



NEWSLETTER – JANUARY 2013

PORTUGAL WANTS YOU!!



Non-EU Citizens

The Portuguese government has recently promulgated a law approving the regime governing the entry, stay, departure and removal of foreigners from the country undertaking an investment activity. This enactment provides that the conditions for the application of the special regime entail be one of the following:

- The transfer of capital funds in the amount of 1 million or more euro for investment in any type of company; or
- The creation of at least 10 job posts; or
- The acquisition of real estate (one or more properties) costing at least 500 thousand euro; if it costs more than 500,000 euro, then the additional cost may be financed. The property can be bought on a co-ownership basis and be rented out for habitation, commercial, agricultural and tourism purposes.

The above investments must be kept for at least 5 years.

The minimum stay periods in Portugal are – 7 days in the 1st year and then 14 days in the subsequent periods of 2 years.

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The foreign buyer will be entitled to a residence visa for himself and his family.

The fees payable to the State are:
- 500 euro on initial application,
- 5,000 euro in the first year, and
- 2,500 euro annually.



Portugal is an extremely attractive place to live and retire, with plenty of sunshine, outdoor living and excellent food and lifestyle. It is steeped in history and I heartily recommend one reads the book “Portugal the first global village” by Martin Page.

Highly qualified persons

If you do not have the funds, but still wish to move to Portugal, then the Portuguese government still wants you here.

There is special tax dispensation of highly-qualified professionals from non-EU countries, whose expertise lies in the technical, scientific, cultural or financial fields. Such professionals can obtain special residence permits if they come to work here.

Non-habitual residents

Highly-qualified persons from the EU and non-EU countries in the above fields are also welcomed into Portugal. Their enticement is a special flat tax rate of 20% on their employment or self-employment income. The main condition is that they were not tax resident in Portugal in the previous 5 years.



Pensioners are also eligible for a very favourable tax regime, and may be totally exempt from the overseas pensions if the relevant double taxation convention so provides.

So, despite the gloom and doom pervading the Portuguese economy, there are indeed some bright spots for those wishing to gain a foothold here and in Europe: a Europe in transition to a more sustainable and competitive economic landscape – where Portugal stands out for its climate, history, lifestyle, security and tax regime (no wealth or inheritance tax).

Professional fees:

- Acting as tax representative, applying for Portuguese tax number and internet password – 300 euro, per annum
- Lawyer’s fees for dealing with actual residence application – 2,000 euro
- Finding investee company and due diligence – quoted on a case-by-case basis
- General taxation advice – 100 euro per hour
- Filing of annual tax returns for rented properties – 400 euro

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Note: the above fees are subject to VAT at the existing rate of 23%

For more details, please feel free to contact Mr. Duncan MacGregor represented member firm of DUNCAN MACGREGOR ACCOUNTING

