



Non-Habitual Residents

Portuguese special tax regime for foreign entrepreneurs, investors, specialized professionals and pensioners



Choosing Portugal

There are countless reasons to choose Portugal, far from just for investment and tax benefits.

Portugal offers highly desirable investment opportunities.

As a part of the European Union, the Euro Zone and the Schengen Area, the country has high levels of security, as well as political and social stability.

The quality of life is excellent and the labour force is skilled, usually English fluent.

Portugal is already a privileged tourism location, as the real estate sector follows the growth of international demand.

Portuguese authorities have been seriously investing in strategic areas, such as R&D and new technologies, tourism and energy.

Climate



Portugal has a mediterranean climate, with 260 sunny days per year and average temperatures between 8°C (winter) and 28°C (summer).

Safety & Security



Portugal has been placed on the 'Peace Podium' after once again climbing up the latest Global Peace Index, after a rise to fifth in 2016, when it was also the biggest improvement in Europe.

Taxation



Portugal provides an excellent quality of life for the modern investor or executive. The tax regime for individuals is very attractive, surpassing other regimes in many ways.

Location



Portugal is the western entrance of Europe. Geographically located between Europe, America, and Africa, it's economically hard to be better located.

Natural hospitality



World Travel Awards has considered Portugal the Best European Destination of 2017.

Infrastructure



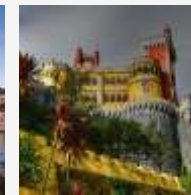
For the last decades, there was a serious investment in different strategic areas, regarding giving the population the right equipment.

Quality of life



Portugal has the best quality of life in the world for expats.

History & Culture



Throughout the country are visible 875 years of history, with all its contrasts, cultural heritage, influences and customs.

Gastronomy



Inner part of the culture and heritage, Portuguese gastronomy, much more than just food, is a national banner and a mean of national union.

"A country where people speak the language of their guests, always keen to discover and innovate, who take action to build a more open and connected world, always available to get to know new people, new things, always seeking to learn more and to do better".

Source: <http://villaferia.com/2017/05/02/advantages>

Non-Habitual Residents

Portuguese special tax regime for foreign entrepreneurs, investors, specialized professionals and pensioners.

Portugal is currently a top choice for Ultra and High Net Worth Individuals who wish to establish residence in the European Union.

The Portuguese tax system offers very interesting opportunities, regarding to business and rental income, dividends, interest and pension. The system also provides important benefits related to wealth, gift and inheritance taxes.

Tax regime for Non-Habitual Residents

The special personal income tax regime for Non-Habitual Residents, established in 2009, aims to boost competitiveness of Portugal, regarding high value added activities. Ultra and High Net Worth Individuals and their families may also benefit of NHR regime, as long as it represents huge advantages and benefits for a period of ten consecutive years.

Professionals from high value added activities, of scientific, artistic or technical nature, can see their personal income liable to a special flat rate of 20%, as long as the activity is performed in Portugal.

The special regime applies to both employment and self-employment situations.

High added value activities

Architects, engineers, fine artists, auditors, doctors, teachers, designers, IT technicians, researchers, psychologists, liberal professionals, investors, directors and managers under conditions.



Some examples of Portuguese special tax regime

1. A 20% flat rate for Portuguese source employment and self-employment income. Exemption for almost all foreign income. Both benefits available to non-habitual residents.
2. Tax exemption for gifts or inheritances to spouse, descendants or ascendants. To other individuals will be not taxable or subject to a flat stamp tax rate of 10%.
3. No wealth tax and free remittance of funds.
4. No taxation on dividends with proper planning or a 28% flat tax rate will be applied.
5. Beneficial tax for pensions and life insurance products may reduce significantly the tax burden.
6. Companies licensed to operate in the Madeira International Business Centre (MIBC), may have added benefits.
7. Portuguese companies stays under the umbrella of EU non discrimination rules and EU Directives on mergers, dividends, interest and royalties, as well of Portuguese double tax treaties.
8. Portugal has signed more than 60 double tax treaties, more than 50 investment protection agreements and more than 15 tax information exchange agreements. Along with several social security agreements, Portugal offers one of the most friendly tax environments in the world, regarding to Non-Habitual Residents.



Foreign income exemption

Pensioners and retired people

Foreign-source occupational pensions may be fully exempt of taxation when:

- The addressee is qualified for the special NHR regime.
- The pensions are subject to tax in the source country, according to the double taxation elimination treaty, signed by both States, or
- The pensions are not

considered to have been obtained through a Portuguese source.

If these requirements are met, the pension will not be taxed in Portugal.

In addition, the Tax Treaty between the source country and Portugal may prevent that country from taxing the pension, resulting in potential double non-taxation.

Income from employment

- Income is taxed in the origin, according to the double taxation elimination treaty, signed by both States, or
- Income is taxed in another State with no double taxation elimination convention with Portugal, as long as the income was not obtained in Portuguese territory.

All other income (except pensioners)

- The income may be taxed in the source country, territory or region, according to the convention to eliminate double taxation, or
- If there's no convention to eliminate double taxation, the OECD model convention may be applied, and as long as the source country, territory or region does not have a privileged tax regime, and as

long as the income was not obtained in Portuguese territory.

- Rental income, investment income and capital gains of a non Portuguese source obtained by non habitual residents are exempt, provided the above mentioned conditions are met.

Eligibility criteria

To be eligible as a NHR, the individual must meet the following requirements:

- Be tax resident according to Portuguese legislation.
- Not have been taxed as a Portuguese resident for the last 5 years.

An individual is considered to be tax resident in Portugal in a year when:

- He stays in Portugal for more than 183 days, during a 12 month period, beginning or ending in that tax year.

Or

- He has a residential accommodation available in Portugal in any day of that 12 month period, that would lead to the assumption that it is intended to be his habitual residence.

Brief conclusion

Multinational companies will have huge advantages when placing their project and innovation departments (e.g. R&D structures). In turn, Portuguese companies will have the best conditions to attract talents worldwide.

Becoming Portuguese Non-Habitual Residents, Ultra and High Net Worth Individuals are able to flourish and grow their wealth within a friendly tax environment, to benefit of tax exemptions even disposing of their assets, to benefit of tax exemption when passing on their wealth or estate and/or to enjoy their retirement without tax leakage on their pensions.

We can help

Global Consultants can guide and assist you throughout the entire process.

Make sure you are getting all necessary legal, financial and administrative support, ensuring that the process is in the line with your objectives.

Trust your investment to our experienced team. Contact us for a free and confidential case evaluation.

Welcome to Portugal!

We ensure information and process management transparency, regarding compliance with all the formalities in the year of investment and following, in order to take all the benefits of the Non-Habitual Residents regime.

Whatever your needs are, we can assist you in:

- Financial advisory
- Taxation advisory and accounting support
- Legal/ bureaucracy support
- Compliance with the applicable formalities
- Real estate, architecture and engineering
- Business guidance
- Viability projects
- Cost-effectiveness studies
- Profitability management
- Investment projects
- Property management
- Market research
- Marketing





Global Consultants is a set of services specifically designed and tailored to support foreign investors in Portuguese market. Starting from our client's goals, we unleash our internal departments and

expertise, evaluating all the available options, always aiming to deliver the best solution. Internally, we cover all the relevant aspects to foreign investment, whether has a private or corporate profile.



Integrated investment projects



Business & Investment Consultants
Taxation advisory
Investment management
Golden Visa program
Non-habitual resident



Real Estate Consultants
Architecture & Engineering
Rehabilitation



Business Brokers
Market intelligence
Equity participation
Mergers & Acquisitions
Cost-effectiveness studies
Management BuyIn/ BuyOut



www.globalconsultants.eu | contact@globalconsultants.eu

+351 21 0174 047

Rua Aprígio Mafra, 17 - 3º Esq.
1700-051 LISBON, PORTUGAL