

Private Client Forum Americas

29th February 2024

Mayakoba – Mexico

RFF Lawyers - PORTUGAL

PORTUGAL: THE NHR & THE NEW TAX REGIME

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THE NHR TAX REGIME (2009)

Despite the announced termination of the NHR regime in 2023, it is **still possible to apply to this regime during 2024** (for certain specific cases).

THE NEW SCIENTIFIC RESEARCH & INNOVATION TAX REGIME (2024) – WHY SO ATTRACTIVE

- **20% flat tax rate** for Portuguese sourced net income from employment and self-employment
- **Tax exemption** of non-Portuguese sourced* income form:
 - employment income (Category A)
 - self-employment income (Category B)
 - capital income (Category E)
 - rental income (Category F)
 - and capital gains (Category G)
- granted for a **10-year period**

CONDITIONS

1. Becoming a tax resident in Portugal
2. Not having been tax resident for the previous five years
3. Income of Portuguese source in the areas/activities defined as relevant
4. Access to this regime implies previous registration with the competent public entities

* *except for income with source in "tax havens" – 35% tax rate*

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THE REGIME IS DESIGNED FOR...

- Individuals that carry out **activities** that fall within one of the following situations:
 - Teaching in higher education and scientific research, as well as jobs and members of governing bodies in entities recognized as technology and innovation centers
 - Qualified jobs (including members of governing bodies) within the scope of contractual benefits to productive investment
 - Research and development of personnel whose costs are eligible for the purposes of the tax incentive system in research and business development in accordance with the Portuguese Investment Tax Code
 - Job positions (including members of governing bodies) in certified startup companies
 - Qualified job positions (including members of governing bodies) in entities that carry out economic activities recognized as relevant to the national economy, particularly in the context of attracting productive investment, as well as reducing regional asymmetries

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- Highly qualified professions (to be defined by Ministerial Ordinance):
 - ✓ in companies with relevant applications, in the year in which the corresponding duties started or in the five previous ones, which benefit or have benefitted from the Investment Support Tax Regime, under the terms of the Portuguese Investment Tax Code
 - ✓ in industrial and service companies, whose main activity corresponds to one of the CAE codes defined in a Ministerial Ordinance and which export at least 50% of their turnover, in the year in which the corresponding duties started or during any of the two previous years

AND THE REGIME IS RELEVANT ALSO FOR...

- Job positions or other activities carried out by tax residents in Madeira or the Azores*

*under terms to be defined by Regional Legislative Decree

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