

Canary Islands Special Zone (ZEC) & the Audiovisual Sector

Canary Islands is becoming a booming place for the Audiovisual Sector:

The Canary Islands, located in Spain, as a prominent location for the audiovisual industry, is rapidly becoming a key player in the global audiovisual industry, offering an unbeatable combination of tax incentives, natural beauty, modern infrastructure, talent and government support. The region's audiovisual ecosystem is poised for continued growth, attracting feature and animated production companies and emerging talents worldwide.

The **Canary Islands Special Zone (ZEC)** is a low-tax regime established to promote economic development in the Canary Islands. For companies in the audiovisual sector, the ZEC offers significant financial and strategic benefits, but it also requires certain conditions to be met.

- **Advantages of a ZEC Entity for Audiovisual Companies**

It provides with a reduced rate of **4% corporate tax rate**, no withholding tax on dividends, interests or capital gains, no VAT on imports and intra-zone operations, amongst other tax incentives. The region also offers one of the best **tax credit / rebates** in Europe of **54/45%** for audiovisual productions,

- **Requirements for Establishing a ZEC Entity in the Audiovisual Sector**

To benefit from ZEC, there are certain requirements, being setting up a company within the **ZEC framework**, **job creation with a minimum of 6 jobs as an annual average**, **management of the company locally**, and **development of authorized ZEC activities**, which include audiovisual production, post-production, animation, video games, and digital content development.

- **Key Advantages in the audiovisual sector:**

Unbeatable 54/45% tax Credit / Rebate combined with a reduced ZEC 4% Corporate Income Tax

Unique Natural Landscapes

State-of-the-Art Infrastructure and Supportive Government Support

Talent attraction and retention