

Moving to Portugal

Non-Habitual Tax Residents

The special tax regime for Non-Habitual Residents aims to attract talent in “high value-added activities”, as well as Ultra and High Net Worth Individuals (UHNWIs) and their families to Portugal, providing a very attractive tax regime for individuals.

Benefits of the special tax regime for Non-Habitual Residents (NHR) in Portugal:

- a **special tax rate of 20%** applicable to employment and self-employment **income derived from “high value-added activities”**;
- a **tax exemption** (with progression) on foreign-source income (e.g. property income, interest and dividends), **provided certain conditions are met**. In most cases, capital gains on the sale of securities are taxable at a flat rate of 28%;
- a **flat tax rate of 10% on pensions from a foreign source**, as well as to other payments from pension funds and similar retirement schemes;

An individual may benefit from this regime during a **10-year period** starting from the year of registration as tax resident in Portugal.

Other beneficial aspects of the Portuguese tax system for individuals:

- a **tax exemption for gifts or inheritances to spouse, descendants or ascendants**. Inheritance or gifts to other individuals will be either not taxable, due to the territoriality rules, or subject to a flat 10% stamp tax rate;
- **no wealth tax and free remittance of funds** either in Portugal or abroad;
- a beneficial tax regime for individuals **starting a self-employment activity** in Portugal;
- beneficial tax treatment for **pensions and other life insurance products** (including unit linked policies);
- Portugal takes advantage of the **EU non-discrimination rules** and has signed **more than 60 double tax treaties**, offering interesting opportunities in a tax friendly environment.

A stable and friendly
tax environment for individuals
in the European Union

Conditions to qualify as non-habitual tax resident:



To qualify as Non-Habitual Tax Resident, an individual must:

- be **tax resident** in Portugal in a certain year;
- have not been tax resident in the **previous 5 years**.

In general terms, an individual is deemed to be tax resident in Portugal if one of the following conditions is met:

- **more than 183 days** are spent in Portugal in any 12-month period starting or ending in the tax year concerned; or
- maintains a residence suggesting being a **habitual residence** in Portugal in any period within the above 12-month.

Why Portugal should be your top tax choice?

Portugal is part of the European Union, the Euro Zone and the Schengen area. With a stable political and social environment, a secure society, a highly skilled and English fluent labor force and an excellent quality of life, it is not a surprise that Portugal is becoming a top choice for high qualified workers, entrepreneurs and ultra and high net worth individuals who wish to take up residence in the European Union.



Why Portugal?



Geostrategic position
between Europe, America and Africa.



5th Best country
in quality of life for expatriates



7th highest English proficiency
among non-native speakers in the world



4 Years
Best city break destination in the world



10
Airports



3 Years
Best tourism destination in the world



2.562 km
Railways



5 Years
Best golf destination in the world



How can we assist?

- A comprehensive analysis of the tax implications of moving to Portugal, considering the non-habitual tax residents regime, as well as other applicable tax regimes.
- Assistance with the tax registrations before the Portuguese tax authorities and with the application for the non-habitual residents status.
- Tax compliance assistance, including the preparation and filing of Portuguese personal income tax returns.
- Ongoing tax advice with any Portuguese tax matters.

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