



VALADAS CORIEL
& ASSOCIADOS
ADVOGADOS



NHR

NON-HABITUAL
RESIDENTS

TAX BENEFITS FOR TAX RESIDENTS IN PORTUGAL

It is most certainly important to disclose that, for the duration of the Golden Visa Program, the Permanent Residency and the Citizenship, the applicants **will not be subject to worldwide income taxation**. Instead, the applicants will only be subject to taxes in Portugal if they get income from a professional activity performed in Portugal, or if they receive income sourced from real estate in Portuguese territory.

If later, the applicants choose to live in Portugal for 183 days per year, or more, they will be considered Tax Residents in Portugal and hence subject to worldwide income taxation.

However, there is a **special Tax Regime** for those who want to become tax residents in Portugal, the **Non-Habitual Resident (NHR) Tax Regime**.

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**.



VCA has a very dedicated Immigration Team providing active and practical counsel on all types of immigration programs. This team assists clients from all over the world on various immigration processes, including immigration by investment, guiding applicants through all the steps - from tending to the administrative requirements, to advising on the appropriate investments.

Alongside this team, VCA has someone responsible for all tax matters, including the applications to the above-described NHR Tax Regime. Thus, if you have any tax questions or search for help on this matter, please contact our Tax Managing Associate:

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We appreciate your consideration



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