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.
- **7th highest English proficiency** among non-native speakers in the world.
- **10 Airports**
- **2,562 km Railways**

5th Best country in quality of life for expatriates

4 Years **Best city break destination** in the world

3 Years **Best tourism destination** in the world

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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