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EIT-Food Startup Guide Spain

Contact

EIT Food accelerates innovation to build a future-fit food system that produces healthy and sustainable food for all.

We believe inclusive systems innovation, which enables all people and places to participate and benefit, is essential to a strong food system that is better for everyone. With teams on the ground across Europe, we bridge the gap between countries and regions with low innovation capacity and those leading the way. And we put consumers at the heart of our work, helping build trust by reconnecting them to the origins of their food, directly involving them in the innovation process, and working with the food sector to increase transparency. Collaboration is central to all our work, which spans the whole food value chain, and is vital to meet the big challenges we face. Together with our community, we will build an innovative and resilient food system that in turn creates a healthier society and planet.

**This report was prepared by Enky Consulting
for EIT Food CLC South S.L.**

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Disclaimer: The guide is intended to help entrepreneurs and startups. However, it does not replace seeking professional advice and guidance. As such, although EIT Food has made every effort to ensure that the information in this book is useful, they do not assume any responsibility for the outcome of your business.



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Dear reader,

If you have this guide in your hands it is because you're probably a savvy and curious entrepreneur who wants to make a positive impact within the agrifood industry, so I would like to congratulate you on the work you are doing towards achieving a better world!

Over the last four years, at EIT Food South we have been working towards a more sustainable, trustworthy and healthy agrifood industry and we do so by creating connections across the agrifood system that stimulate new ideas and inventions to drive change. As one of EIT Food Co-Location Centres, EIT Food South was established in the second half of 2017 to build bridges among leading businesses, universities and research centres. One of our priorities is to ensure that new ideas and technologies - which often emerge in startups or young entrepreneurs - can be transferred to the market, that they are scalable at European level and that no great idea falls by the wayside for lack of resources or support.

The COVID-19 pandemic and the overgrowing consequences of global warming that are so evidently changing our environment have once more exposed the need for an urgent change towards sustainable economic development. This poses an opportunity for startups to help industry players addressing the markets change, moving faster than ever before.

There is no single recipe to build a successful startup ecosystem; in the case of southern Europe, several factors need to be considered including cultural and institutional diversity, geographical position, and political context of each country within this region. Every country has its own unique identity and culture, so it is crucial to understand how business is conducted in these markets.

The agrifood sector still constitutes a big proportion of Southern European countries' economies. As we shared in the [Food Foresight report](#) published in March 2021, there is still room to increase the digitalisation and automation of different agrifood processes, especially the most relevant ones to reduce the environmental impact of agrifood businesses.

The internationalisation of startups is a natural step as a response to the environmental and technological challenges that we are facing. Each country is unique, with its own culture and customs, its own regulations and bureaucracy and new customers surely can seem overwhelming for companies that land in a new country. Therefore, finding partners to expand your network is key if you want to be successful on your journey towards a new market.

With the aim of achieving this goal, we have devised this guide to make sure that the process of establishing your company in Southern Europe is as smooth as possible, starting from the legal and bureaucratic steps that have to be taken to operate in region to funding opportunities and support groups, as well as an overall look of the main stakeholders in the local Agrifood industry within each country in which we operate (Spain, Portugal, Italy, Greece, Cyprus, Malta, Turkey and Israel). This guide will show you, among other things, how to set up a legal entity in Spain, the required permits for agrifood businesses, funding opportunities and other useful information to make your arrival into the country the next step towards a successful international expansion of your business.

I really hope that this information helps you start your journey in the country and set the base for a strong and long trajectory towards creating an innovative and strong Agrifood ecosystem that trespasses frontiers and builds a better future for everyone.

Begoña Pérez-Villarreal
EIT Food CLC South Director

EIT-Food Startup Guide Spain 2022

Table of Contents

EXECUTIVE SUMMARY	5
LOCAL AGRIFOOD MARKET INSIGHTS	6
1.1. Introduction	7
1.2. Simplified overview of the Spanish agrifood industry	8
MAIN STAKEHOLDERS IN THE LOCAL AGRIFOOD INDUSTRY	9
2.1. Key Spanish companies	10
2.2. Public institutions	12
AGRIFOOD ECOSYSTEM	13
3.1. Funding opportunities for agrifood start-ups	14
3.2. Local incubators and accelerators that support agrifood start-ups	18
HOW TO SET UP A COMPANY IN SPAIN	21
4.1. Setting up a legal entity in Spain	22
4.2. Opening a Spanish Company with its own legal personality	25
4.3. Setting up a company in the hub country	28
4.4. Required permits for agrifood businesses	29
4.5. Other important information	30
USEFUL LINKS	31
5.1. Contact details for the hub organization	31

EXECUTIVE SUMMARY

GDP, real value, EUR, current prices

1,202,994M

Registered unemployment rate (end year)

13.3%, 2020

Spain has a highly developed social economy. It is the world's **14th** largest by nominal GDP and the fifth largest in Europe

GDP per capita (current PPP),

USD27,057.16, 2020

4th food exporter in EU

7th food producer globally

- **4.7Mtn** of tomatoes produced in Spain
- **3.8Mtn** of oranges produced in Spain

EUR27,057.16M agricultural output

2,8M employees in manufacturing of food products

300,000 companies in the agricultural sector

Spain's start-up ecosystem consists of more than **10,000** start-up entities and over **250** investment companies

Spain is the fourth European country in terms of start-up investment

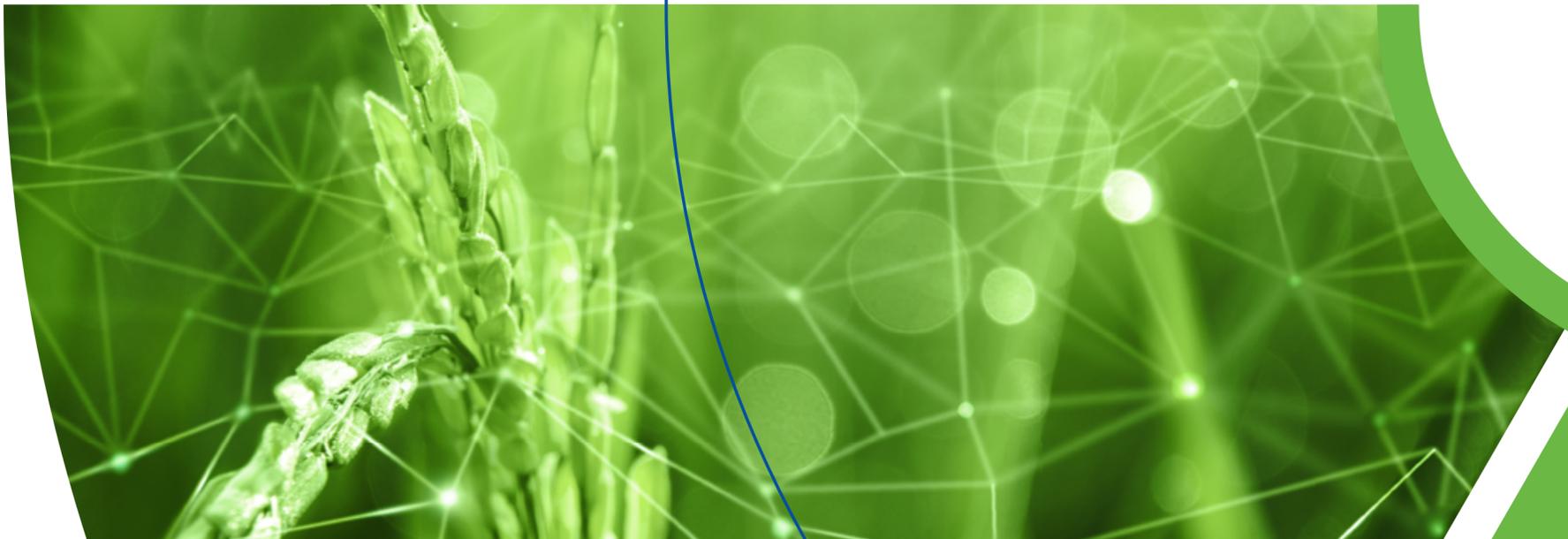
More than **30** food research centres

\$4B investment in start-ups in 2021

€695M invested in foodtech start-ups in 2021

More than **20** corporations with start-up collaboration programmes

LOCAL AGRIFOOD MARKET INSIGHTS



1.1. Introduction

Spain is well known as the leading start-up country in Southern Europe. In the last four years it has experienced a start-up boom thanks to the combination of access to talent, investment and support from corporates. Agriculture is one of the leading economic sectors with more than two million people working in the field. The range of products and services is wide from production to commercialization of final products. Spain has become the fourth-largest agriculture hub in Europe, and also the tenth in the world. But the most important factor is the wide offering of products and services. Thanks to the quality and process we apply to our products, this is internationally recognized.

The Spanish agrifood sector is strategic for the nation, as it contributes 10% of the national GDP and generates more than 2.8 million jobs, directly and indirectly. The year 2021 marked a tipping point for the Spanish foodtech ecosystem, as investment in start-ups tripled (€695M), placing Spain among the global leaders in this regard, showing that the ecosystem is growing and we host many interesting initiatives in developing foodtech start-ups.

It's worth noting the strong collaboration among ecosystem partners, something that was missing in recent years. We can see many initiatives and stronger collaboration among ecosystem agents, the entry of new international investors and exponential development in alternative proteins. All of these factors, alongside the relevant milestones attained by Spanish start-ups, are leading the way for Spain to become a foodtech nation.

Foodtech is going through a very exciting time. The technologies and models that will shape the global food of the future are now being developed, with a growing investment behind, and a lot of very good talent leading the development of the ecosystem. At Pascual Innoventures we work so that these startups working in disruptive technologies can accelerate their technological development and market access; and we support them from an investment and strategic point of view.

Gabriel Torres Pascual , CIO Calidad Pascual

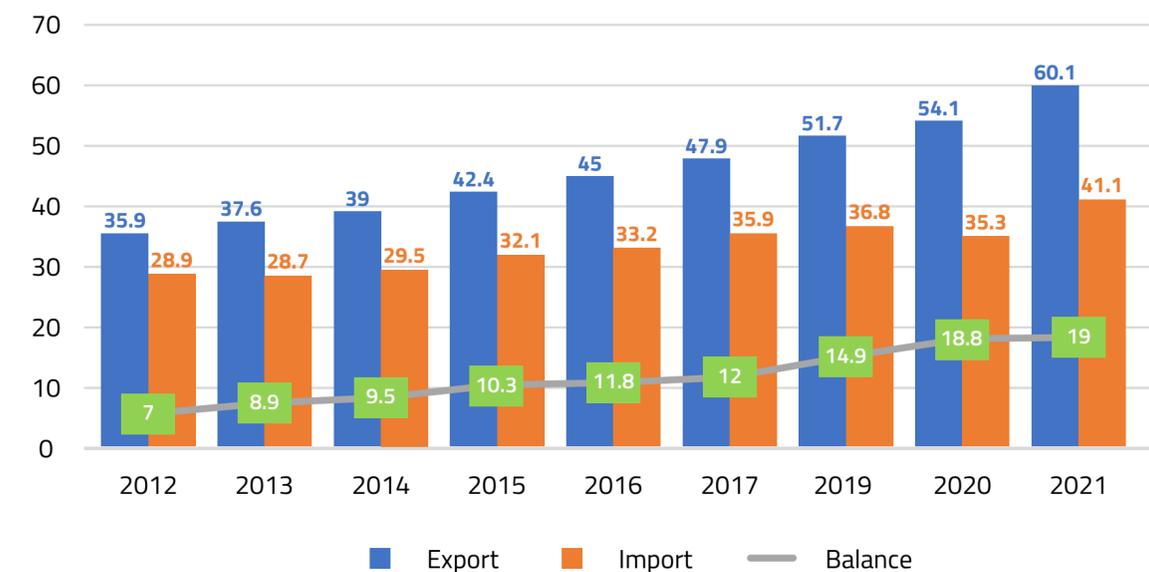


1.2. Simplified overview of the Spanish agrifood industry

The agrifood industry is a strategic sector for the future: with sales of 84,600 million euros, 14% of the net sales of Spanish industry as a whole and generating more than 400,000 jobs, it is the leading industrial manufacturing sector in Spain. The agrifood sector is a fundamental pillar of the foreign sector of the Spanish economy. Spain's agrifood exports last year reached a value of 60,118 million euros, a record figure in the historical series and representing an increase of 11% over 2020. Spain is a major exporting power of agrifood products: it is the fourth-largest exporting economy of the sector in the EU, only behind the Netherlands, Germany and France, and globally holds the seventh position in the world ranking of countries exporting food products, with a global market share of 3.6%, much higher than the 1.8% share of total exports of goods. As regards the main exporting subsectors in 2021, fruits ranked first, with sales of 10,162 million euros, and an increase of 5%. In second place were meats (8,819 million euros, up 4.4% over 2020), followed by vegetables (7,461 million, up 7.5%). The largest increase in exports, 27.4%, occurred in the group of oils and fats, driven mainly by olive oil, with a total exported value of 5.359 million. Also noteworthy was the increase in beverages (13.8%), with an overall value of 4,964 million euros. In 2021, the European Union was again the main destination of Spanish agrifood exports, with 63% of the total (37,915 million), with an increase of 11.4% over 2020. Of note are the increases in exports to Italy (16.2%), Germany (10%) and France (8.9%).

The 2020 report of the "Cajamar Observatory on the Spanish agrifood sector in the European context" includes an analysis of the progress made in the sustainability of the sector and its role in environmental protection – challenges very present in European funds. In this regard, the study highlights that Spain is already the second-largest producer of organic meat in the EU-27, contributing 18.7% of the total, behind only France. In 2019, 8.2% of the Spanish agricultural area had been converted to organic farming, which placed it in an intermediate position in the EU. Following the line of sustainability in the Spanish agrifood sector and with the aim of meeting the targets set in the European Green Pact, Spain is replacing traditional methods with other methods more aligned with the environment, such as agroecology and carbon farming. The first group includes activities such as pasture management through sustainable mowing, crop rotation or the maintenance of non-productive areas and other elements related to biodiversity. The second group includes extensive grazing, conservation agriculture and the maintenance of living or inert vegetation covers.

Spanish foreign trade in agrifood products in 2014–2020 (in billion EUR)



**MAIN
STAKEHOLDERS IN
THE LOCAL AGRIFOOD
INDUSTRY**

2



2.1. Key Spanish companies

The Spanish food sector is highly diversified, with many big companies producing products from fruits and vegetables, milk dairy, seafood and olive oil. Spain exports most of these products to European countries, the EEUU and LATAM. Many of the companies mentioned in this list have been actively engaged with start-ups in recent years and have corporate venturing programmes inside the company.

Company name	Range of activity	Operating Revenue in 2020, € Million
Mercadona 	Distribution company with 1,654 supermarkets, including 1,637 in Spain and 14 in Portugal. It maintains a wide assortment of food, drugs, perfumery and accessories, including its own private labels, together with other commercial brands. It has a total workforce of 90,000 employees and is the supermarket chain with the highest market share in the Spanish distribution market: 25.5%.	€26.932M
Danone 	Spanish multinational agrifood company with four main activities: fresh dairy products, water, infant nutrition and medical nutrition. Danone leads yogurt sales in Spain, with a 54% market share in value.	€24.281M
Campofrío Food Group 	Leading company in the Spanish meat market. It works with different types of livestock, and its product range goes from charcuterie, sausages and snacks to ready meals. In 2018 it received the AENOR Conform Animal Welfare certification, which ensures animal welfare and traceability to the final consumer.	€2.036M
El Pozo Alimentación 	Food company specialized in fresh meats and processed and cured products. It is present in 82 countries around the world and in four continents, with a workforce of 4,600 direct employees and 23,000 indirect employees.	€1.392M

**Preparados
Alimenticios
(Gallina Blanca)**



Barcelona-based company present in 70 countries in four continents. It is dedicated to the production of seasonings, sauces, bouillon cubes, soups, creams and other ready meals. It also has parallel product lines in different countries, such as products related to Italian pasta.

€1.270M

Pescanova



Multinational company specialized in the commercialization of seafood products. It works with more than 70 species of fish and seafood in 80 countries around the world. Currently, it is positioned as number one in the wholesale trade of fish and seafood and other food products.

€1.087M

DCOOP



Spanish agrifood cooperative, leader in the production and distribution of olive oil, working with more than 75,000 farmers. In addition to oil, it prepares products such as olives, wines, meat products and goat's cheese.

€907M

**Central Lechera
Asturiana**



It is an Agricultural Transformation Society (SAT) with more than 50 years of experience, oriented toward the manufacture of dairy products: milk, milk drinks, natural milkshakes, cream, yogurts. It has production facilities in Asturias, Galicia, Madrid, Catalonia and the Balearic Islands.

€811M

Calidad Pascual



Company specialized in the preparation and packaging of milk and milk products, as well as other food products such as yogurts, juices, soft drinks, tortillas, mineral water and soy beverages.

€700M

2.2. Public institutions

The Spanish government has been very active supporting entities to help entrepreneurs and foodtech start-ups. This is manifested not only by the activity of the Ministry of Agriculture and Rural Development, but also by the existence of specialized public agencies whose purpose is to develop the sector and provide investments.

Ministry of Agriculture, Fisheries and Food

<https://www.mapa.gob.es/es/>

MAPA is the department responsible for proposing and executing policy on agricultural, livestock and fishing resources, the agrifood industry, rural development and food. It is also responsible for the preparation of state legislation on agricultural, fishing and food matters, the representation of Spain in international organizations corresponding to these matters and the coordination of actions, cooperation and agreement in the design and implementation of all policies affecting the country's autonomous communities and provinces. The General Directorate of the Food Industry is the management body of this Ministry and is responsible for the regulation of the Spanish food sector, ensuring compliance with national and European control and sanitary regulations, as well as sanctioning irregularities and prosecuting fraud in the food industry.

Spanish Federation of Food and Beverage Industries

<https://fiab.es/>

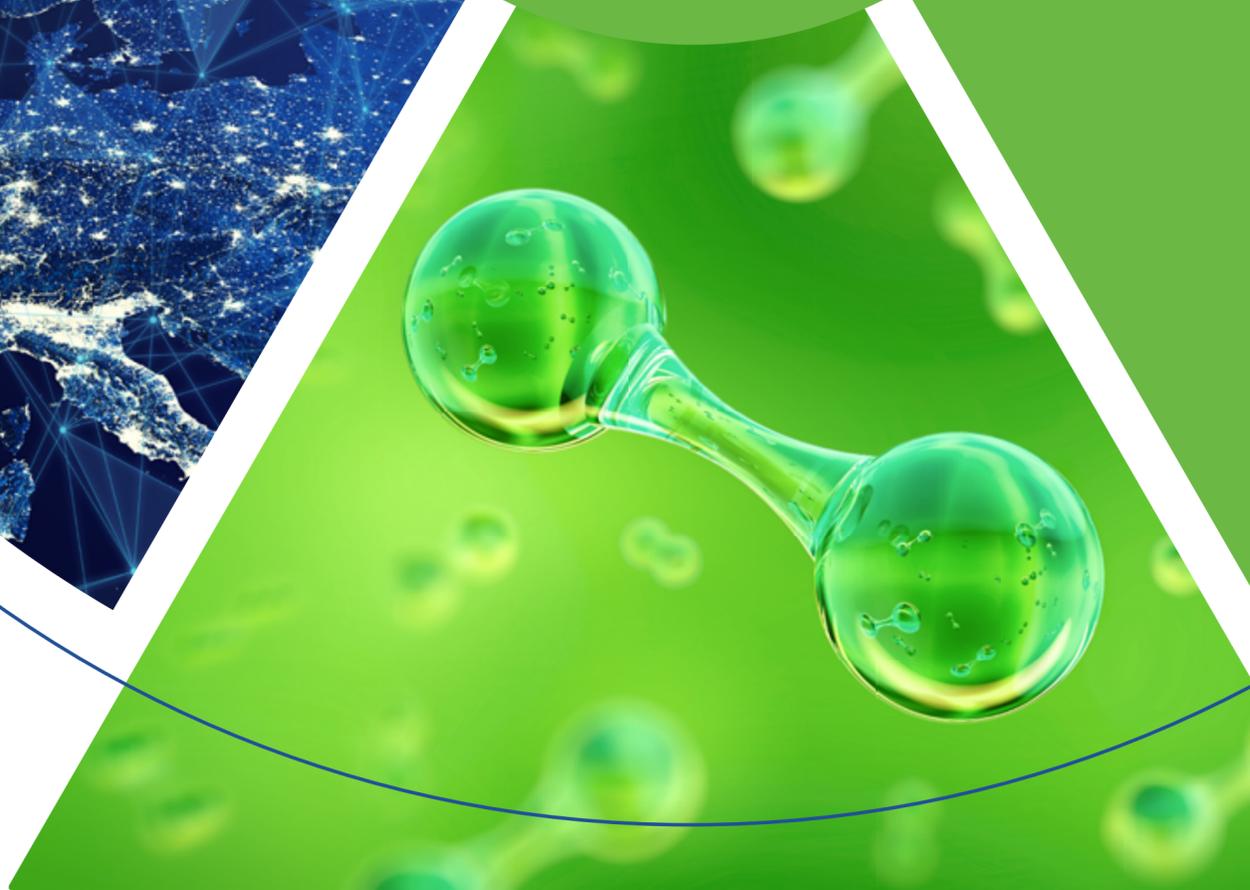
This federation aims to defend the interests of the agrifood sector before Amnistración, the Ministry and other national and international decision-making bodies. Esyá, made up of more than 50 associations, works in areas such as internationalization, R&D&I, legislation and food safety, agricultural policy, environment, nutrition, training, taxation and communication. In collaboration with the Ministry of Agriculture, Fisheries and Food, FIAB has a strategic framework whose objective is to contribute to the improvement and development of the Spanish economy as a whole with the year 2025 as a horizon.

CDTI

https://www.cdti.es/index.asp?MP=6&MS=5&MN=1&r=1920*1080

The CDTI-E.P.E. is a public business entity, under the Ministry of Science and Innovation, which promotes innovation and technological development of Spanish companies. It is the entity that channels requests for aid and support for R&D&I projects of Spanish companies at the national and international levels. Thus, the objective of the CDTI is to contribute to the improvement of the technological level of Spanish companies.

AGRIFOOD ECOSYSTEM



3.1. Funding opportunities for agrifood start-ups

In the last four years we've seen a booming field in the investment area. Every year more VCs start building dedicated teams to invest in agrifood start-ups. But as well as investments, there are close to 20 initiatives only working with foodtech start-ups. Companies from all over Spain enjoy these programmes and see how their product-market fit and growth is accelerated thanks to this support.

Name of opportunity/ investor/ organisation	Type of support (venture capital funding, angel investors, government funding, EU funding, start-up loans, incubator/accelerator funding, competition with prize money, etc.)	Short description of opportunity, target group (vertical and stage, eligibility requirement, funding amount or average ticket size, etc.)	Link	Timeline (application deadline, important dates, etc.)
Eatable Evolution Fund	Venture capital funding	Eatable Adventures foodtech investment and acceleration fund. Launched in 2021 and endowed with 50 million euros, the fund seeks to invest in technologies that contribute to the evolution of the agrifood sector towards a more sustainable system, without neglecting profitability. It has a Seed tranche, aimed at identifying companies in very early stages with a focus on Europe and Latin America, and a Series A tranche. Average ticket: €200k	https://eatableadventures.com/	Continuous applications
Sodena	Government funding	Public company under the Department of Economic and Business Development of the Government of Navarra. Sodena is an active venture capital partner, focused on innovative or differential projects that generate economic and social profitability in Navarra. With its investment, it seeks to accelerate growth, internationalize and globalize companies, generating employment and improving innovation and productivity. Average ticket size: €200K Number of investments: 81	https://eatableadventures.com/	Continuous applications

Swanlaab Ag-FoodTech FCR

Venture capital fund

Swanlaab VC's specialized Ag-FoodTech fund. This fund is characterized by investing in local projects with global potential in the early stages (series A and B), maintaining significant minority stakes and with a focus on marketing and sales execution. In Spain it is already present in sectors such as IoT, healthcare, traveltech and fintech, with investments in start-ups with strong innovations in their technologies, offering high barriers to entry and focused on B2B business models.

Average ticket size: **€1.25M**<https://swanlaab.com/>

Continuous applications

Tech Transfer Agrifood

Venture capital fund

First venture capital fund in Spain specialized in the agrifood sector, oriented toward solving specific demands of the food industry, connecting them with the technological offer. The selected projects – in the proof-of-concept phase or seed round – receive support to validate their technology, investment to develop the proof of concept and cooperation from food industries to carry out pilots in a real environment. The fund has \$15 million, which it expects to increase to 20–25 million. It collaborates with a wide network of research centres such as CSIC, CNTA, AINIA, Eurecat and the Polytechnic University of Valencia.

Average ticket size: **€500K** Number of investments: **21**<https://techtransferagrifood.com/>

Open call

Capsa Vida

Corporate venture fund

We believe in a strategy based on investments with low participation in the projects, allowing autonomy, and where we are interested in the long term, the agility of the teams and the traction we can offer.

<https://capsavida.com/>

Continuous applications

ENISA Agricultura

Public funding

Participatory loans may be obtained by small and medium-sized agrifood companies throughout the value chain, which develop innovative and technology-based activities, with special attention to those with the capacity to generate quality employment for young people and women, and which undertake the necessary investments and carry out their business project based on the generation of new products, processes or services.

<https://www.enisa.es/es/financia-tu-empresa/lineas-de-financiacion/d/agroinnpulso>

Continuous applications

PeakBridge VC

Venture capital fund

It supports foodtech companies with its various vehicles: FoodSparks, dedicated to growth-stage start-ups, manages assets worth €30 million; Newtrition, dedicated to seed-stage investments, manages assets worth €45 million. Finally, it manages together with the Rothschild Group a €250 million fund.

<https://peakbridge.vc/>

Continuous applications

Number of investments: **13**

General Start-up funding**Seaya & Andromeda Sustainable tech fund**

Venture capital fund

We invest in exceptional founders building leading tech companies that have a sustainable approach.

Foodtech start-ups:
Crowdfarming, Glovo, Robin Food.

Average ticket size: **€4M** Number of investments: **13**

<https://seayaventures.com/>

Continuous applications

Bolsa SocialVenture capital fund
& crowdfunding

Invest for impact: put your money to conscious use by supporting businesses that create a positive impact on society and the environment.

Foodtech start-ups: Nostoc biotech, Plant on Demand, Väcka, Robingood, Hemper

Average ticket size: **€300K**<https://www.bolsasocial.com/>

Continuous applications

Startupxplore

Crowdfunding

Foodtech: Arroces la bomba, Goxo, Malferida, Wonderfood bio, Frankie the king, Cocopí, wefish, Raw Data

<https://startupxplore.com/>

Continuous applications

Public funding

Participatory loans may be obtained by small and medium-sized agrifood companies throughout the value chain, which develop innovative and technology-based activities, with special attention to those with the capacity to generate high-quality employment for young people and women, and which undertake the necessary investments and carry out their business project based on the generation of new products, processes or services.

"We live in times of crisis in which great opportunities do exist for those proposing solutions to current challenges in the food sector. With the rising costs of raw materials and energy, it will be increasingly expensive to generate profits. Market uncertainty is pushing investors to become more conservative and demanding with the companies in their portfolios. We believe that this investment "correction" will result in stronger deals, especially in startups that are based not only on return but also on their social and environmental impact. To reach the full potential of the Spanish entrepreneurial ecosystem, we need to continue to foster real collaboration between agri-food companies and agrifoodtech startups. Within the framework of open innovation, we have promoted the KM ZERO Venturing program, which in addition to facilitating access to capital for entrepreneurs, allows startups to work hand in hand with companies in the industry that offer their expertise and even their facilities for pilot testing in order to scale these projects and turn them into a viable market option."

Beatriz Jacoste, Director at KM ZERO Food Innovation Hub

3.2 Local incubators and accelerators that support agrifood start-ups

The Collider

<https://thecollider.tech/es/>

The Mobile World Capital Barcelona (MWCcapital) innovation programme opened in 2020 an agrifood vertical in collaboration with IRTA to create technology start-ups that respond to new challenges in this sector by bridging the gap between science and market needs. They focus on the development of deep tech projects, offering incubation spaces and access to a network of MWCcapital contacts.

Culinary action!

<https://culinaryaction.com/>

Entrepreneurship programme of the Basque Culinary Centre, created in 2014. It has supported 74 entrepreneurs who drive the future of food through products with a high innovative component (processes, raw materials, output...) or complementary industry technologies (machinery, software, technology...). The accelerated foodtech start-ups include Baïa Food, Done Properly, BeCrit and Calabizo.

EIT Food

<https://www.eitfood.eu/>

A food innovation initiative in Europe, driven by the European Union, working to make the food system more sustainable, healthy and reliable. It features the EIT Food Seedbed Incubator Programme delivered by leading EIT partner universities and research and innovation organizations, who bring their expertise in technology commercialization and extensive industry contacts.

Lanzadera

<https://lanzadera.es/>

Start-up accelerator and incubator founded by Juan Roig (president of Mercadona) in 2013. With more than 800 companies promoted since its foundation and more than 20 million euros in investment, Lanzadera collaborates with companies that develop their activity in health, catering, industry, sports, real estate, marketing, mobility or sustainability, with special attention to projects that favour digitization and innovation. Although it is a general accelerator, some start-ups in the foodtech field have passed through its hands.

Orizont

<https://www.orizont.es/>

Innovation accelerator for the agrifood sector in Navarra, managed by Sodena since 2015. It promotes and enhances the implementation of disruptive innovation in the sector by supporting local, national or international start-ups that wish to develop through real collaboration with leading companies in the sector. Cocuus, AgroPestAlert, Agrosingularity and Nutrinsect are among the start-ups that have participated in previous editions.

Porcinnova

<https://porcinnova.es/>

High-technology incubator for companies in the pork sector, a strategic sector in Spain, as the country is the fourth-largest producer worldwide. A unique project with a national and international perspective that seeks to generate innovative solutions based on technology and applied in an industry in constant growth and with important challenges. Promoted by the Centre for Agrifood Research and Technology of Aragon (CITA) and the Aula Dei Science and Technology Park Foundation, with the support of the Government of Aragon.

Culinary Basque Center

<https://www.bculinary.com/es/home>

Basque Culinary Center forms a unique ecosystem where training, innovation, research and entrepreneurship coexist with the aim of developing and promoting gastronomy, assumed as reasoned knowledge about what we eat and how we do it. Located since 2011 in Donostia - San Sebastián, it is a pioneering institution formed by the Faculty of Gastronomic Sciences and by BCC Innovation, the Technological Center in Gastronomy.

Km0 Innovation

<https://www.kmzerohub.com/>

We developed the first open innovation and strategic investment programme for start-ups driven by the food industry, including personalized mentoring with our multidisciplinary team with its outstanding track record in the food start-up sector.

Ivoro

<https://ivoro.pro/>

We accelerate innovation in the food industry. We have a network of collaborators worldwide, food technologists, consultants and partnerships with technology and innovation centres in Spain and abroad.

Cajamar Innova

<https://cajamarinnova.es/>

We support entrepreneurs and companies in the development of new projects to address global water challenges. Along with our partners we help entrepreneurs to validate their technology and establish connections in the water and agriculture industry.

Madrid Food Innovation Hub

<https://madridfoodinnovationhub.com/>

This is the first food entrepreneurship centre in Madrid (Spain) – a pioneering initiative focused on fostering innovation and entrepreneurship along the entire agrifood value chain. The programme aims to help start-ups in the early stage to achieve product-market fit and establish connections with corporates.

Mahou Barlab Ventures

<https://barlabventures.com/>

Created in 2016, in this new stage, we want to leave our mark in the gastronomic sector with a platform from which the main challenges of the foodtech sector and its entire value chain are disclosed. Our goal is to create new opportunities together with start-ups and collaborators in an agile and open 360 innovation model.

Spain FoodTech

<https://www.spainfoodtech.es/>

Acceleration programme for start-ups in agritech and foodtech. The programme is launched by Eatable Adventures and ICEX and Food for Life.

Business Food Factory

<https://bffood.gal/>

BFFood has two specific support programmes for participating projects: acceleration and consolidation. The programmes are designed to boost the projects according to their degree of development, from the initial idea with the acceleration programme to the consolidation of sales with the consolidation programme.

The Hop

<https://thehop.xyz/>

The Hop is an open innovation ecosystem that supports best-in-class start-ups in the food service sector with the objective of solving challenges and generating high-value and high-impact projects in their value chain.

CNTA

<https://www.cnta.es/en/>

Iberfruta

<https://www.iberfruta.es/calidad-e-innovacion/>

At Iberfruta we have leading and cutting-edge R&D&I teams capable of adapting to any of our customers' needs. So just tell us what you need and we will propose a solution.

HOW TO SET UP A COMPANY IN SPAIN



4



4.1. Setting up a legal entity in Spain

The first step is to determine the most suitable legal form for your start-up, a decision that is going to be especially important if you aim to receive any funding.

The most frequently used legal forms are:

- Limited liability company (Sociedad Limitada, S.L.)
- Corporation (Sociedad Anónima, S.A.)

Both forms can also be set up as a sole-shareholder entity (Sociedad Anónima Unipersonal [S.A.U.] and Sociedad Limitada Unipersonal [S.L.U.], respectively) at the time of incorporation or be converted into a sole-shareholder entity afterwards. While there are alternatives to these legal forms, they aren't advisable for start-ups that will be seeking to add partners to the project and/or third-party investors. For information purposes, these include: freelancer (Autónomo), a private partnership (Sociedad Civil) or jointly owned entity (Comunidad de Bienes), and a cooperative (Cooperativa).

As previously mentioned, we'll be focusing on the main legal entities used by foreign start-ups when they start operations or expand into Spain.

	S.A.	S.L.
Minimum capital stock	€60,000	€3,000
Payment upon information	At least 25% and any share premium	Payment in full
Contributions	A report from an independent expert on any non-monetary contributions is required	No report from an independent expert on non-monetary contributions is required, although founders and shareholders are jointly and severally liable for the authenticity of any non-monetary contributions made. In any case, a substitute report from the directors is required

Shares	They are marketable securities. Debentures and other securities that recognize or create a debt, even bonds convertible into shares, can be issued	They are not marketable securities. Debentures and other securities that recognize or create a debt can be issued
Transfer of shares	Depends on how they are represented (share certificates, book entries, ect.) and on their nature (registered or bearer shares). In principle, they may be freely transferred unless the by-laws state otherwise	Must be recorded in a public document. S.L. shares are generally not freely transferable (unless acquired by other shareholders, ascendants, descendants or companies within the same group). In fact, unless otherwise stated in the by-laws, the law establishes a pre-emptive acquisition right in favour of the other shareholders or the company itself in the event of a transfer of the shares to persons other than those referred to above
Attendance and majorities at shareholders' meetings	Different quorums and majorities are established for meetings on first and second call and depending on the content of the resolutions. These can be increased by the by-laws	Different majorities are established depending on the content of the resolutions. These can be increased by the by-laws
Right to attend shareholders' meetings	A minimum number of shares may be required to attend the shareholders' meeting	This right cannot be restricted
Number of members of the board of directors	Minimum: 3 No maximum limit.	Minimum: 3 A maximum of 12 members

Term of the office of director	Maximum 6 years (4 years at listed companies). They may be re-elected for periods of the same maximum duration	May be indefinite
Issue of bonds	Bond issues may be used as a means to raise funds. Bonds convertible into shares may be issued or guaranteed	<p>Bond issues may be used as a means to raise funds, although the total amount of the issues may not be higher than twice the company's equity, unless the issue is secured by a mortgage, by a pledge of securities, by a government guarantee or by a joint and several guarantee from a credit institution</p> <p>If the issue is secured by a joint and several guarantee from a mutual guarantee society, the limit and other conditions of the guarantee will be determined by the guarantee capacity of the society at the time of providing it, in accordance with its specific legislation</p> <p>Bonds convertible into shares cannot be issued or guaranteed</p>



With the contribution of:

ICEX España Exportación e Inversiones, E.P.E.

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W: www.investinspain.org

4.2. Opening a Spanish Company with its own legal personality

Step-by-step procedure, which guides through the process.

STEP 1

At the entrepreneur service point (PAE):

1. Completion of single electronic document (DUE) and commencement of electronic processing.
2. Filing of request to reserve the name of the company (up to five different names) with the Central Commercial Registry, which will issue a certificate within the following six business hours.
3. A date will immediately be set for the execution of the deed of formation by means of real-time communication with the electronic notarial agenda, obtaining information on the notary's office, date and time of execution of the deed, which will be within 12 business hours following the filing of the application.

STEP 2

The notary will:

1. Authorize the deed of formation, attaching the document evidencing payment of the capital stock.
2. Immediately send a copy of the deed to the tax authorities, requesting the assignment of a provisional N.I.F. via the Business Information Centre and Creation Network (CIRCE) remote processing system.
3. Send an authorized copy of the deed of formation to the Commercial Registry corresponding to the registered office via the (CIRCE) remote processing system.
4. Deliver an electronic uncertified copy of the deed of formation to the executing parties at no additional cost, which will be available at the PAE.

STEP 3

The Commercial Registry, on receiving via CIRCE (a) an electronic copy of the deed of formation together with the provisional N.I.F. assigned, and (b) evidence of the exemption from transfer and stamp tax, will:

1. Assess the deed and register it within six business hours (business hours meaning those included within the opening hours established for the registries).
2. Send a certification of registration to the CIRCE on the same date of registration.
3. Request the definitive N.I.F.



STEP 4

The tax authorities will:

1. Notify the definitive status of the N.I.F. via the CIRCE.
2. Notify the N.I.F. via the CIRCE.

STEP 5

The formalities for commencement of the activity will be performed at the PAE, which will send the information contained in the DUE to:

1. The State Tax Agency.
2. The Social Security General Treasury.
3. The local and autonomous community authorities, as the case may be.

"Innovation and incorporation of technology in the agricultural sector is essential to lead an increasingly competitive market. The ecosystem in Spain is ideal for receiving external initiatives and solutions as there are many real challenges to face"

Luis Flores - Co-founder ISAM

Branch & subsidiary

It is common for a start-up, when expanding overseas, to think about branches or subsidiaries. Here we explain the main differences and the process involved to start operating in Spain:

The same procedures apply to a branch or a subsidiary as to a traditional company.. However, according to the decision of the Directorate General of Registries and the Notarial Profession (DGRN) of May 24, 2007, foreign companies do not have to obtain a clear name search certificate from the Central Commercial Registry in order to set up a branch in Spain. Registration for the purposes of tax on economic activities: same procedure followed as for a company. Registration for the purposes of value added tax (VAT): same procedure followed as for a company. Payment of the charge for processing of the opening/operating licence or solemn declaration: same procedure followed as for a company. Registration of the company for Spanish social security purposes.

Branch vs subsidiary

	Branch	Subsidiary
Minimum capital stock	Minimum capital stock. No capital is required to set up a branch, although providing the branch with capital is recommended for practical reasons	S.A.: €60,000 S.L.: €3,000
Legal personality	No (no separate legal personality but rather the same legal identity as its parent company)	Yes
Managing and government body	Representative resident in Spain (who acts as attorney of the branch in the name, and on behalf, of the parent company for all purposes, particularly tax purposes)	Shareholders' meeting and the managing body
Shareholder liability	No limit to the parent company's liability	The liability of the shareholders of a subsidiary formed as an S.A. or S.L. for the debts of the subsidiary is limited to the amount of their capital contributions



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4.3. Setting up a company in the hub country

If you would like to obtain more information about running a business, you can seek professional advice from the following institutions:

DGIPYME (Dirección General de Industria y de la Pequeña y Mediana Empresa)

The General Directorate of Industry and Small and Medium Enterprises is responsible for collaborating with other ministerial departments on incentives, analysis and proposals for regulatory simplification associated with SMEs. It implements training workshops and conferences to promote learning among entrepreneurs and free tools and is the reference platform for updated information on aid offered to SMEs in specific sectors.

<http://www.ipyme.org/es-ES/Paginas/Home.aspx>

PAE (Puntos de Atención al Emprendedor)

Entrepreneur Service Points (PAE) are responsible for facilitating the creation of new companies, the effective start-up of their activity and their development, through the provision of information services, processing of documentation, advice, training and support for business financing.

The PAE has a dual mission:

- To provide face-to-face information and advisory services to entrepreneurs in the definition and telematic processing of their business initiatives, as well as during the first years of activity of the limited liability company.
- To initiate the administrative process of incorporation of the company through the Single Electronic Document (DUE).

<http://www.ipyme.org/es-ES/CreacionTelematica/Paginas/PuntosdeAtencionalEmprendedor.aspx>

ICEX Invest in Spain

Your strategic partner for investing in Spain. Public organisation attached to the Spanish Government that offers a full range of services to encourage foreign investment in Spain, including the Rising up Spain programme, directed at attracting international startups to Spain (more information at

<https://www.investinspain.org/content/icex-invest/en/rising-up-in-spain.html>).

Lawyers specialized in setting up companies in Spain

Garrigues: Lawyer firm specialized in corporate and venture operations. Co-creators of the guide Invest in Spain:

https://www.garrigues.com/es_ES/guias/guia-para-hacer-negocios-en-espana

Ecija: Consultancy company with a team fully dedicated to corporate finance and international operation.

<https://ecija.com/area-de-practica/advisory/>

DWF-RCD: Lawyer firm specialized in start-ups and venture capital operations. DWF-RCD has maintained a strong commitment to entrepreneurship and innovative projects. Thus, our pioneering firm has become a beacon for legal advice in Spain. Our clients include members of technology sectors, biotechnology and pharmaceutical industries, and public research institutions for science, health and technology.

<https://www.rcd.legal/en/innovation-and-entrepreneurship>

4.4. Required permits for agrifood businesses

Entities operating in the food market are responsible for compliance with the requirements of food law, yet there are no specific concessions for agrifood businesses while setting up a company. It is important to address the different economic activities and how the regulation could affect them. Some start-ups in recent years have been affected by new developments in the law:

- Glovo has seen how their riders and logistics have to change
- Food start-ups need to comply with sanitary and regulatory processes
- Foodtech and agritech need to show how their technology can help develop healthy products for the consumer

Besides specific requirements for agritech or foodtech start-ups, some other activities might need permission to operate depending on the area: online sales, international export, opening a new production facility. It's important to address the fact that in Spain the regulation could differ from one region (Comunidad Autónoma) to another. So if you're planning to operate in one specific city, hire some lawyers with experience in that area.

Entrepreneurs may be obliged to fulfil the registration obligation to the State Sanitary Inspection.

We suggest you consult the website of the Spanish Agency for Food Safety and Nutrition:

https://www.aesan.gob.es/en/AECOSAN/web/home/aecosan_inicio.htm

4.5. Other important information

Other resources relevant to entrepreneurs starting-up in Spain

Start-up events/contests

- **EIT Food Innovation forum**
[EIT Food IV Innovation Forum – EIT Food](#)
- **EIT Food Fun&Fan**
[IV FUN&FAN – EIT Food](#)
- **Smart AgriSummit**
<https://smartagrifoodsummit.com/?lang=es>
- **Auxiliar Industry Foodtech**
<https://www.expohip.com/>
- **Fruit Vegetable Event**
<https://www.ifema.es/fruit-attraction>
- **South Summit**
<https://www.southsummit.co/>

Media & content

- **Techfood**
<https://www.techfoodmag.com/>
Leading magazine showing the latest news in the agriculture and food industry.
- **Agritech Podcast: Liderando Agronegocios**
<https://anchor.fm/liderandoagronegocios/>
Podcast specialized in knowing the leaders of the foodtech area. In this podcast you can learn about the professional challenges and experiences from professionals in the industry.
- **Revista alimentaria**
revistaalimentaria.es
Magazine about innovation, quality and food safety.

Higher education

- **Agritech Business School ISAM Education**
<https://isam.education/>
ISAM emerged out of a deep knowledge of global agriculture and the recognition of the need to establish an international business school sensitive to the values underpinning the sector.
- **Invest in Spain Agrifood**
<https://www.investinspain.org/content/icex-invest/en/sectors/agrifood.html>



USEFUL LINKS

Ministerio de Agricultura, Pesca y Alimentación

Caixabank Research

5.1. Contact details for the hub organization

EIT Food CLC South

Madrid office:

C/Serrano Anguita 13

28004 (Madrid) Spain

Bilbao office:

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5