



INFORMATIVE
NOTE

What is the NHR tax regime?

The **non-habitual resident tax regime** allows individuals to access an income tax exemption regime for 10 years.

CONDITIONS OF ELIGIBILITY FOR THE NHR REGIME:

- > To be a tax resident in Portugal;
- > Not to have qualified as a tax resident in Portugal in the five years prior to registration in the special regime (NHR);
- > Registration in the NHR regime until the March 31st of the year following that in which the person becomes a tax resident in Portugal.

CRITERIA TO BE QUALIFIED AS A TAX RESIDENT IN PORTUGAL:

- > To remain in Portugal for more than 183 days, consecutive or not,

in any 12-month period commencing or ending in the year in question; or

- > To have an accommodation, on any day of the 12-month period, in conditions that can be considered that there is intention to establish permanent residence in Portugal.

Tax residents in Portugal are taxed on world income (i.e., Portuguese and foreign income).

REGISTER AS NHR

Recognition of this status is not automatic and requires the adoption of the following procedures:

- > To request a resident tax number in Portugal;
- > To request a password to access the *Portal das Finanças* (Tax Authority portal);

- > Registration in the NHR regime through the *Portal das Finanças*;
- > The average time of assignment of the NHR is 48 hours.

in the source State in light of the double taxation agreement, or the OECD Model Convention, and has no offshore origin.

TAX BENEFITS OF THE NHR REGIME

> A special rate of 20% applicable to employment income and professional and business income, from Portuguese source, earned for high added-value activities, according to the list of activities published by Government Ordinance (e.g.: architects, engineers, artists, musicians, auditors, consultants, dentists, surgeons, etc.);

> Exemption (with progression) for foreign source income provided that certain conditions are met:

- **Dividends, royalties, interest or rental income** shall be exempt from taxation in Portugal, provided they can be taxed at source in accordance with the Agreement for the Avoidance of Double Taxation concluded by Portugal with that State or the OECD Model Convention, and they have no offshore origin;
- **Pensions** obtained abroad will be exempt provided they are not considered to have been obtained in Portugal;
- **Salary obtained abroad:** is exempt if effectively taxed in the source State;
- **Professional and business income** earned in high value-added activities will be exempt, provided said income may be taxed

OTHER TAXES

> Portugal has no Inheritance tax, nor Wealth tax;

> Free transfers are subject to taxation in Portugal, as stamp duty, at the rate of 10% (10.8% for real estate). It should also be emphasized that free transfers between parents and their children, between married spouses or non-marital partners are exempt, except for the rate of 0.8% on the taxable value of real estate transferred.

DOCUMENTATION

Documentation to be submitted by the Client:

- > Copy of valid Passport or identity card;
- > Utility bill to prove residence abroad;
- > Lease or purchase and sale or loan agreement to prove residence in Portugal;
- > Residence permit or proof that the procedure has already been initiated.

**For further information please
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PRIVATE CLIENTS

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