MONTCLARE CAPITAL PARTNERS

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THE TAX & ASSET MANAGEMENT ENGINEERS

CANARY ISLANDS ZEC · SELF-ASSESSMENT

The ZEC Eligibility Check

For companies considering the Canary Islands Special Zone. Ten questions that establish, before you spend anything, whether the regime is genuinely available to you.

The ZEC is a regional aid regime **authorised by the European Commission**, and its conditions are the regime rather than paperwork attached to it. It rewards moving an operation, not moving an invoice. Most enquiries fail on the same three questions.

TICK EVERY STATEMENT THAT IS TRUE TODAY

- ☐ 01 Your **activity appears among those permitted** under the regime.
- ☐ 02 Real **people will work from the islands**, performing the activity that generates the income.
- ☐ 03 You can commit the **minimum investment in fixed assets** located in the archipelago, within the required period.
- ☐ 04 You can **create and maintain the minimum number of jobs** for as long as you benefit from the regime.
- ☐ 05 You will have **genuine premises** there, not a registered address.
- ☐ 06 The **decisions about the activity will be taken on the islands**, by people based there.
- ☐ 07 You can identify what **proportion of income arises from the island activity**, and defend that split.
- ☐ 08 A **functional analysis** would attribute the profit to the island entity on its own functions, assets and risks.
- ☐ 09 You have budgeted the **ongoing cost** of operating there, not only the tax saving.
- ☐ 10 If you moved the team back tomorrow, **the business would materially change.**

WHAT YOUR ANSWERS MEAN

EIGHT OR MORE	The regime is realistically available. The work ahead is the application file, the business plan and the schedule for investment and hiring.
FIVE TO SEVEN	Possible, but the gaps are the ones the ZEC Consortium examines. Close them before applying rather than after.
FOUR OR FEWER	The regime is not designed for this. Proceeding would produce an authorisation that cannot be sustained and profit attribution that cannot be defended.
BLANK ON 2, 6 OR 10	These decide it. Without people, decisions and a business that genuinely depends on the location, the reduced rate is not reachable.

What good looks like

01 · Test

Eligibility and fit

Activity, functions and whether the operation can genuinely move.

02 · Plan

Investment and hiring

Business plan, capital commitment, jobs and premises against the required timetable.

03 · Defend

Attribution

Documented functions and pricing so the profit taxed at the reduced rate belongs there.

Three or more blanks? Better to know now than after incorporation.

A confidential 30-minute review of your ZEC position with Montclare, no charge, no obligation.

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