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SCORE EYG nº. DL0892

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**Contact information**

For more information, please contact one of the following EY Human Capital professionals listed below:

**Human Capital Tax Services Partner:**

**Anabela Silva**  
[anabela.silva@pt.ey.com](mailto:anabela.silva@pt.ey.com)  
Tel: + 351 226 079 620

**Senior Manager:**

**Nuno Alves**  
[nuno.alves@pt.ey.com](mailto:nuno.alves@pt.ey.com)  
Tel: + 351 217 912 049

**Managers:**

**Susana Constantino**  
[susana.constantino@pt.ey.com](mailto:susana.constantino@pt.ey.com)  
Tel: + 351 217 912 185

**Joana Aranda Freitas**  
[joana.aranda-freitas@pt.ey.com](mailto:joana.aranda-freitas@pt.ey.com)  
Tel: + 351 227 919 691

**Teresa Felix**  
[teresa.felix@pt.ey.com](mailto:teresa.felix@pt.ey.com)  
Tel: + 351 217 949 340

# Portugal Non-habitual residents regime and Golden Visas

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Building a better  
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## Attractiveness of the regime to foreign individuals

The Portuguese tax legislation provides a favorable tax regime for foreign individuals who decide to relocate to Portugal. This special tax regime applies to non-habitual residents, and aims to attract:

- ▶ Highly skilled professionals
- ▶ Wealthy investors and retired individuals

## Who is eligible?

This special tax regime applies to foreign individuals who become tax resident in Portugal and have not been tax resident in Portugal in the previous five years.

The status of non-habitual resident is granted on filing of a request to the Portuguese tax authorities, together with certain supporting documentation prior to 31 March of the year following the year for which non-habitual resident status is being requested.

## Determination of tax residency in Portugal

According to the Portuguese Personal Income Tax Code, an individual is deemed tax resident in Portugal if:

- ▶ Physically present in the country for more than 183 days in a calendar year, continuously or not; or
- ▶ Owner of a property in Portugal on 31 December that represents a permanent residence
- ▶ Spouse is tax resident in Portugal

## Duration of the special tax regime

Non-habitual resident status applies for a consecutive 10-year period. Should this period be interrupted during one or more year, the individual can still benefit from the regime for the remaining period provided that the conditions for being a tax resident of Portugal in each year of election are met.

## Main features

- ▶ Employment and business or professional income arising in Portugal from "high added-value" activities of a scientific, artistic or technical nature is taxed at a flat rate of 20% with no limit. The Ministry of Finance published a list of activities considered to be high added-value that includes architects, engineers, artists, auditors, tax advisors, physicians, teachers, doctors, dentists, board members of certain companies and senior executive employees.
- ▶ Non-Portuguese employment income may qualify for an exemption, provided it is effectively taxed in a country with a tax treaty in accordance with the tax treaty provisions, or, if no tax treaty, the income is effectively taxed abroad and does not arise from Portuguese sources based on Portuguese law.
- ▶ Foreign sourced pension income may also qualify for an exemption under the same conditions as employment income.
- ▶ Foreign sourced income such as income from certain businesses or professional activities, income from copyrights, industrial property rights or transfer of know-how, investment income, rental income and capital gains may benefit from an exemption whenever taxed in a country with which Portugal has a double tax treaty or in a country with which Portugal has not signed a double tax treaty, in accordance with the OECD Model Tax Convention (reference for all double tax treaties), provided that it is not in a territory considered to be a tax haven and the income does not arise from Portuguese sources based on Portuguese law.

## Golden Visas for investors

Foreign investors in Portugal, from non-EU countries, may be eligible for a special visa, enabling them and their immediate family to work or study legally in the country and to travel within the Schengen area, provided that certain minimum amounts are invested.

## How can EY assist?

Our professionals can assist, in:

- ▶ Determining whether an individual qualifies as tax resident in Portugal in a given year
- ▶ Registering the individual with the Portuguese tax authorities
- ▶ Preparing and filing the request for the non-habitual residents tax regime
- ▶ Informing individuals who may qualify for Golden Visas of types of eligible investments
- ▶ Obtaining the Golden Visa