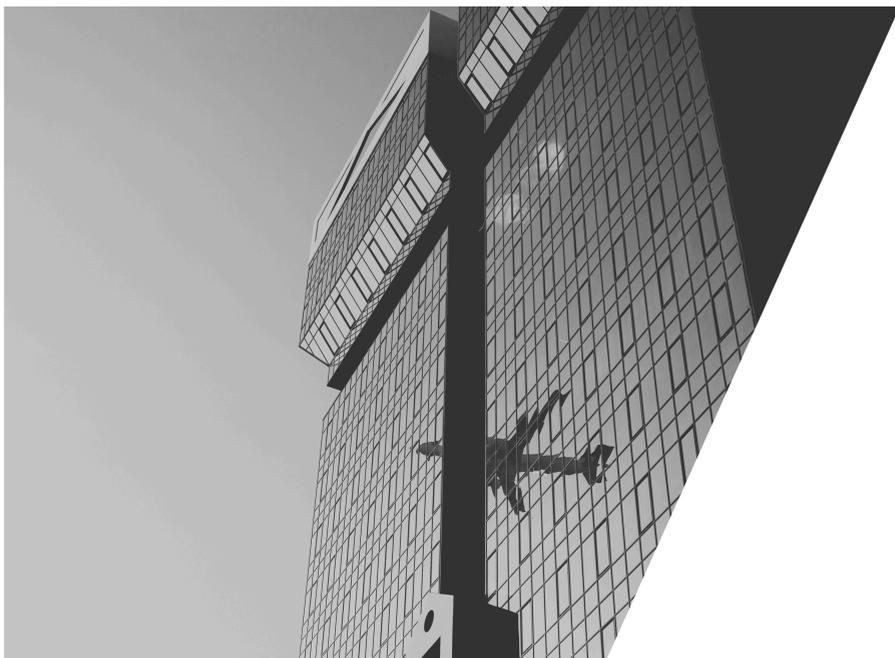




TAX REPRESENTATIONS



TAX REPRESENTATION

Tax representation is the legal arrangement whereby **an individual appoints a third party to represent them before the Portuguese Tax Authorities**, ensuring compliance with all applicable tax obligations in Portugal.

In the Portuguese legal framework, tax representation is particularly relevant, and in many cases legally mandatory, **for non-EU individuals who are not tax residents in Portugal and who:**

- Hold investments or assets in Portugal and are required to obtain a Portuguese tax number (NIF), in which case the appointment of a tax representative is generally required at the outset.
- Earn income sourced in Portuguese territory.
- Are subject to reporting or other tax compliance obligations in Portugal.



Under a tax representation mandate, **VCA is formally appointed as the Client's tax representative in Portugal**, assuming the legal responsibility of acting as the Client's point of contact with the Portuguese Tax Authorities and ensuring that the Client is duly informed of all relevant tax obligations and deadlines.

Tax representation is of particular importance, as in many situations it is legally mandatory and, in all cases, **plays a key role in preventing missed notifications, penalties, and unnecessary tax risks.**

In this context, **VCA acts as the Client's ongoing liaison with the Portuguese Tax Authorities, managing communications, monitoring obligations, and providing continuous support to ensure full compliance** with Portuguese tax law.

Given the legal responsibility involved in assuming tax representation, this service is subject to professional fees, as is standard practice.



General Tax Representation services

Our general tax representation services include:

- A.** Management of all correspondence and notifications issued by the Portuguese Tax Authorities on the Client's behalf.
- B.** Ensuring that the Client is informed of their duties in order to be in full compliance with Portuguese tax laws and regulations, and to prevent fines or penalties.
- C.** Informing the Client of upcoming tax payments and all relevant deadlines.
- D.** Retrieving the relevant payment references from the Tax Authorities' portal and providing them to the Client in a timely manner, thereby ensuring that all mandatory payments are duly settled within the applicable deadlines.

Tax Representation for Clients owning Real Estate in Portugal

When the Client owns real estate in Portugal and enters into a rental agreement, tax representation services may also include:

- A.** Registration of the rental agreement with the Portuguese Tax Authorities.
- B.** Retrieval and provision of payment references for the applicable Stamp Duty.
- C.** Issuance of rental receipts upon confirmation of rent payments.

Additional services may also be provided separately, if necessary:

- A.** Oversight and monitoring of rent payments.
- B.** Verification of withheld tax amounts and deductible expenses.
- C.** Liaison with third parties involved in the lease process such as property managers, tenants, or rental platforms.





Personal Income TAX (IRS) and the need for tax declarations to be submitted in Portugal

In addition to tax representation services, VCA may also assist Clients with the preparation and submission of their annual Personal Income Tax return (IRS), whenever applicable (for instance, where rental income is received in Portugal).

This assistance includes:

- **Document review:** analysis of all relevant documentation, including income statements, bank records, and supporting documents.
 - **Tax return preparation and calculation:** assessment of taxable income, applicable deductions and credits, and calculation of tax payable or refundable.
 - **Submission and follow-up:** electronic filing of the tax return, monitoring of validation by the Portuguese Tax Authorities, and review of the final tax assessment.
 - **Payment or Refund Communication:** Information on amounts payable and assistance with payment, or information on amounts to be refunded.
 - **Ongoing Client support:** clarification and assistance throughout the entire process.
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Note on Payments

- VCA does not, as a rule, pay taxes on behalf of Clients.
- For all amounts due (including Stamp Duty, Personal Income Tax, and rental-related obligations), VCA retrieves the official payment references from the Portuguese Tax Authorities' portal and provides them to the Client.
- Clients may then choose to:
 - Make the payment directly using the references provided, or
 - Transfer the relevant amounts to VCA so that payment may be processed on their behalf
 - ***This is a convenience service offered to Clients and is not part of the statutory tax representation obligation.***

All services are assessed and proposed on a case-by-case basis, taking into account the specific circumstances and needs of each Client. The scope of services and applicable fees are outlined in a personalised engagement letter, which may be adjusted as necessary.

Disclaimer: *If the client does not wish to have a tax representative in Portugal in cases where this is not mandatory, he may choose to do so. However, he must register for electronic notifications from the tax authority online portal and will be entirely responsible for complying with tax obligations in Portugal and for the consequences of non-compliance. This information and how to register must be obtained by the client itself.*



We are here to advise you on the best tax strategy for your next move.

We hope that the above information adequately addresses and we are available for any additional information.