

LISBOA

PORTO

FUNCHAL

SÃO PAULO

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DILI

SÃO TOMÉ

MACAU



SOCIEDADE DE ADVOGADOS, SP, RL
ROGÉRIO FERNANDES FERREIRA
& ASSOCIADOS

Tax Allures of Portugal

Portugal: a good choice

Great food

Good weather

Historical heritage

Wonderful landscapes

Competitive operational costs

Safe environment and low crime rate

Education and high quality healthcare system

Highly ranked in 'Ease of Doing Business'



Non Habitual Residents

Overview

Portugal has become a top choice for High Net Worth Individuals (HNWI) who wish to take up residence in Europe, ever since the implementation of the [Non Habitual Residents \(NHR\) Tax Regime](#) in 2009.

Non habitual residents may be subject to a **reduced 20% PIT (Personal Income Tax) rate** both on salaries and business and professional income arising in Portugal (source) and derived from high added value activities of a scientific, artistic or technical nature and, provided certain conditions are met, be **exempted of tax** regarding the labor income (dependent and independent), interest, capital gains, and pensions obtained outside Portugal.

The regime is available to individuals that become tax residents in Portugal and that were not tax residents in Portugal in the previous 5 years.

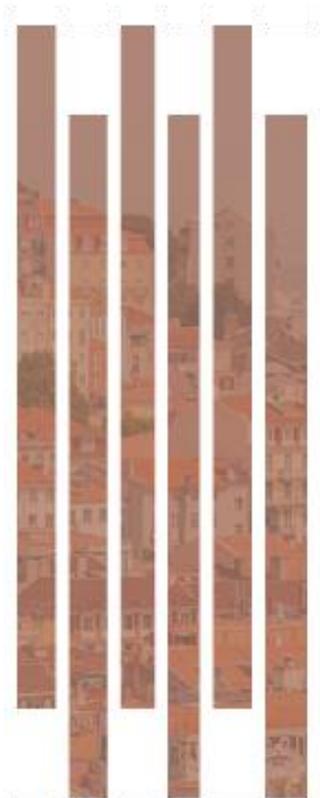
The status is **granted for a period of 10 years**. And Portuguese citizens living abroad can also benefit from this tax regime.

To be considered as a tax resident, the individual should remain for more than 183 days in Portugal during a 12-month period or have a dwelling in Portugal at 31 December of that year with the intention to hold it as his habitual residence.

By becoming a Portuguese Non Habitual Resident, the HNWI are able to dispose of their assets benefiting from tax exemptions, to pass on their wealth or estate **without inheritance or gift taxation** and/or to enjoy their **retirement without tax leakage on their pensions**, under certain conditions.

Non Habitual Residents

Tax rates*



* Subject to conditions and dependent on a case-by-case analysis



FEES & SALARIES	20% for high added value activities	Exempt*
PENSIONS	14,5% to 48%	Exempt*
DIVIDENDS INTEREST ROYALTIES REAL ESTATE CAPITAL GAINS	Rental income - 28% Real estate capital gains valued at 50% of total amount - 14,5% - 48% Other income 14,5% - 48%	Exempt*

Golden Visa Overview

The [Golden Visa regime](#), in force since 2012, enables third country nationals to obtain a **temporary residence permit** to conduct business activities with visa waiver to enter national territory.

The beneficiaries of Golden Visa are entitled to live and work in Portugal, further benefiting of a visa exemption for travelling within the Schengen Area¹. They can also request family reunification, apply for permanent residence and, eventually, apply for Portuguese citizenship, by naturalization, provided all other requirements set out by the Nationality Act are fulfilled.

All third country citizens who conduct an investment activity, as an individual or through a company set up in Portugal or in another EU Member State and who, in addition, are stably settled in Portugal, may apply for the Golden Visa regime.



Golden Visa

Eligible Investment Activities



REAL ESTATE

Purchase of Real Estate

Acquisition of property
> € 500.000¹

OR

Purchase and Rehabilitation of Real Estate

Acquisition and renovation
 of property **> € 350.000** - for
 properties more than 30
 years old or located in areas
 of urban renovation¹



FINANCIAL ASSETS

Venture Capital & Investment Funds

≥ € 350.000 in the
 acquisition of participation
 units in venture capital or
 investment funds
 established in Portugal and
 specialized in the
 capitalization of enterprises

OR

Other Financial Assets

≥ €1 million in any other
 type of financial asset^{1,3}



CAPITAL INVESTMENTS

Research & Development

≥ €350.000 in scientific
 research that is conducted by
 institutions that are part of the
 national scientific and
 technological system

OR

Cultural

Capital transfer in an amount
≥ € 250.000 invested in, or
 supporting, the artistic
 production or the recovery or
 maintenance of the national
 cultural heritage that is
 conducted by accredited
 institutions



JOB CREATION

Job creation

Creation of **≥ 10 jobs**

OR

Company and job creation

≥ € 350.000¹ for:

a) establishing a corporation
 in Portugal, combined with
 the creation of **≥ 5 jobs**; or

b) reinforcement of a
 existing Portuguese
 corporation's capital
 combine with the creation or
 maintenance of the existing
 jobs⁴

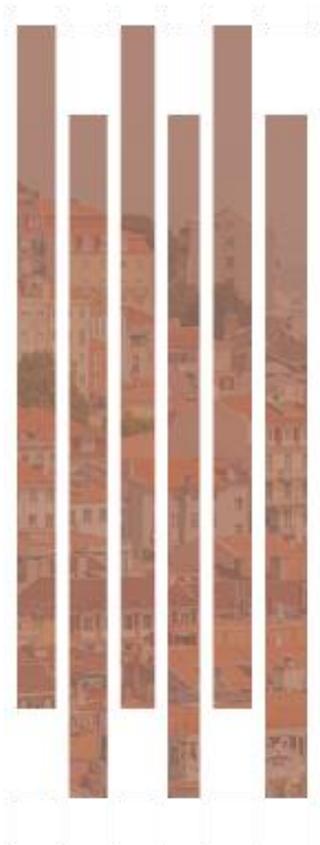
¹ The minimum investment **may be reduced by 20%** in certain regions

² Subject to additional maturity conditions

³ Including the investment in the share capital of companies

⁴ Minimum 5 permanent jobs for a minimum period of 3 years

Company incorporation



Company incorporation in Portugal is simple and fast, and it allows highly qualified foreign professionals to benefit of a flat rate of 20% PIT (+3,5%) and of the participation exemption regime for companies, which excludes from taxation capital gains/losses arising from onerous transfers of shares and dividends, if: the company i) holds a minimum of 10% participation in share capital or in voting rights, ii) for a uninterrupted period of 12 months, iii) is not subject to a system of fiscal transparency in Portugal, and iv) is liable and not exempt from corporate tax or similar.

Other advantages are the strategic access to markets, and an extensive Double Tax Treaty network (with around 80 countries).

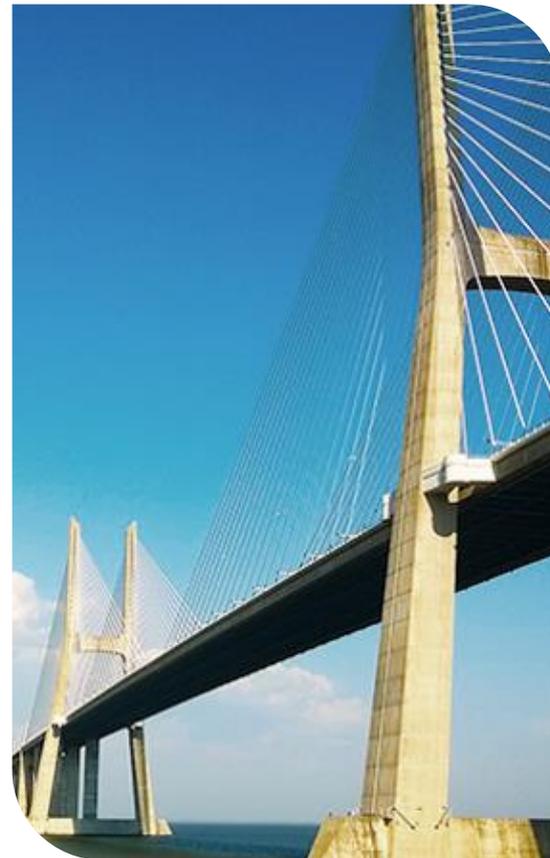
Companies licensed to operate in the [Madeira International Business Centre](#) may benefit from a **5% corporate income tax rate, until 2020**, on income obtained abroad, while also benefitting from the participation exemption regime above).

Tax Optimization

The Golden Visa regime is compatible with the Non Habitual Resident tax regime.

This may grant third country nationals not only legal permanence in Portugal but also the benefit of the low tax regime given to Portuguese source income and the exemption tax regime given to non-Portuguese source income.

The Investor can also benefit from the local accommodation establishments exploration regime (which provides benefits regarding the taxation of income arising from short term rentals), no wealth tax, no inheritance tax in case of succession by death or gifts to spouses and direct descendants and ascendants, a real receptiveness to foreign investment... and a very pleasant Mediterranean climate in the safest European country!





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