
Setting up an entity in Spain

deel. SEAMLESS INTERNATIONAL PAYROLL



Setting up an entity in Spain

Contents

3	Introduction
4	Entity set up costs
5	Ongoing payroll administration costs
6	Total costs and timings
8	How Deel helps companies hire overseas without having to set up an entity
9	Recommended resources

Traditionally, the only legal way to hire internationally was to open a local entity in another country. Opening a legal entity in another country takes a lot of time and costs a lot of money to handle the legal process, set up benefits, manage tax and more. Once the entity is set up, it then also requires a lot of ongoing admin to pay any local employees, offer benefits, renew legal licenses and stay on top of everything else required.

Today, you can choose a faster and more affordable method for global hiring: an **Employer of Record**. When you use an Employer of Record like Deel, we engage and pay the employee through our network of worldwide entities and take care of all of the compliance, payroll, and benefits.

So how much time and money would it take to hire in Spain? Use this research report to estimate the time and money you'd need to invest to open your own entity in Spain compared to setting up an employee through an employer of record like Deel. Figures presented in \$USD.

4

Entity set up costs

Entity set up costs	Estimated costs of hiring an employee without Deel		Estimated costs of hiring an employee with Deel	
	Min	Max	Min	Max
Registration	\$6,000	\$12,000	\$0	\$0
Expansion experts for setup * 3	\$12,000	\$15,000	\$0	\$0
Legal fees	\$0	\$0	\$0	\$0
Legal counsel hire for incorporation	\$6,000	\$12,000	\$0	\$0
Fees for setting up documentation	\$3,000	\$6,000	\$0	\$0
Signature, notarization	\$1,000	\$3,000	\$0	\$0
Apostille	\$1,000	\$3,000	\$0	\$0
Courier	\$1,000	\$3,000	\$0	\$0
Legal Representation to open the entity	\$1,000	\$3,000	\$0	\$0
Employment agreement	\$3,000	\$6,000	\$0	\$0
Minimal capital requirements	\$3,000	\$6,000	\$0	\$0
Accountant fees	\$3,000	\$6,000	\$0	\$0
Insurance set up (research, selection, contract wet ink signing)	\$1,000	\$3,000	\$0	\$0
Registration with Governmental authorities as employer	\$1,000	\$3,000	\$0	\$0
VAT registration	\$3,000	\$6,000	\$0	\$0
Bank account set up (research, selection, incorporation documents to present and KYC process)	\$3,000	\$6,000	\$0	\$0
Capital injection of the bank account	\$6,000	\$12,000	\$0	\$0
Employee benefit set up	\$1,000	\$3,000	\$0	\$0
Entity structure advice	\$1,000	\$3,000	\$0	\$0
Entity adress set up	\$1,000	\$3,000	\$0	\$0
Tax structuring advice	\$3,000	\$6,000	\$0	\$0
Entity set up costs (one off)	\$60,000	\$120,000	\$0	\$0

5

Ongoing payroll administration costs

Once your entity is set up, this is how much you could expect to pay to handle the ongoing HR admin required to pay and manage your team.

Ongoing payroll administration costs	Estimated costs of hiring an employee without Deel		Estimated costs of hiring an employee with Deel	
	Min	Max	Min	Max
Cooperation tax	25%	25%	\$0	\$0
Cost to hire a payroll manager in each country to manage benefits	\$40,000	\$40,000	\$0	\$0
Employment contributions (insurance, pension, social security, etc.)	32.00%	38.00%	32.00%	32.00%
Director/Manager representation	\$3,000	\$6,000	\$0	\$0
Medical exams	\$200	\$200	\$0	\$0
Mailing address	\$1,000	\$3,000	\$0	\$0
Employee off-boarding	\$3,000	\$6,000	\$0	\$0
Trainings: health and safety	\$30	\$30	\$0	\$0
Onboarding of employees: employment agreement, review of compliance documents, redlines, registration of the employee with the authorities	\$3,000	\$6,000	\$0	\$0
Salary payments done on time to comply with the local law	\$0	\$0	\$0	\$0
EOR annual Service fee (for one employee)	\$0	\$0	\$7,188	\$7,188
Ongoing payroll administration costs (Per year)	\$50,230	\$61,230	\$7,188	\$7,188

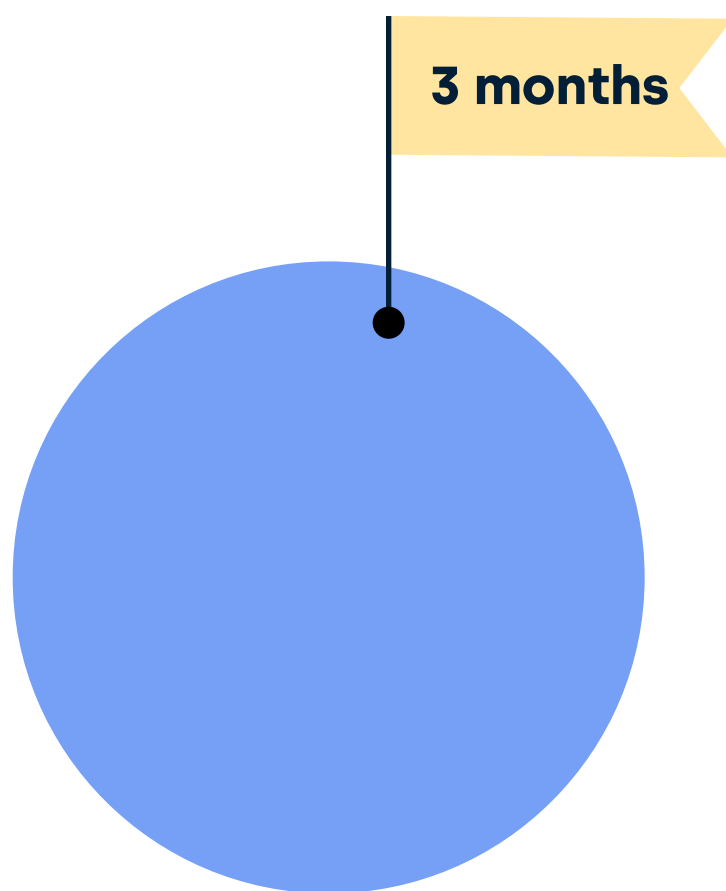
6

Total costs and timings

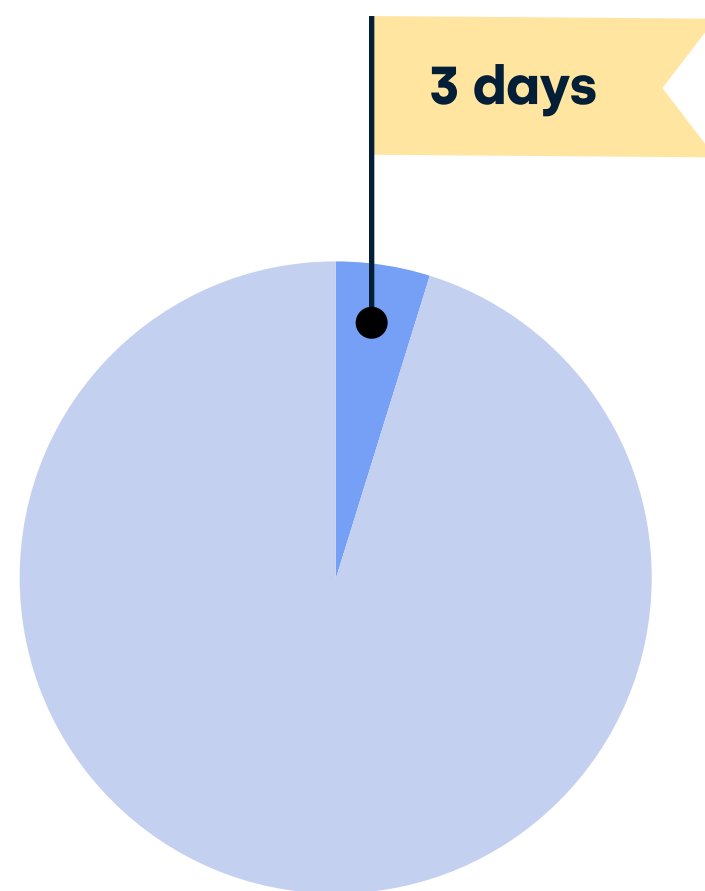
Once your entity is set up, this is how much you could expect to pay to handle the ongoing HR admin required to pay and manage your team.

	Estimated costs of hiring an employee without Deel		Estimated costs of hiring an employee with Deel	
	Min	Max	Min	Max
Entity set up costs (one off)	\$60,000	\$120,000	\$0	\$0
Ongoing payroll administration costs (per year)	\$50,230	\$61,230	\$7,188	\$7,188
Total costs	\$110,230	\$181,230	\$7,188	\$7,188

Timings



Set up an entity to hire employees in Spain



Hire employees in Spain with Deel EOR

7

Total costs and timings

How long does it take to open an entity in any country?

A new entity is a time-consuming legal endeavor. You'll need to set up tax, benefit and payroll accounts, local employment contracts, and incorporation documents from scratch. You'll also need to be adept at minimizing your tax liability, which can be operationally difficult. In 2022, Brazil, France, and Peru in particular ranked as the most complex jurisdictions for financial compliance in the world.

Every business has unique needs, so our estimates are broad at best. But in general, expect at least **one to four months** of paperwork, contracts, and calls before you're ready to begin operations in a new country. And that doesn't factor in administrative processing delays, changes to your setup team's capacity or priorities, statutory holidays, or macroeconomic conditions.

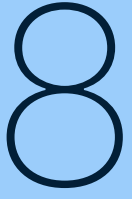
How Deel helps

As a global provider of payroll and HRIS services, Deel already has earned expertise in local compliance. Our internal teams have already put in the effort of setting up local entities. Expanding companies like yours can simply plug into Deel's entity offerings, earning time efficiencies and economic savings.

With Deel Anywhere, open the door to the best talent you can find without being limited by borders. Get hiring in just a few days, generate localized contracts in minutes, then onboard and run payroll with industry-leading automation and integrations. Hand off the legal and financial risk to Deel while still managing the day-to-day work of your employees and contractors in a unified cloud platform.

Deel navigates employment and legal changes on your behalf, ensuring your workforce setup is compliant with the latest developments in mobility, taxation, and employment law.

[Book a meeting](#) with a hiring expert today to discuss your hiring goals.



CARL HARTMANN
CEO AND FOUNDER
LYRE'S

LYRE'S 

"One of the biggest challenges I had in my career is when you finally have a great candidate and they are in a country you don't have an entity, and then you have to go through the absolute pain. **Solving that challenge is what attracted us to Deel.**"

NUPUR MEHTA
VP OF HUMAN RESOURCES
NIUM



"**Deel enabled us to achieve our mission to reach and expand new markets in a faster turnaround time.** I would say it saved us at least 12 to 24 months of effort. I'd recommend Deel to anyone who would like to expand globally and has limited time and resources to build the capability internally."

ELIAS EK
CO-FOUNDER
KEEGO

keego

"I can't imagine having to open up an entity in a certain city just to be able to hire someone. **Deel solves a real problem, and up to now, we've been very happy with the service.**"

LUKA BESLING
HR MANAGER
REVOLUT

Revolut

"Thanks to Deel we get to hire local talent in any country where we want to expand long before we set up an entity there. **Effectively, that gives us a head start.**"

RACHEL DELACOUR
CEO AND CO-FOUNDER
SWEEP



"Ten years ago, while managing my previous company, I realized I had to internationalize my team... **Hiring people outside Europe was a real pain—a nightmare because of regulations.** I wanted to scale the business quickly, but the global hiring process without an EOR wasn't scalable at all."

Recommended resources



-
- Use this [EOR RFP Template](#) to compare EOR services
 - Read our [Complete Guide on International Hiring](#)
 - Learn [How to hire employees in 150+ countries](#)
 - Access [Deel's Global Hiring Toolkit](#) to find salary insights, employee cost calculator, and more
 - See Deel's EOR services or Global Payroll in action by [requesting a demo](#)