Council of Ministers

Draft “Crea y Crece” law to facilitate the creation and growth of companies

Moncloa Palace, Madrid, 30 November 2021

The Council of Ministers has approved the referral to Parliament of the draft Crea y Crece Law, one of the main reforms of the Recovery, Transformation and Resilience Plan.

The First Vice-President of the Government of Spain and Minister for the Economy and Digital Transformation, Nadia Calviño, explained that the aim of the regulation is to boost the creation of companies, facilitate their expansion and improve the business climate throughout the country.

Calviño stressed that the future regulation reduces the economic cost of setting up companies and simplifies procedures. It will be possible to set up a Limited Liability Company with a share capital of one euro, as opposed to the current minimum of 3,000 euros; moreover, online creation is promoted, with the consequent reduction of time and notary and registry costs.

To foster business growth, the regulation includes measures against late payment in commercial transactions, one of the main causes of liquidity, profitability and solvency problems of many companies, especially SMEs.

Among these initiatives, Calviño highlighted the obligation to issue and send electronic invoices in all commercial relations between companies and self-employed people in order to guarantee greater traceability and control of payments. In addition, the text establishes that companies that do not comply with the legal payment deadlines will not be eligible for public subsidies, including those under the Recovery Plan. The Government foresees the creation, within six months, of a state observatory on late payments, which will be in charge of monitoring deadlines.

The regulation improves the efficiency of the regulatory framework for economic activities by simplifying existing legislation, removing obstacles, streamlining procedures and extending the catalogue of activities exempted from licensing. It also reinforces the role of the new sectoral conference for Regulatory Improvement and Business Climate.

The project promotes alternative instruments to bank loans, such as crowdfunding or participatory financing, collective investment and venture capital.

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