turns amongst its employees during the holidays in order to stay up dated with possible notifications.

Likewise in order to anticipate the application of this system, it should be advisable that every companies obtain an electronic signature which entitle them to access to the EEA.

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