

MURODEL
WEALTH MANAGEMENT

PRACTICAL GUIDE · WEALTH MANAGEMENT

Practical guide to wealth management

Investment, taxation, financing and succession coordinated in a single strategy for individuals, families and business owners.

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WEALTH MANAGEMENT

Wealth management

Wealth management is not limited to selecting investments. It involves organising all of a family's assets, rights and obligations, financial, real estate and business, in line with its objectives, time horizon and risk tolerance, and periodically reviewing that the arrangement continues to serve them.

Personal Income Tax, Wealth Tax and Inheritance and Gift Tax are partially ceded to the autonomous communities, so the taxation of wealth depends on the taxpayer's residence. In addition, there is the national Temporary Solidarity Tax on Large Fortunes and various reporting obligations.

This guide summarises how a wealth strategy is built, what investment services exist and how they are regulated, how the main instruments are taxed and the applicable tax framework, with references to the Community of Madrid and Andalusia.

AT A GLANCE

Holistic view	Investment, financing, taxation and succession in a single plan, reviewed periodically.
99%	Inheritance and Gift Tax allowance between parents, children and spouses in Madrid and Andalusia.
€3M	Net wealth threshold above which the Solidarity Tax on Large Fortunes is payable.
19–30%	Personal income tax savings base scale (dividends, interest and capital gains) since 2025.

IN THIS GUIDE

01 What wealth management is
02 How the service is provided: the MiFID II framework
03 Tax framework for wealth
04 Investment tools and their taxation
05 Tax residence and reporting obligations
06 Frequently asked questions
07 Legislation and case law

01 · PLANNING

What wealth management is

A well-constructed wealth strategy starts from a complete diagnosis and translates into a written plan with measurable objectives and periodic reviews.

Diagnosis

Starting point

The first step is to draw up a **family balance sheet**: financial investments, properties, shareholdings, pension plans and insurance, debts and future commitments (children's education, home purchase, business succession).

To that inventory are added the **ownership** of each asset (separate or community property, full ownership, usufruct or bare ownership), the **tax residence** of each family member and liquidity needs in the short, medium and long term.

Objectives and profile

Each estate responds to a different combination of objectives: **preservation**, **income** generation, long-term **growth** or **transfer** to the next generation.

The risk profile is not just a number: it combines the financial capacity to bear losses, the time horizon and emotional tolerance of volatility. Since 2022 it has also included the client's **sustainability preferences**.

Asset allocation

Asset allocation

The decision with the greatest influence on long-term results is the split between major asset classes: cash, fixed income, equities, real estate and, where it fits the profile, alternative investments (private equity, private debt, infrastructure).

- Diversification by asset, region, currency, manager and style.
- Separation between **liquidity assets** (needs over 1–3 years) and long-term **investment assets**.
- Control of concentration: family business, a single property or shares in one's own company.

Monitoring

The strategy is reviewed periodically (at least once a year) and whenever circumstances change: sale of a business, inheritance, change of residence, retirement or significant regulatory reforms. **Rebalancing** returns the portfolio to its target allocation and is also a tax tool when combined with the fund switch regime.

02 · INVESTMENT SERVICES

How the service is provided: the MiFID II framework

European regulation (MiFID II), transposed in Spain through Law 6/2023 on Securities Markets and Investment Services, distinguishes several services with different levels of protection.

Advice

Personalised recommendations on specific instruments. It may be **independent** (it analyses a sufficient range of products from different providers and cannot retain third-party inducements) or **non-independent** (it may receive inducements if they enhance the quality of the service and are disclosed to the client).

In both cases the firm must carry out a **suitability assessment** and provide a statement explaining why the recommendation suits the client.

Discretionary portfolio management

The client delegates investment decisions to a professional manager within an agreed mandate and risk profile. Retaining third-party inducements is prohibited, and the manager must report periodically on performance, costs and transactions carried out.

Distribution and execution

Where there is no personalised recommendation, the firm applies an **appropriateness test** for complex products. This is the service with the lowest level of support.

Open architecture

Working with **open architecture** makes it possible to select funds from various international managers, not just those of one financial group. Combined with the fund switch regime, it makes it easier to change manager without immediate tax cost.

> Before signing up, the client should know which service is being contracted, how the adviser is remunerated and the total annual cost of the portfolio (fund, custody and service fees).

03 · TAXATION

Tax framework for wealth

The State regulates the essential elements of each tax, and the autonomous communities may approve their own scales, allowances, reductions and relief.

Personal income tax

General and savings base

The general base (employment, business and rental income) is taxed at the sum of the state and regional scales. The top marginal rate is **45%** in the Community of Madrid and **47%** in Andalusia.

The **savings base** (dividends, interest and capital gains) is taxed at the same scale throughout the common-regime territory:

Taxable savings base	Rate
Up to €6,000	19%
6,000 to €50,000	21%
50,000 to €200,000	23%
200,000 to €300,000	27%
Over €300,000	30%

Wealth Tax

State legislation sets a tax-free allowance of **€700,000** per taxpayer and an exemption for the main home of up to **€300,000**. A return must be filed where the value of assets and rights exceeds **€2,000,000**, even if no tax is payable.

The Community of Madrid and Andalusia apply a **100% allowance** on the tax. While the Solidarity Tax on Large Fortunes remains in force, both adjust the allowance so that taxpayers above that tax's threshold pay the equivalent amount under the regional tax.

Solidarity Tax on Large Fortunes

Created by Law 38/2022 and extended by Royal Decree-Law 8/2023. It applies to net wealth above **€3,000,000**, at rates of 1.7%, 2.1% and 3.5%, and allows the Wealth Tax actually paid to be deducted.

Combined income–wealth cap

The combined personal income tax and Wealth Tax liability cannot exceed **60% of the personal income tax base**, excluding capital gains generated over more than one year. The reduction in Wealth Tax cannot exceed 80%. Instruments that accumulate returns without distributing them directly affect this calculation.

Inheritance and Gift Tax

The autonomous communities apply very different reductions and relief. In the Community of Madrid and Andalusia, acquisitions by spouses, descendants and ascendants benefit from a **99% allowance**, and the transfer of a family business from a **99% reduction**.

New residents

Those moving their residence from abroad may opt for the special regime for relocated workers under Article 93 of the IRPF Law. In the Community of Madrid there is also a 20% regional tax credit for investment by new residents. The two regimes are incompatible.

04 · INSTRUMENTS

Investment tools and their taxation

Investment funds

Their main tax advantage is the **fund switch regime** (Art. 94 of the IRPF Law): one fund can be switched for another, from the same or a different manager, without tax on the accumulated gain, which is taxed only on redemption. This deferral allows the portfolio to be rebalanced and the manager changed without a tax toll.

As a general rule, listed ETFs do not benefit from this regime; following the 2021 reform, SICAVs keep the reduced Corporate Income Tax rate only if they meet the stricter minimum number of shareholders requirement.

Savings and investment insurance

- **Unit-linked**: life insurance whose value depends on a basket of funds. If they meet the diversification requirements and limits on the policyholder's choice, they allow investments to be changed without tax until surrender.
- **PIAS**: systematic individual savings plan. If held for at least five years and paid out as a life annuity, the accumulated return is exempt. Maximum contribution of €8,000 per year and €240,000 in total.
- **Life annuities**: people over 65 can exempt the gain on the sale of any asset if they reinvest the amount, within six months, in an insured life annuity (maximum €240,000).

Pension plans

Contributions reduce the personal income tax base (general limit of €1,500 a year, which can be increased by up to €8,500 with employer contributions, and specific limits for the self-employed). Benefits are taxed as employment income and vested rights are exempt from Wealth Tax.

Since 2025, contributions held for at least ten years can be withdrawn. The timing and form of payment should be planned, including the 40% relief for contributions made before 2007 within certain periods.

Real estate

Residential rental income can benefit from reductions of 50% to 90% in personal income tax depending on the type of lease. Properties not let (other than the main home) generate **imputed income** of 1.1% or 2% of the cadastral value.

The decision whether to hold properties personally or through a company depends on the volume, the planned reinvestment and succession planning; there is no single answer.

05 · COMPLIANCE

Tax residence and reporting obligations

Tax residence

A person is resident in Spain if they spend more than **183 days** in the calendar year or have the **main centre of their economic interests** here; residence is also presumed where the non-separated spouse and minor children live in Spain.

The Tax Agency and the TEAC are comparing economic interests in Spain with those in the country where the taxpayer claims to reside, rather than with all interests abroad, a criterion debated among commentators. Those with ties to several countries should document their situation carefully.

Assets abroad

Forms 720 and 721

Residents must report, using **Form 720**, accounts, securities, insurance and property located abroad when each category exceeds €50,000, and using **Form 721** virtual currencies held in custody outside Spain above the same amount.

The special penalty regime for Form 720 was struck down by the Court of Justice of the EU in 2022 and amended by Law 5/2022, but the reporting obligation remains. An account or portfolio in Luxembourg, for example, is taxed the same as in Spain, although it entails additional reporting obligations (Form 720 and, where applicable, reporting of foreign transactions to the Bank of Spain).

FAQ

Frequently asked questions

Is Wealth Tax payable in the Community of Madrid or Andalusia?	As a general rule, no, owing to the 100% regional allowance. Net wealth above €3,000,000 is taxed at the equivalent amount while the Solidarity Tax remains in force. The obligation to file remains where assets exceed €2,000,000.
Is an asset-holding company advisable?	It depends on the size of the estate, the reinvestment of returns, the company's genuine activity and succession planning. Companies without economic activity do not qualify for family business relief under Wealth Tax or Inheritance Tax.
What are the effects of changing autonomous community of residence?	For personal income tax, the rules of the community in which the taxpayer resided for most days of the year apply. For Inheritance Tax, those of the community where the deceased resided longest in the previous five years. The legislation includes safeguards against changes of residence made solely for tax purposes.

REFERENCES

Legislation and case law

Provisions and rulings cited in this guide. The wording in force should be verified in each case in the Spanish Official State Gazette (BOE), the regional gazettes and the electronic office of the Spanish Tax Agency.

Legislation

- Law 35/2006 on Personal Income Tax (Arts. 9, 66, 76 and 94), as amended by Law 7/2024.
- Law 19/1991 on Wealth Tax, and Law 38/2022 (Temporary Solidarity Tax on Large Fortunes), extended by Royal Decree-Law 8/2023.
- Legislative Decree 1/2010, consolidated text on ceded taxes of the Community of Madrid, and Law 5/2021 on Ceded Taxes of Andalusia.
- Law 6/2023 on Securities Markets and Investment Services, and Directive 2014/65/EU (MiFID II).
- Eighteenth Additional Provision of Law 58/2003, General Tax Law (Form 720), and Law 5/2022.

Case law and administrative doctrine

- CJEU judgment of 27 January 2022 (Case C-788/19) on the Form 720 penalty regime.
- Supreme Court case law and 2026 TEAC rulings on the combined tax cap for non-residents.

MURODEL

WEALTH MANAGEMENT

Wealth management firm based in Madrid. We bring together investment, financing and taxation for business owners, investors and families.

OFFICE · BY APPOINTMENT

Paseo de la Castellana 7, 1st floor
28046 Madrid

CONTACT

info@murodel.com
+34 627 788 744

WEB

murodel.com
Book an online meeting

IMPORTANT NOTICE

This guide is for information purposes only and reflects the legislation and the administrative and judicial criteria known as of November 2026. It does not constitute legal or tax advice, nor a personalised investment or financing recommendation. Each case must be analysed individually, with the support of a tax or legal adviser where appropriate; legislation may change and financing terms are subject to approval by the lending institution. Past performance is not a guarantee of future returns; investing involves the risk of losing capital.

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