



**VALADAS CORIEL
& ASSOCIADOS**
ADVOGADOS



NHR

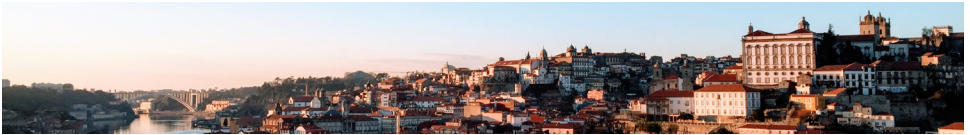
NON-HABITUAL-RESIDENTS

TAX REGIME

TAX BENEFITS FOR TAX RESIDENTS IN PORTUGAL

Whether you are a foreigner looking to move and live in Portugal, or a Portuguese emigrant who is considering returning to your homeland, Portugal has a **special tax regime** on Personal Income Tax to offer you. This regime presents numerous tax opportunities for passive income, pensioners, and skilled workers.

If you have not been a tax resident in Portugal for the past 5 years, but want to become one now, you can apply for this tax regime for **Non Habitual Residents (NHR)** in Portugal, which presents you with the bellow discriminated advantages.



Tax Advantages

20% special flat tax rate applies to labour and self-employment income sourced in Portugal if derived from high value-added activities.

Labour income sourced outside Portugal is **not subject to taxation in Portugal** if taxed in the source country.

Self-employment income from a high value activity **sourced outside Portugal is not subject to taxation** in Portugal provided that income may be taxed in the source country under a tax treaty signed between Portugal and that state.

Zero tax on interests, dividends and royalties sourced outside Portugal, and if taxed in the source countries the tax so charged shall not exceed the reduced rates established in the tax treaties signed with Portugal ranging between 5% and 15%.

Foreign **pensions** subject to a **flat rate of 10%**.

The tax regime is granted for a period of **10 years** with the possibility of suspending and restarting.

Other Tax Advantages

No wealth taxes or any tax on large estates or fortunes, except AIMI (a tax between 0.4%, 0.7% that is levied on the sum of the assets of residential real estate, owned by individuals and companies, with a value of more than 600,000 euros).

Gifts and inheritances are fully exempt from taxation between ascendants, descendants, and spouses. In relation to other beneficiaries, stamp tax at a 10% rate applies.

Disposal of foreign assets is **not subject to stamp tax**.

Exclusion from taxation of capital gains on sales of permanent residence if proceeds are reinvested in another personal residence in Portugal, European Union, or European Economic Area.

No taxation on income or gains from crypto currencies.

Exclusion from taxation of capital gains on the sale of second-hand valuable goods: art, cars, and other collectibles.



When to apply?

Individuals must apply at the Portuguese Tax Authorities no later than the **31st of March of the following year** in which the candidate has become a Portuguese Tax Resident.

Who can apply?

Individuals who are **considered Portuguese tax residents**. Meaning that the individual must have stayed in Portugal for 183 days during that calendar year, or having stayed for shorter period of time, must have demonstrated to have a permanent domicile in such terms that reveal an intention to maintain and occupy it as a habitual residence. This means, in other words, to either own or rent a property in Portugal.

Individuals, both foreigners and Portuguese, who **have not been tax residents in Portugal in the preceding 5 years**.



At VCA we have a very dedicated Tax Team providing active and practical counsel on all types of tax strategies. This team assists clients from all over the world through all the steps - from advising on best strategies to tending to the administrative requirements.

Thus, if you have any questions about the NHR Tax Regime, or search for help to apply, please contact our Tax Managing Associate:

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We appreciate your consideration



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