

Mercantile Companies Statistical (MC)

Methodological Note



INSTITUTO NACIONAL DE ESTADÍSTICA

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1 Background

The implementation of this statistic is carried out by the Order of 30 September 1938. Information was collected by means of standardised questionnaires issued by provincial mercantile registers.

The entry into force on 1 January 1990 of Legislative Royal Decree 1564/1989 of 22 December, by which the revised text on the Law of Public Limited Companies and Royal Decree 1567/1989 of 29 December by which the Mercantile Register regulation was approved, meant a methodological rupture in obtaining the data.

Although the institution of the Central Mercantile Register (CMR) was carried out by the Law of 21 July 1973, it was with the approval of the new Mercantile Register regulation when the new functions were granted, among them, uniting in its files all the data from all registrations that were carried out in territorial registers. For this reason the methodology to collect the information was changed resulting in the central mercantile register which provides information in magnetic support.

The legislative adaptation of the statistic was the reason for the deletion of one or some tables and the publication of others with information not considered up until now.

The first monographic publication of this statistic was in 1968 with results from the 1965-66 period. As of this date these publications were carried out annually until 1990 with results from the previous year. Since 1990 results have been published in annual tables to speed up the publication of definitive results. The publication of tables is also offered electronically based on data from 1994.

Due to the mercantile reform of 1989, the statistic has experienced methodological and structural changes. Nevertheless, attempts have been made to maintain the main historical series and improve its publication with new information: special companies and company branches.

Parting from the INE figures for January 94 commences the publication of paid-up capital, as well as that subscribed and already collected for constituted mercantile companies and those that enlarge capital; payments of passive dividends are also tabulated.

2 Objectives

The main objective of the statistics is to collect information on companies constituted, dissolved companies and capital modifications.

The following modifications are considered:

- increase in capital
- bond issue
- reduction in capital

3 Scope of investigation

3.1 POPULATION SCOPE.

The Central Mercantile Register centralises all the provincial information on the registration of companies and businesspersons as well as the mercantile acts that the Law determines.

3.2 GEOGRAPHICAL SCOPE.

Deals with the whole country.

3.3 TEMPORAL SCOPE

The reference period is monthly. The information facilitated by the central mercantile register is collected in magnetic support.

4 Variables, definitions and abbreviations used

4.1. MERCANTILE REGISTER

The mercantile register is a publication instrument and its mission is to provide relevant data for mercantile traffic to the public.

Among other functions, the mercantile register is used to register businesspersons and other subjects established by Law and the Regulation.

Registration of the following subjects is obligatory:

Individual shipping businessperson

Mercantile companies

Reciprocal guarantee companies

Credit co-operatives, mutual societies and insurance and cooperatives and social provision mutual societies

Group investment companies

Economic interest groups

Savings banks

Investment funds

Pension funds

Branches of any of the subjects indicated above

Branches of foreign companies and other foreign institutions with legal personality and which are profit oriented.

Foreign companies who have moved their domicile to Spanish territory

Other persons or entities that establish laws

The Mercantile Registers are established in all provincial capitals, as well as in the cities of Ceuta and Melilla.

4.2. CENTRAL MERCANTILE REGISTER

The Central Mercantile Register (CMR) has among others, the following functions:

- the ordering, handling and publication, merely for informative purposes, of the data received from the provincial mercantile registers

- archiving and publication of the denominations of legal companies and institutions
- The publication of the official mercantile register bulletin (MRB) under the terms established in this regulation.
- The register relating to companies and institutions that have moved their domicile abroad without losing Spanish nationality

4.3. MERCANTILE COMPANIES, SPECIAL COMPANIES AND OTHER INSTITUTIONS

The most relevant characteristics of companies registered in mercantile registers are detailed below, bearing in mind the definitions of mercantile register regulations.

4.3.1. MERCANTILE COMPANIES

The company form by which two or more persons are obliged to place common goods or industry in a fund in order to obtain profit will be mercantile, whatever its type, provided it is constituted in agreement with trade code provisions. Once the mercantile company has been constituted, it will have legal personality in all its acts and contracts.

By general rule mercantile companies are constructed by adopting some of the following forms.

- group company
- simple limited partnership or incorporated partnership
- public limited company
- private limited company

4.3.1.1. GROUP COMPANY

Company in which all the shareholders as a group and under a corporate name, undertake to participate in the proportion established, with the same rights and obligations, responding in a subsidiary, personal, joint and several manner and without limits with all their assets for the results of corporate transactions.

The group company functions under a corporate name which will be made up of the name of all its partners, some of them or just one of them. The words "and company" should be added in the latter two cases.

For the constitution of the company a minimum of two partners is necessary but there is no legal maximum.

The company administration may be assumed by all the partners except by express agreement to the contrary in favour of one or some of them.

For the acquisition of personality the following are necessary:

- Public deed
- registration in the Mercantile Register
- census declaration and obtaining a tax identification number

With respect to capital, there is no legal minimum or maximum.

4.3.1.2. LIMITED PARTNERSHIP

Mercantile company made up of the contributions of group and capital partners of limited partnership partners. This may be of two types: Simple limited partnership and incorporated partnership in which the participation of capitalist partners is represented by shares.

- Simple Limited Partnership

The corporate name should contain the name of all group partners or some of them. In the latter case the words "y Compañía" and in both cases "Sociedad en Comandita" should be added.

For the constitution of a company it is necessary to have at least two partners, one of which has to be group but there is no legal maximum limit.

The responsibility of the group partner is unlimited and joint and several, whilst the partnership partner is limited to the economic contribution made.

For the acquisition of personality a public deed, registration in the register, census declaration and obtaining of a tax identification number is necessary.

With respect to corporate capital, there is no legal minimum

- Incorporated Partnership

The corporate name should contain the name of all, some or just one of the group partners or an objective denomination with the necessary indication of "Sociedad Comanditaria por Acciones" or its abbreviation "S. Com. Por A.".

For the constitution of a company it is necessary to have at least three partners, one of which has to be group but there is no legal maximum limit.

The responsibility of the group partner is unlimited and joint and several, whilst the limited partnership partner is limited to the economic contribution made.

For the acquisition of personality a public deed, registry registration, census declaration and obtaining of a tax identification number is needed.

With respect to corporate capital, the legal minimum is 60,101€ (10,000,000 pesetas).

4.3.1.3. PUBLIC LIMITED COMPANY

Capitalist mercantile company made up of one or more persons in which capital is integrated by the contributions of partners and divided into shares that confer upon their holder the status of partner, limiting the responsibility of these to their corporate contribution.

The corporate name is free. It is not possible to adopt a corporate name identical to a pre-existing one and this needs to include the expression "Sociedad Anónima" or its abbreviation "S.A."

For the constitution of a company at least one partner is required. The responsibility of partners for corporate debts with regards to third parties is limited to contributions made or committed but not yet made.

For the acquisition of legal personality a public deed, registry registration, census declaration and obtaining of a tax identification number is needed.

Capital cannot be less than 60,101€ (10,000,000 ptas), and at least a quarter (25%) of the nominal value of each share must be fully subscribed and paid up when the company is constituted. The non paid up portion of the share is called passive dividend.

4.3.1.4. PRIVATE LIMITED COMPANY

Capitalist mercantile company made up of one or more persons in which capital is integrated by the contributions of partners and divided into equal parts called holdings that confer upon their holder the status of partner, the latter not being responsible for corporate debts.

The corporate name is free. It is not possible to adopt a corporate name which is identical to a pre-existing one and this needs to include the expression "Sociedad Limitada" or its abbreviation "S.R.L." o "S.L."

As for the number of partners, there has to be at least a minimum of one partner and a maximum of 50. The responsibility of partners for corporate debts with regards to third parties is limited to contributions made or committed but not yet made.

For the acquisition of legal personality a public deed, registry registration, census declaration and obtaining of a tax identification number is needed.

Capital cannot be less than 3.005€ (500,000 ptas), and it must be fully paid up when the company is constituted.

4.3.2. SPECIAL COMPANIES.

The following appear as special companies.

4.3.2.1. WORKER-OWNED COMPANY

Private or public limited company in which more than 50% of the corporate capital is the property of the employees. No partner may have more than a third except worker-owned companies held by the state, autonomous communities, local institutions or public companies.

The corporate name should include the expression "Sociedad de Responsabilidad Limitada Laboral" or "Sociedad Anónima Laboral", or its abbreviation "S.L.L." or "S.A.L.".

The minimum number of partners is three. No partner may have more than one third of the corporate capital and two of them must be employees. The responsibility of partners is limited to the contributions.

For the acquisition of legal personality a public deed, registration in the mercantile register and administrative register of worker-owned companies, census declaration and obtaining a tax identification number is required.

Capital cannot be less than 3.005€ (500,000 ptas), if it is a worker-owned private limited company. In the case of a worker-owned public limited company this cannot be less than 60,101€ (10,000,000 ptas).

4.3.2.2. RECIPROCAL GUARANTEE COMPANY

Reciprocal Guarantee Company (R.G.C.) is a financial institution made up of small and medium sized companies (SMEs) with the objective of facilitating their access to credit and improve their general financing conditions.

The number of partners is at least 150 and their responsibility is limited.

Corporate capital is at least 180,303€ (30,000,000 ptas) and not more than 5,409,108€ (900,000,000 ptas).

4.3.2.3. COOPERATIVE COMPANY

Company which, with variable capital and a democratic structure and management, associate, in the form of an open membership with voluntary delisting, persons who have common socio-economic interests or needs, who carry out corporate activities for the satisfaction of the latter and for the benefit of the cooperative. The economic results are imputed to partners once cooperative funds have been dealt with, depending on the cooperative activity that is carried out.

The corporate domicile needs to include the words "Sociedad Cooperativa" or its abbreviation "S. Coop.".

The number of partners is unlimited and the responsibility of these for corporate debts is that set out in the statutes.

The law does not require minimal capital for the constitution of cooperatives, it is the statutes themselves which determines this.

For the acquisition of legal personality registration in the cooperative companies register and public deed is required.

There are different types of co-operatives:

- Associated work cooperatives
- Consumers and users cooperatives
- Agriculture cooperatives
- Community use of the earth cooperatives
- Sea cooperatives
- Services cooperatives
- Transporter cooperatives
- Insurance cooperatives
- Health cooperatives
- Education cooperatives
- Credit cooperatives

4.3.2.4. SECURITIES FUND

Public limited company whose objective is the acquisition, tenancy, enjoyment, administration and disposal of securities and other financial assets with the objective of compensating risks and performances of other companies without having a majority holding.

The number of partners is not less than what is needed for the admission of shares for official stock market listing. Their responsibility is limited.

For the acquisition of legal personality a public deed, registration in the Mercantile Register and National Stock Market Commission register, authorisation from the Ministry of Economy and Tax, census declaration and obtaining a tax identification number is required.

The corporate capital of the company may not be less than 1,202,024€ (200,000,000 ptas).

4.3.2.5. ECONOMIC INTEREST GROUP

Associative and corporate entity, made up of corporate, professional and other legally determined subjects as instruments of their cooperation and whose debts are borne by the partners personally and jointly and severally between themselves, and with subsidiarity with respect to the Economic Interest Group (A.I.E.).

Economic Interest Groups are non-profit. Their objective is limited to an auxiliary economic activity carried out by their partners.

The number of partners is at least two.

In order to acquire legal personality a public deed and registration in the mercantile register is necessary.

4.3.2.6. TEMPORARY UNION OF COMPANIES

This is a collaboration system between businesspersons for a determined or indetermined period of time for the execution of work, service or supply.

They lack their own legal personality.

Once the execution of the work has concluded, the union is extinguished. This cannot exceed a period of ten years.

4.3.3. OTHER INSTITUTIONS

The following appear among other institutions:

4.3.3.1. SAVINGS BANKS

Savings banks are companies with a foundational structure and of a private legal nature, which carry out a banking activity. The administrative authorisation for its constitution is similar to that of the banks.

A minimum provisional fund is necessary that depends on the volume of the population of the municipalities where they operate.

These are currently associated in the Spanish Confederation of Savings Banks. A portion of their profits is dedicated to corporate activities (libraries, study grants, etc.).

4.3.3.2. INVESTMENT FUNDS.

There are two types of investment funds:

- Securities Funds (FIM)
- Money market mutual funds (FIAMM)

The former is income belonging to numerous investors whose property right is a shareholding certificate. Its objective is to invest in various shares in the same manner as securities funds investment companies.

Its minimum capital for foundation is 3,005.060€ (500,000,000 ptas) and the denomination of the fund should be preceded by the initials F.I.M.

The latter are differentiated from the former by the assets that may constitute them, since these have to be limited to money market assets.

Their denomination will be followed by the initials F.I.A.M.M. and its minimum capital at the time of constitution is 9,015,181€ (1,500,000,000 ptas).

4.3.3.3. PENSION FUNDS

Pension funds are assets with legal personality that belong to a group of participants, whose property right is justified by means of holding certificates.

Pension funds are constituted with the exclusive object of complying with pensions plans.

Their constitution should be registered in the mercantile register at the domicile of the managing company and its denomination will be followed by the initials F.P.

4.4. INDIVIDUAL BUSINESSPERSON

The trade code defines the trader as the person who has the legal capacity to practice trade and does so habitually.

Bearing in mind that apart from commercial activities, industrial, banking and transport activities, etc may also be carried out. the business person may be defined as a physical person who organises the necessary elements for the production of goods and services. Liberal professionals are excluded from this definition (lawyers, doctors, etc.).

Their registration in the mercantile register is obligatory. The following has to be recorded:

- their and their company's identification
- the issuing of bonds in other negotiable shares (when this is carried out)
- the suspension of payments and bankruptcy (if this occurs)
- the objective of their company
- the domicile of their establishment

4.5. BRANCHES OR SECONDARY ESTABLISHMENTS

A branch is understood to be any secondary establishment with permanent representation and certain autonomy of management by means of which the company's activities are carried out totally or partially.

Its registration in the mercantile register will be in the province corresponding to the domicile of the branch. Among other things, the domicile and economic activity should be recorded.

When branches belong to a foreign company, they will also be registered in the mercantile register corresponding to the place of their domicile.

This statistic does not collect information on the branches of individual businesspersons.

4.6. REGISTRATION DATE

The entry date of the mercantile register presentation is considered as the registration date.

The reference that is used in this statistic is specifically the registration date, without bearing in mind the commencement date of transactions nor the publication date in the S.M.R.B.

4.14. PROVINCE

The province in which the company registration was carried out is taken as the reference.

4.15. CONSTITUTED COMPANIES

Registration in the mercantile register is obligatory. However, the act of registration may be simultaneous at the start of mercantile operations or conversely, subsequent to this.

4.16. INCREASE IN CAPITAL

The increase in corporate capital may be carried out by issuing new shares or by increasing the nominal value of pre-existing ones.

In the registration of the increase in capital, apart from the general details, the following appear:

- the amount of the increase
- the identification of the new shares or the increase in nominal value experienced by the older shares
- the new wording of statutes articles on capital and shares

4.17. BOND ISSUE

The company may issue numbered series of bonds or other shares that recognise or create a debt, as long as the total amount of the issues are not greater than the corporate paid-up capital plus the reserves that appear in the latest approved balance and the accounts regulating and updating the balances, when these have been approved by the Ministry of Economy and Tax.

In the registration of the issue of bonds in the mercantile register, the following appear:

- the denomination of the institution
- total amount of the issue
- the nominal value as well as interest, maturities, premiums and batches of investigations were there to be any

4.18. REDUCTION OF CAPITAL

The reduction of capital may have the following objectives:

- the return of contributions
- the cancellation of passive dividends
- the constitution or increase of voluntary reserves
- the reestablishment of the balance between capital and company income reduced as a result of losses
- the constitution or increase in legal reserves
- the reduction may be carried out by means of the reduction of the nominal value of the shares, their amortisation or their being grouped to trade them.

4.19. DISSOLUTION OF COMPANIES

Within this section, only the number of dissolved companies and the cause of their dissolution is covered: whether this is voluntary, by merger or for another reason. In others judicial dissolutions, by division and other causes of dissolution, are grouped together.

4.20. CORPORATE CAPITAL

Corporate capital is determined in the deed of constitution. Its contribution is necessary as a real guarantee for creditors.

When the company is registered the corporate capital figure should be determined in the company statutes, the minimum being established by law for determined companies.

When applicable, the portion of the non-paid up value is also recorded in the statutes.

In the mercantile companies statistic and as of January 1994, apart from registered capital, paid up capital is also published. This is equal to subscribed capital or a portion of it, depending on whether total or partial payment is obligatory, and according to the type of company.

For special companies and other institutions, it has to be borne in mind that for registration in the mercantile register the law establishes a series of compulsory circumstances, as occurs for mercantile companies, among them the cash paid up. The quantity contributed at registration depends on the type of company and may be:

- Minimum capital
- Variable capital
- Corporate capital
- Income
- Provisions fund
- Mutual fund, etc.

In this statistic it has been opted to unify the different cash payments and name them capital.

4.21. PAYING UP OF PASSIVE DIVIDENDS

When the registered capital is not paid up completely, it is indicated in the deed of constitution or increase in corporate capital if the payments pending will be made in cash or by means of non-monetary contributions.

In the case of payments pending having to be made in cash, the form and maximum period during which passive dividends have to be met will be determined.

4.22. ABBREVIATIONS USED

The following abbreviations are used in corporate denominations that may be registered:

- S.A., for the public limited company (Plc).
- S.L. o S.R.L., for the private limited company (Ltd)
- S. en C. or S. Com., For the simple limited partnership (S.L.P.)
- S. Com. P.A., for the incorporated partnership (I.P.)
- S. Coop., for the group company (G.C.)
- S.A.L., For the Worker-owned public limited company (W.L.C.)
- S.L.L., for the Worker-owned private limited company (W.P.L.C.)
- S.G.R., For the reciprocal guarantee company (R.G.C.)
- A.I.E., For the economic interest group (E.I.G.)
- A.E.I.E., for the European economic interest group (E.E.I.G.)

- F.I.M., for the securities fund (SF)
- F.I.A.M.M., for the money market mutual fund (MMMF)
- F.P., for the pensions fund (PF)
- F.I.I., for real estate investment funds (REIF)
- S.I.I. for real estate investment companies (R.E.I.C.)

Other abbreviations used:

- M.C., for the mercantile company
- C.M.R., for the Central Mercantile Register
- NCEA, for the National Classification of Economic Activities
- INE, for The National Statistics Institute
- M.R.B., for the Mercantile Register Bulletin

5 Collection method

The information is collected on magnetic support provided by the Central Mercantile Register.

6 Tabulation

A filtering and coding treatment is applied to the information received from CMR on magnetic support. Subsequently a tabulation process is carried out based on the established criteria, such as:

6.1. GEOGRAPHICAL

- National
- by Autonomous Communities
- provincial level

6.2. ECONOMIC

- constitutions
- enlargements of capital

- reduction of capital
- bond issues
- dissolutions
- payment of passive dividends

6.3. LEGAL REGIME

- public limited companies
- private limited company
- regular group companies
- limited partnership
- worker-owned limited companies
- economic interest groups.
- pension funds
- investment funds
- temporary union of companies
- other companies
- corporate branches

6.4. TEMPORARY

- annual summaries
- monthly summaries

As of 1994, the tables obtained in the mercantile companies statistic are classified in three main groups:

- total companies: mercantile companies, special companies and other institutions.
- mercantile companies
- special companies and other institutions

7 Dissemination of the information

The results obtained from the mercantile companies statistic is disseminated in various ways:

7.1. SUMMARY OF RESULTS

- M.C created, by provinces
- M.C which enlarge capital and dissolve, by provinces.
- M.C which pay up passive dividends and reduce capital, by provinces.
- Total companies created, according to type of company on a national level by months.

7.2. MONTHLY STATISTICAL BULLETIN

Tables on a national level, by monthly summaries, for:

- M.C., by economic criteria
- M.C constituted by legal form
- M.C which increase capital, by legal form
- M.C dissolved by legal form

7.3. ANNUAL SUMMARY OF RESULTS:

- M.C. constituted, by months and provinces
- M.C. that enlarge capital and dissolve
- S.A.L., by months
- Special companies and other institutions, by months

7.4. STATISTICAL YEARBOOK

- M.C by economic criteria on a national level, by legal form
- M.C constituted, according to legal form, by autonomous community and provinces.
- M.C. that increase their capital, according to legal form, by autonomous communities and provinces
- M.C. that issue bonds, according to legal form, by autonomous communities and provinces
- M.C. dissolved, according to legal form, by autonomous community and provinces

- M.C. that reduce their capital, according to legal form, by autonomous community and provinces

7.5. ELECTRONIC PUBLICATION

Annual tables for the total of companies and mercantile companies, are broken down on an autonomous community and province level. Special companies and other institutions as well as individual businesspersons and branches, are broken down on an autonomous community level.

7.5.1. TOTAL COMPANIES

- according to different states
- according to type of company and legal form.
- according to paying up of passive dividends

7.5.2. MERCANTILE COMPANIES

- constituted, according to legal form and months
- enlarge capital, according to legal form and months
- issue bonds, according to legal form and months
- reduce capital, according to legal form and months
- dissolved, according to legal form and months
- dissolved according to type of dissolution and months

7.5.3. SPECIAL COMPANIES AND OTHER INSTITUTIONS

- constituted, according to months
- S.A.L. constituted. according to months
- A.I.E. constituted. according to months
- F.P. constituted, according to months
- F.I.M. and F.I.A.M.M., constituted, according to months
- Rest of companies and institutions constituted, according to months
- Dissolved, according to type of company
- Dissolved, according to type of company and months

7.6. BY INTERNET

<http://www.ine.es>

7.7. PRESS RELEASE

Main monthly results and variation rates, with provisional data.

7.8. SUMMARY OF RESULTS

Monthly publication with national results, by autonomous communities and provinces From January 1995 up until the last month that has been published. The same day that the data are disseminated, they are loaded onto Internet.

7.9. TEMPUS CHRONOLOGICAL SERIES

Data on a national level from January 1987. The same day that the data are disseminated, they are loaded onto Internet. The chosen series may be shown on a graph automatically.