



MESTRE ASSOCIATE LAWYERS
SOCIEDADE DE ADVOGADOS, SP, RL.

Moving to Portugal Tax Implications & Visa Options



The sunny weather, the gastronomy and even the wine are some of the many reasons Portugal became and still is an attractive destination for many people. Whether for those who wish to discover our country and have holiday-turned-investment properties or for so many others who wish to establish their residence and work here, seeking quality of life and safety while doing so.

With the latter in mind, we find it essential to highlight some key-steps of the process, tax implications and visa options on the table.



Step-plan for relocation

To become a Portuguese tax resident, it is essential for the individuals to:

1

Secure a permanent address in Portugal – either through owning or renting a property

2

Secure a valid residency visa


3

Objectively treat Portugal as their effective residence – having current expenses invoiced with the Portuguese fiscal number

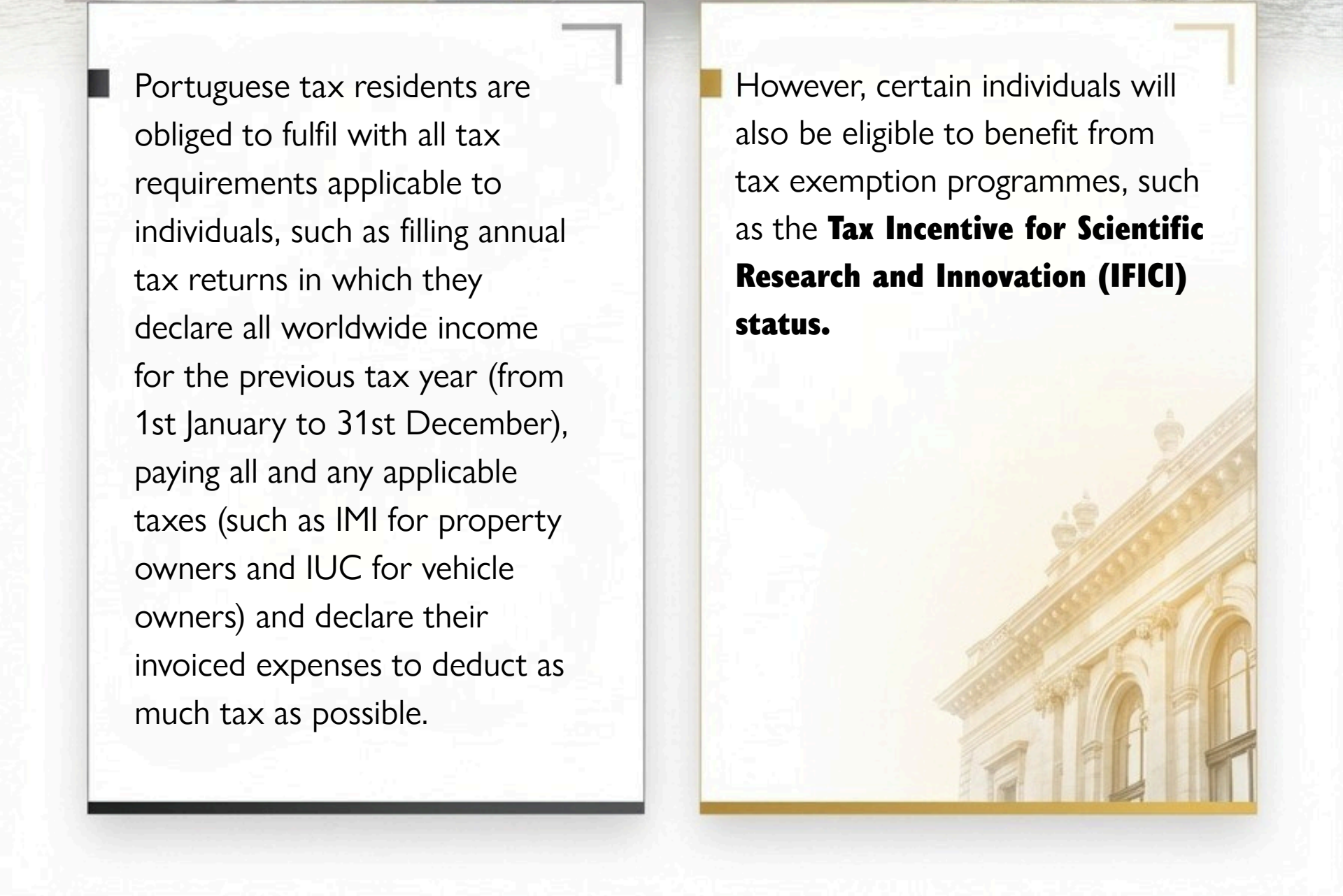
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Spend most of the year in Portugal - with sporadic absences that do not assume a prolonged or definitive character

Tax Implications & Benefits



■ Portuguese tax residents are obliged to fulfil with all tax requirements applicable to individuals, such as filling annual tax returns in which they declare all worldwide income for the previous tax year (from 1st January to 31st December), paying all and any applicable taxes (such as IMI for property owners and IUC for vehicle owners) and declare their invoiced expenses to deduct as much tax as possible.



■ However, certain individuals will also be eligible to benefit from tax exemption programmes, such as the **Tax Incentive for Scientific Research and Innovation (IFICI) status.**

IFICI

The IFICI is a tax framework aiming to foster the growth of Portuguese companies and attract talent to the national economy, by lowering the standard taxation of employment and self-employment incomes derived from scientific research and innovation activities and from qualified employment positions, subject to a reduced flat tax rate and exempting most foreign incomes from taxation in Portugal.

The IFICI succeeds the previous non-habitual resident (NHR) regime. However, its application is less wide-ranging, limited to individuals who become residents in Portugal and carry out qualified activities in strategic companies. In turn, the benefits granted are broader than those under the former NHR regime.



In summary, the IFICI is a tax incentive intended for:

- i. Individuals who become tax residents in Portugal;
- ii. Who have not been residents in Portugal in the previous 5 years;
- iii. Who carry out activities failing under the lists foreseen in the Tax Benefits Statute; and
- iv. Who have not benefited from the NHR regime, the Return Programme or the IFICI itself.



Visa Options

Lastly, but clearly not the least, to relocate to Portugal and being considered a Portuguese tax resident, individuals need to hold a valid residency authorization by means of obtaining a residency visa in Portugal.

There are several visa options based on the individual's specific circumstances – seeking and active working visas, passive income earners' visas, investment visas and the family reunification visa.

Requirements, documents' checklist and timeframes vary depending on the type of visa that most accurately fits your life structure and therefore personalised advice is key.

D7 (passive income)

D8 (digital nomads)

D6 (family regrouping visa)

D1 (employees)

D2 (entrepreneurs)

D3 (high-qualified employees)

Tech-visa

Start-up visa

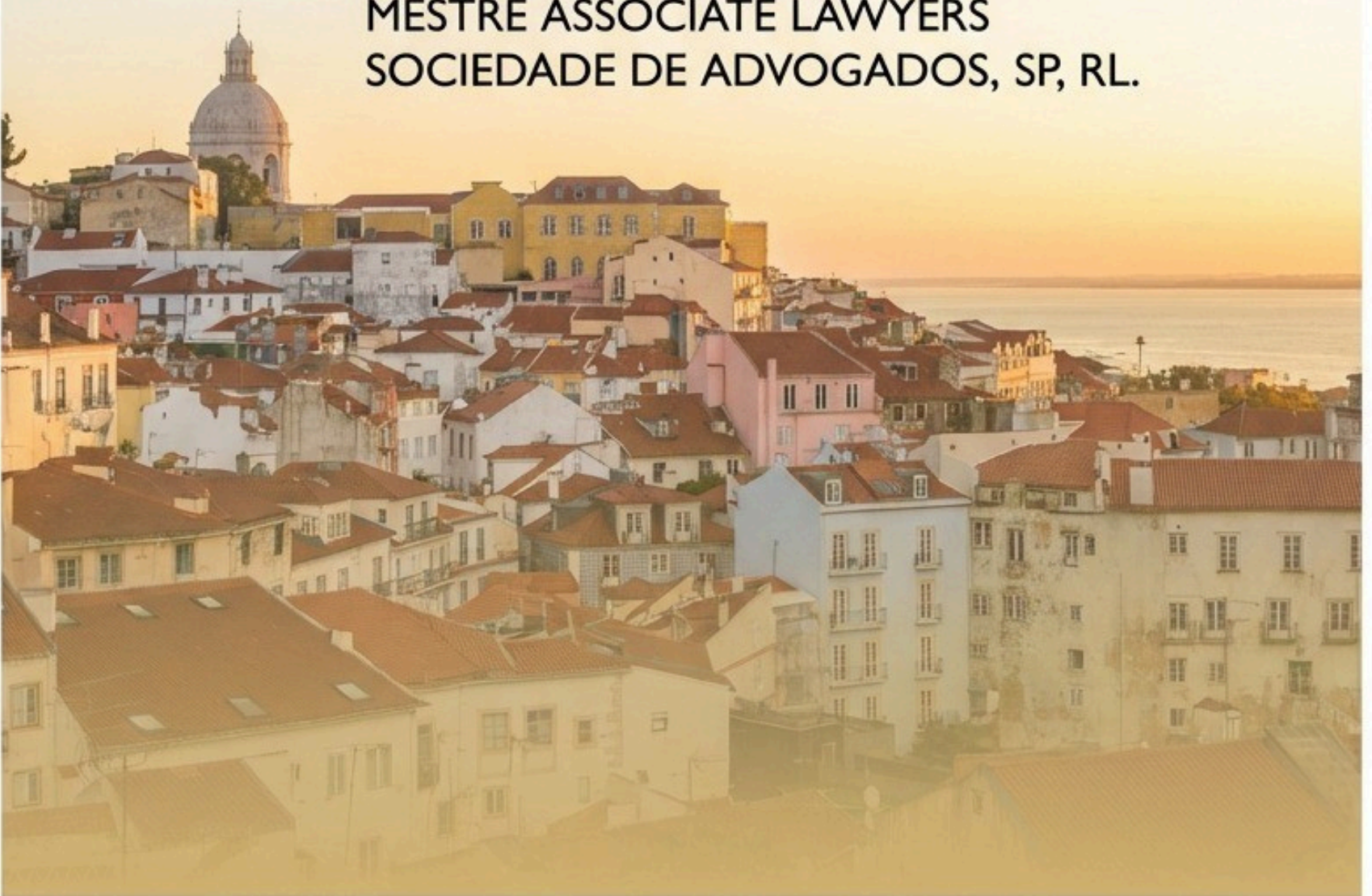
Investors' visa (Golden Visa)

Golden Visa

Get Expert Guidance

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You can find further information on the IFICI regime and Visa Options on MATLAW's specific guides for each matter. Otherwise, one of our experts will be pleased to assist.



www.matlaw.pt



geral@matlaw.pt



(+351) 210 434 150