



# Frequently Asked Questions

## FAQs

### Spanish Model 720

(Informative Declaration of  
Assets and Rights held Abroad).

**Important Legal Disclaimer:** Model 720 carries very high penalties for non-compliance or errors. It is strongly recommended verifying your specific situation with a Spanish tax advisor (gestor) before the filing deadline (typically March 31).

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# SUMMARY

To help you navigate this complex regulation, here is a concise summary of the **Model 720** requirements based on the FAQ sections we have covered.

## The Three Blocks of Information

The declaration is divided into three independent categories. You must file if any single category exceeds **€50,000**:

1. **Accounts:** Bank accounts in foreign financial institutions (current, savings, or term deposits).
2. **Investments:** Securities, shares, rights, life insurance, and annuities (temporary or life) held or managed abroad.
3. **Real Estate:** Ownership of foreign properties or rights over them (e.g., usufruct).

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## Who Must File?

- **Tax Residents in Spain:** Individuals, legal entities (companies), and "entities without legal personality" (like certain trusts).
- **Roles:** Not just the legal owner, but also **authorized representatives, beneficiaries, and "beneficial owners"** (*titular real*).
- **Spouses:** If a property is community property (*gananciales*), both spouses must file, even if only one name appears on the deed.

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## Key Exceptions & Exemptions

- **Beckham Law:** Individuals under the Special Tax Regime for displaced workers are **not** required to file.
- **Accounting Exemption:** Companies or professionals who have these assets clearly and individually identified in their **official Spanish accounting records** are generally exempt from reporting those specific assets.
- **Spanish Intermediaries:** Assets held abroad but managed/deposited via a Spanish entity (which already reports to the Tax Agency) are typically exempt.

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## Valuation Rules

- **Accounts:** You must check both the **December 31 balance** and the **average balance of the last quarter**. If either exceeds €50,000, you must report.
- **Investments/Real Estate:** Generally based on the value as of **December 31** (or acquisition value for property).
- **Currency:** All values must be converted to Euros using the exchange rate as of December 31.
- **Shared Assets:** You report the **total value** of the asset (not just your share), but you specify your percentage of ownership.

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## When to Re-file in Future Years

Once you have filed Model 720, you do **not** need to file it again every year unless:

1. The total value of any of the three categories increases by more than **€20,000** compared to your last declaration.
2. You **sell, cancel, or terminate** your status as an owner/authorized person for an asset that was previously reported.

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# 1. OBLIGATION TO DECLARE

## 1.1. GENERAL

**Question:** If a person or entity is required to file Model 720 for accounts in foreign financial institutions, as well as for securities, rights, insurance, and income held abroad, and for foreign real estate, can all three reporting obligations be declared in the same form?

**Answer:** Yes. Although each of the three asset blocks constitutes a separate reporting obligation, all three are managed through the same informative model. Thus, the reporting requirements are fulfilled by completing Model 720 and reporting all assets and rights for which a reporting obligation exists.

**Regulations:** Each of the following blocks constitutes a different reporting obligation:

- **Accounts in financial institutions located abroad:** (In Model 720, this corresponds to Asset Type Code “C”).
- **Securities, rights, insurance, and income** deposited, managed, or obtained abroad: (In Model 720, these correspond to Asset Type Codes “V”, “I”, and “S”).
- **Real estate and rights over real estate** located abroad: (In Model 720, this corresponds to Asset Type Code “B”).

**Question:** If an asset that must be declared is "community property" (*ganancial*), but only one spouse appears as the formal owner, is the other spouse required to declare it?

**Answer:** Yes. When formal ownership of community property belongs to one spouse, both spouses (if they fall within the scope of the obligation) are required to file the declaration. The spouse who is not the formal owner must declare as the **beneficial owner** (*titular real*).

**Question:** At what point should the values of assets abroad be calculated to apply the €50,000 limit? What must be declared in these cases?

**Answer:** The declarant must consider the following values on the dates indicated:

- **Accounts:** Balances as of December 31 and average balances for the last quarter.
- **Securities:** Balances as of December 31.

- **Shares or interests in Collective Investment Schemes (Funds):** Net asset values as of December 31.
- **Insurance:** Cash surrender values as of December 31.
- **Annuities/Income:** Capitalization values as of December 31.

**Note:** For accounts, securities, and funds, if the declarant (owner, authorized person, beneficiary, etc.) lost that status before December 31, the values on the **date the status was lost** must be reported.

**Question:** Are residents in the Basque Country and Navarra required to file this declaration?

**Answer:** Yes. The reporting obligation applies to all taxpayers. Residents in the Basque Country and Navarra must file with their respective regional tax authorities (*Hacienda Foral*) or the State administration according to the specific regional or state regulations they are subject to.

**Question:** What is the residency timeframe regarding the obligation to file?

**Answer:** Tax residence refers to the **fiscal year** to which the informative declaration relates.

- *Example:* If a person was not a tax resident in Spain in 2012 but becomes one in 2013, they have no obligation to file Model 720 for the 2012 tax year. They would file in 2014 regarding assets held during 2013.

**Question:** What is the definition of "beneficiary" for the purposes of this declaration?

**Answer:** This refers exclusively to "accounts" and "temporary or life annuities." It does not mean a "potential beneficiary," but rather an **effective or actual beneficiary**.

**Example Case (2012):** A resident owned an apartment abroad sold on August 30 for €120,000. The proceeds went into a foreign account; part was used to buy a fund and part was repatriated.

- **Fund value (Dec 31):** €55,900.
- **Account (Avg Q4):** €58,900. **(Dec 31):** €45,256.
- **Answer:** You do **not** report the property (sold before Dec 31). You **must** report the Investment Fund (value > €50k) and the account (average balance > €50k).

## 1.2. COMPANIES / SOCIETIES

**Question:** If a resident individual carries out an economic activity and keeps accounting records according to the Commercial Code, must they report foreign assets already recorded there?

**Answer:**

- **Accounts:** If recorded individually with account numbers and bank details, they are **exempt** from reporting.
- **Securities, Insurance, etc.:** Even if recorded in accounting, there is **no exemption**; they must be reported.
- **Real Estate:** If identified individually and sufficiently in the accounting, they are **exempt** from reporting.

**Question:** Do legal entities (companies) that have foreign assets recorded in their accounting according to regulations need to report them?

**Answer:** No.

**Question:** If the €50,000 limit was never reached, but the asset is cancelled during the year, must it be declared?

**Answer:** No.

**Question:** What are the criteria for assets to be "correctly registered in accounting"?

**Answer:** Assets must be identified clearly and unmistakably in the accounting books or auxiliary documents, provided they are consistent with the annual accounts.

**Question:** What happens with "Instrumental Companies" or "Trusts"?

**Answer:**

- **Instrumental Companies:** If a company is a mere vehicle for indirect control by a resident, the resident must report the assets as a **beneficial owner** and also report the shares held in that instrumental company.
- **Trusts:** If the "Settlor" is a Spanish resident, they must report the assets as the owner. If the "Trustee" is a resident, they report as an authorized person/holder. If "Beneficiaries" are residents and receiving effective income, they must report accounts and annuities.

### 1.3. BECKHAM LAW (Special Tax Regime)

**Question:** Does a resident under the "Beckham Law" (Art. 93 IRPF) need to file Model 720? Do their spouse and children?

**Answer:**

- **The individual under the regime:** **No.** They are not taxed on their worldwide income in the same way as general residents.
- **Spouse and children:** **Yes**, if they are tax residents in Spain and do not personally qualify for the special regime, they must file if they meet the asset thresholds.

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## 2. BANK ACCOUNTS

**Question:** Is there an obligation to file if the ownership of a foreign account is shared by several people and the balance on December 31 exceeds €50,000?

**Answer:** Yes. The obligation to report the account exists whenever this limit is exceeded (provided no other exemptions apply), regardless of the number of co-holders. The **total balances** must be reported without prorating, though each declarant must indicate their specific percentage of participation.

**Question:** A foreign account has a balance of €150,000 on December 31. The holders are a resident company (70% = €105,000), which has it recorded in its accounting, and a resident individual (30% = €45,000). Must the individual file?

**Answer:** Yes. The individual must file the informative declaration. They must report the account with a balance of €150,000 and indicate that their share is 30%. Even though their personal "portion" is under €50,000, the **total account balance** triggers the requirement.

**Question:** If someone filed for 2012 but their authorization on an account is revoked in June 2013, must they file in 2014? What data must be reported?

**Answer:** Yes. There is an obligation to report the revocation of this authorization. The declarant must provide:

- The full name and address of the bank or credit institution.
- Full identification (IBAN/number) of the account.
- The specific **date of the revocation**.
- The **balance of the account on the date** the authorization was revoked.

**Question:** A company has an account recorded in its accounting. If they cancel it during the year, must they file?

**Answer:** No. If the company was never previously required to file Model 720 for that account (because it was exempt via accounting records), they do not need to report the cancellation. This exemption also extends to authorized representatives or beneficial owners of that specific account.

**Question:** A resident entity has three accounts:

1. **Account 1:** Balance €40,000. Recorded in accounting.
2. **Account 2:** Balance €30,000. **Not** recorded in accounting.
3. **Account 3:** Balance €80,000. Already reported via Model 196 (Spanish-domiciled bank). **Which balances count toward the €50,000 limit and which must be reported?** **Answer:** Only **Account 2** is taken into account to determine the threshold, as the others fall under exemptions. Since Account 2 is only €30,000 (below the €50,000 limit), there is **no obligation** to file.

**Question:** If an entity filed Model 720 in a previous year because it exceeded €50,000, but in a later year the balance is below €50,000 and they cancel the account, must they file?

**Answer:** Yes. Once an account has been reported, any subsequent cancellation must be declared, regardless of the balance at the time of closure.

**Question:** Does the obligation apply if the foreign account is held in a branch of a Spanish bank?

**Answer:** Not if the Spanish bank is already required to report that account to the Spanish Tax Agency under current law (and it can be declared according to the laws of the country where the branch is located). Spanish banks are generally required to report all accounts, including those in foreign branches.

**Question:** If I own an account with €40,000 and I am authorized on another with €30,000, must I file?

**Answer:** Yes, because the combined total is €70,000. However, if the second account belongs to a Spanish company that already has it correctly recorded in its accounting, that €30,000 does **not** count toward your total, and you would not have to file.

**Question: Should negative balances be declared? Do they offset positive ones?**

**Answer:** Yes. Negative balances must be declared. When determining if you exceed the €50,000 threshold, you must **net** (offset) negative balances against positive ones.

**Question: I am an authorized signer on an account for a foreign subsidiary of the Spanish company I work for. Must I declare it?**

**Answer:** No, provided the Spanish parent company has the account registered in its consolidated accounting or its annual report in a way that clearly identifies the asset's existence abroad.

**Question: If I am both the "owner" and "authorized signer" of the same account, do I report both?**

**Answer:** No. Ownership implies authorization; reporting as the owner is sufficient.

**Question: Must I report accounts cancelled before December 31, 2012?**

**Answer:** No. If you held an account with €100,000 but cancelled it on August 1, 2012, you have no obligation to report it for the 2012 period, as it did not exist in your portfolio as of December 31.

**Question: My account hit a peak of €67,000 in April, but on December 31 the balance was €45,650 and the Q4 average was €46,200. Must I file?**

**Answer:** No. Even though you passed €50,000 during the year, the two specific triggers (**Year-end balance** and **Q4 Average**) are both below €50,000. If you cancel this account the following year, you still don't have to file because you never had the obligation to report it in the first place.

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### Quick Checklist for Bank Accounts

To determine your obligation, check these two values:

1. **Balance as of December 31st.**
2. **Average balance during the last quarter (Oct 1 – Dec 31).**

If **either** of those numbers (summed across all non-exempt accounts) is over **€50,000**, you must file.

## EXTENDED RULES & EXAMPLES

### A. Shared Ownership & The €50,000 Threshold

A common point of confusion is how to calculate the threshold when an account has multiple owners.

- **The Global Rule:** The obligation to report is triggered if the **total account balance** (or the total Q4 average balance) exceeds **€50,000**, regardless of how many people share the account.
- **The "Total Balance" Principle:** If you are a 30% owner of an account with €150,000, you **must** file because the total exceeds €50,000. When you fill out the form, you report the full €150,000 and then specify your "30%" stake in the ownership percentage box.

### B. Authorized Signatories & Revocations

You are required to report not only accounts you own but also those where you are merely an **authorized signatory** (*autorizado*).

- **The Revocation Rule:** If you were authorized on an account and that authorization was revoked (e.g., you left a job or were removed from a family account) during the year, you must report this "loss of status."
- **What to report upon revocation:** You must provide the date the authorization ended and the **balance of the account on that specific date**.
- **Example:** If you were authorized on an account that had €100,000 and your authorization was revoked on June 15th, you report the account, the date (June 15), and the balance as of June 15.

### C. The "Accounting Exemption" (Crucial for Employees/Businesses)

There is a major exemption if the account is already "identified and registered in accounting."

- **For Entities:** If a Spanish company has an account abroad and records it properly in its books, the company does **not** need to file Model 720 for that account.
- **For Authorized Employees:** This exemption **extends to the employees** who are authorized signatories. If your employer (a Spanish company) records the account in its accounting, you as an authorized signer do **not** have to include that account in your own personal Model 720.

### D. Mixed Status: Owner vs. Authorized

If you have different roles in different accounts, they all aggregate toward your personal filing requirement.

- **Aggregation Case:** You own Account A (€40,000) and are authorized on Account B (€30,000). Total = €70,000. You must file for **both**, unless Account B is exempt (e.g., it belongs to your Spanish employer who accounts for it).
- **Dual Role Case:** If you are both the owner and an authorized signer on the **same** account, you only report it once as the owner.

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## Summary of Valuation Triggers

To determine if you must file, you must check two specific figures for the "Bank Account" block:

Trigger	Description	Threshold
<b>Year-End Balance</b>	The balance exactly on December 31st.	> €50,000
<b>Q4 Average Balance</b>	The average of daily balances from Oct 1 to Dec 31.	> €50,000

**Important Note on Negative Balances:** If you have one account with €60,000 and another with -€20,000, your "net" balance for the threshold check is €40,000. However, if your net balance **is** over €50,000, you must report **all** accounts in that block, including the one with the negative balance.

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## 3. REAL ESTATE

**Question:** Must I report payments made in advance for a property before the deed (*escritura*) is signed?

**Answer:** No. You only declare once you hold legal or beneficial ownership of the property or the real right over it.

**Question:** A resident individual (subject to IRPF) won a National Lottery prize in 2011 and invested it that same year in a property abroad. The prize was tax-exempt at the time. Must they file Model 720 for this property?

**Answer:** Yes. You must file Model 720 regardless of whether the income used to acquire the assets or rights was tax-exempt or not.

**Question:** Should payments made in advance for the purchase of a foreign property be reported before the public deed (*escritura*) is signed?

**Answer:** No. The obligation to declare only arises when you hold legal title or beneficial ownership of the property, or a "real right" (*derecho real*) over it.

**Question:** A resident person/entity owns three parking spaces in a French village, valued together at €45,000 and acquired in 2009. In 2013, they sell one space for €17,000. What must be declared for Model 720? What if the total valuation of the three spaces had been €55,000?

**Answer:**

- **If the total value was €45,000:** Since the combined value was below €50,000, there was no obligation to declare any foreign real estate in the 2012 Model 720. Consequently, there is no obligation to report the sale of the single parking space in 2013.
- **If the total value was €55,000:** In this case, you would have been required to declare all three spaces in the 2012 Model 720. Therefore, you must also report the loss of ownership (the sale) of the parking space sold in 2013.

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## EXTENDED RULES & EXAMPLES

### A. The €50,000 Threshold & Shared Ownership

Just like with bank accounts, the threshold applies to the **total value of the property**, not just your share.

- **The Shared Value Rule:** If you own 25% of a villa worth €120,000, your personal "share" is only €30,000. However, because the total asset is over €50,000, you **must** file.
- **How to report:** You declare the full €120,000 acquisition value and then specify "25%" in the ownership percentage box.
- **Multiple Properties:** If you own two small apartments worth €30,000 each, your total real estate block is €60,000. You must declare **both** properties because the group total exceeds the threshold.

### B. Acquisition Value: Inheritance, Gifts, and Prizes

One of the most common questions is what value to use if you didn't "buy" the property in a traditional way.

- **Inheritances/Gifts:** You must use the **real value** of the property at the time of acquisition (usually the value declared in the inheritance or gift tax settlement).
- **Exempt Funds (Lottery):** Even if the money used to buy the house was tax-exempt (like a lottery prize), the property itself must still be declared.

- **Consolidation of Title:** If you originally owned only the "bare ownership" (*nuda propiedad*) and later acquired the "usufruct" to become the full owner, the acquisition date is the date of consolidation, and the value is the total cost of both parts.

### C. Timing: When Does the Obligation Start?

- **Signed Deeds only:** You do **not** report advance payments or "down payments" made for a house under construction. The obligation only begins when you hold the legal title or a "real right" (*derecho real*) over the property, typically after signing the public deed.
- **Residency Timing:** If you moved to Spain in 2025 and became a tax resident, your first Model 720 (reporting assets held as of Dec 31, 2025) would be due between January and March of 2026.

### D. Disposals and Sales

Reporting a sale is just as important as reporting a purchase.

- **The Cancellation Rule:** You must report the sale/transfer of any property that was **previously reported** in a Model 720.
- **The "Never Reported" Exception:** If you bought a parking space for €40,000 (never reported because it was < €50,000) and sold it for €45,000, you do **not** need to report the sale.
- **Partial Sales:** If you sell one of three parking spaces that were previously reported as a group, you must report the loss of ownership for that specific unit.

### E. Currency and Exchange Rates

- **Valuation Date:** You must use the official exchange rate published by the European Central Bank on **December 31** of the year being reported.
- **Stable Valuation:** Unlike bank accounts, where the balance fluctuates, a property's acquisition value in its original currency stays the same. However, you must convert that original price into Euros using the Dec 31 exchange rate of the reporting year.

### Summary Checklist for Real Estate

Asset Type	What to report	Valuation
Buildings/Homes	Full address, City, Country.	Purchase price + taxes/costs.
Land/Plots	Location and surface area.	Acquisition value.
Rights	Usufruct, timeshares, etc.	Value of the specific right.

**Critical Note:** Failure to report the sale of a property that was previously declared is a common error that triggers tax office queries. Even if you sold it at a loss, the "extinction of ownership" must be recorded in the system.

### Key Takeaways for Real Estate:

Scenario	Obligation	Reason
<b>Exempt Income Source</b>	<b>Required</b>	The tax status of the funds used to buy the asset is irrelevant.
<b>Down-payments</b>	<b>Not Required</b>	Declaration is triggered by ownership/title, not pre-payments.
<b>Selling Assets</b>	<b>Conditional</b>	You only report a sale/cancellation if that specific asset block was previously reported.

## 4. OTHER ASSETS:

### 4.1. SECURITIES AND INSURANCE: DETAILED FAQ

#### A. What is included in this block?

This category covers almost any financial interest held outside Spain that is not a simple bank account or physical real estate:

- **Securities:** Stocks/shares, bonds, ETFs, and interests in the equity of any type of entity.
- **Investment Funds:** Shares in foreign Collective Investment Schemes (mutual funds, hedge funds).
- **Insurance:** Life or disability insurance policies where you are the policyholder (*tomador*) as of December 31.
- **Annuities:** Temporary or life annuities established in your favor as a result of a transfer of capital or assets.

#### B. The Valuation Rules (The "Wealth Tax" Criterion)

Unlike bank accounts, which use average balances, securities are generally valued as of **December 31** using specific rules:

1. **Listed Shares:** You can choose between the **closing price on December 31** or the **average trading value for the fourth quarter**.

2. **Unlisted Shares:** These are valued at the **equity value** (*valor teórico*) from the last audited balance sheet. If not audited, the value is the higher of: the nominal value, the equity value, or the capitalization of the last three years' profits at 20%.
3. **Investment Funds:** Valued at the **Net Asset Value (NAV)** (*valor liquidativo*) on December 31.
4. **Life Insurance:** Valued at its **surrender value** (*valor de rescate*) on December 31.
5. **Annuities:** Valued at their **capitalization value** on December 31, according to the rules of the Spanish Wealth Tax.

### C. Specific Exemptions for Securities

You do **not** have to report securities if:

- **Spanish Depository:** The foreign shares are held in a custody account with a **bank located in Spain**. (The Spanish bank already reports these to the tax office).
- **Spanish Commercialization:** You bought a foreign fund (like a Luxembourg UCITS) through a **Spanish distributor**. As long as they are registered with the Spanish intermediary, they are exempt from Model 720.

### D. The "Pension Plan" Nuance

- **During the Contribution Phase:** Generally, you do **not** report the "consolidated rights" of a standard foreign pension plan (like a UK SIPP or US 401k) because they are not listed as a reportable category.
- **The "Insurance" Exception:** If the pension plan allows for a "rescue" (withdrawal) similar to a life insurance policy, it might become reportable.
- **The "Payout" Phase:** Once you start receiving a pension (an annuity), you **must** report it as a "temporary or life annuity."

### E. Sales and Reinvestments

- **The Reinvestment Rule:** If you sell a stock and immediately buy another (reinvesting the total amount) before December 31, you only need to report the final portfolio held on December 31.
- **Reporting Sales:** If you sold all your shares in a foreign broker (closing the position) during the year, but you had reported them in a *previous* year's Model 720, you **must** report the "extinction of ownership" for those securities.

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### Summary Table for Securities & Insurance

Asset Type	Primary Valuation Trigger	Key Data Needed
Stocks (Listed)	Dec 31 Price or Q4 Average	Number of shares, ISIN code, Entity name.
Mutual Funds	Dec 31 Net Asset Value	Fund name, Number of units.

Asset Type	Primary Valuation Trigger	Key Data Needed
Life Insurance	Dec 31 Surrender Value	Policy number, Insurance company address.
Annuities	Dec 31 Capitalized Value	Date of start, Annual income amount.

**Final Reminder:** The €50,000 limit is **cumulative** for the whole block. If you have €30,000 in shares and €25,000 in a life insurance policy, your total for this block is €55,000, and you must report **both**.

## 4.2. PENSION PLANS

**Question:** Is there an obligation to declare pension plans contracted abroad?

**Answer:** There is no reporting obligation regarding pension plans (concerning the contributions made to them) as long as the contingency that triggers the collection of the pension in the form of a temporary or life annuity has not occurred.

Therefore, regarding the possible obligation to report the consolidated rights in a pension plan located and established abroad, it must be taken into account that such rights are not included in any of the categories of assets and rights located abroad that carry an obligation to declare.

However, to the extent that the conditions of the foreign pension plan establish the possibility of exercising the right of surrender (rescue) in favor of the participant under terms equivalent to those of a life insurance policy, it must be subject to reporting.

In any case, once any of the contingencies covered by the plan has occurred, the beneficiary must report the rights existing within it, either by indicating its surrender value or if an annuity is established in their favor.

**Question:** In the event that the pension plan is redeemed (rescued), must the income obtained be reported?

**Answer:** Yes, regardless of the method of redemption, if an annuity or income is obtained as a result of it being exercised, it must be reported.

## 4.3. SHARES AND SECURITIES

**Question:** Is there an obligation to report stock options?

**Answer:** No.

**Question:** If a taxpayer holds shares in a foreign company, but they are deposited with an entity established in Spain, is there an obligation to file Model 720 for these shares?

**Answer:** No. There is no obligation to report shares of foreign companies held in Spanish depository institutions, provided that these institutions are already required to provide information to the Tax Agency regarding the holder of the securities. This also applies to any other securities (shares in capital, equity funds, or debt securities) traded on organized markets, as long as they are deposited in an entity established in Spain that reports them.

**Question:** If the shares or interests in foreign Collective Investment Schemes (funds) were acquired through Spanish distributors or representatives of management companies operating in Spain, must they be reported?

**Answer:** No. These are not included in the reporting obligation as long as the securities remain registered through those Spanish distributors or representatives, as the information is already covered by their own reporting requirements.

**Question:** How should shares traded on foreign organized markets (similar to Spanish ones) be valued?

**Answer:** They can be valued using any method permitted by the Wealth Tax Law (*Ley del Impuesto sobre el Patrimonio*) or by their closing trading price on December 31.

**Question:** Must the cancellation of ownership prior to December 31, 2012, be reported?

- **Example:** A resident sold shares for €200,000 on Dec 30, 2012, and bought others for €150,000 on the same day.

**Answer:** Since no previous reporting obligation existed, you only report positions held on December 31. In this case, there is no need to report the sale/cancellation that occurred on December 30.

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#### 4.4. LIFE INSURANCE

**Question:** If a life insurance policy is contracted with a foreign insurer operating in Spain under the "freedom to provide services" regime, must it be reported?

**Answer:** No, provided that the representative of the foreign insurance entity provides the required information to the Tax Administration.

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## 4.5. CASH POOLS

**Question:** **Must foreign treasury centralization accounts ("cash pools") be reported?**

**Answer:** Yes. These accounts do not have any special status that exempts them from the general reporting rules for foreign accounts.

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## 4.6. GOLD, JEWELRY, AND OTHER VALUABLES

**Question:** **Is there an obligation to report assets such as artwork, boats, physical gold bullion, jewelry, or cash not held in accounts?**

**Answer:** No, there is no reporting obligation for these assets as such. However, if these assets are the underlying backing for an annuity or life income (e.g., you gave a gold bar to a foreign entity in exchange for a lifetime pension), the resulting income/annuity must be reported.

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## 4.7. LOANS

**Question:** **Must loans granted to foreign entities, commercial credits, or participating interests be reported?**

**Answer:** There is only an obligation to report the "transfer of own capital to third parties" if these are represented by **securities**.

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## 5. FREQUENCY OF FILING

**Question:** **Once the first Model 720 is filed, must it be submitted every year?**

**Answer:** No. Once filed, you only need to file again if the total value of a specific asset block (Accounts, Securities/Insurance, or Real Estate) increases by more than **€20,000** compared to the value reported in the last declaration. You must also file if you cancel or transfer an asset that was previously reported.

**Example Case:**

- **2012:** You report accounts totaling €57,000.
- **2013:** Your balance increases to €75,000. The increase is €18,000 (less than €20k). **No need to file.**

- **2014:** Your balance increases to €85,000. Compared to the last time you filed (2012), the increase is now €28,000 (more than €20k). **You must file.**

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## 6. VALUATION AND CONTENT

### **Question: How are shares in entities valued?**

**Answer:** Use the Wealth Tax rules. For shares traded on foreign organized markets, you may use the average trading value of the fourth quarter or the closing price on December 31.

### **Question: If I inherited or was gifted a property, what is the "acquisition value"?**

**Answer:** The "real value" (usually the value declared for inheritance/gift tax) at the time of acquisition.

### **Question: Do I report all securities sold and reinvested during the year?**

**Answer:** No. If the proceeds of a sale are fully reinvested in new securities that are subject to reporting, you only need to report the balances as of December 31.

### **Question: What exchange rate should be used for foreign currency?**

**Answer:** Apply the exchange rate in effect on **December 31** of the year being reported. This applies to both the year-end balance and the average balance of the last quarter. If an account was closed during the year, use the exchange rate on the **date of closure**.

### **Question: Do exchange rate fluctuations count toward the €20,000 increase rule?**

**Answer:** Yes. If the value of your assets in euros increases by >€20,000 due solely to currency fluctuations, you must file again.

### **Question: If one "global account" holds different types of assets (shares, deposits, etc.), do I report them separately?**

**Answer:** Yes. Each asset must be individualized (e.g., by ISIN code) in separate records, as they may belong to different reporting blocks.

**Question: What if multiple people bought a property at different times for different amounts?**

**Answer:** You determine the reporting obligation by taking your specific acquisition cost and "grossing it up" to 100%.

- **Example:** Resident A buys 50% for €20,000 (Grossed up: €40,000). **A does not report.**
- **Resident B** buys the other 50% later for €40,000 (Grossed up: €80,000). **B must report.**

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