

**LOCAL LODGING REGISTRATION**

- I. Local Lodging (“*Alojamento Local*”)**
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I. DEFINITION OF LOCAL LODGING (“*Alojamento Local*”)

- a) Villas, Apartments or Guest Houses providing:
 - i) short term lodging,
 - ii) for consideration,
 - iii) not meeting established criteria of an “*Empreendimento Turístico*”.
- b) **Minimum Standards:** 1) *Quality* and 2) *Safety* (defined in *Portaria n° 517/2008*).
- c) **Registration:** with Local Council (“*Câmara*”) or the “*Balcão Único Eletrónico*” - online clearinghouse.
- d) **Exclusivity:** Only those registered “Local Lodgings” may rent to tourists, either by their owners or through agents.
- e) **Information Sharing:** The Council must share the Registry with “*Turismo de Portugal*”
- f) **Classification:** Local Lodging may not use the classification “Touristic” or “Tourism”, nor any system of categorisation.



II. LICENSING REQUIREMENTS

Appealing to the spirit of “Simplex”, registration is done providing the following information:

- Name, address and identification documents of the owner;
- Identification and location of the Property to be let;
- Type of Property; occupancy capacity of Property;
- Proof of legitimacy of Applicant;

Copies of the following documents should accompany the application:

- Copy of the habitation licence;
- Copy of the *Finanças* Property Book (“*Caderneta Predial*”)
- Terms of Responsibility by the Owner;
- Business Registration with *Finanças* (“*Início de Actividade*”).

Fast Track registration service is also available from **euroFINESCO**.

III. BASIC STANDARDS OF QUALITY AND SAFETY

The following minimum requirements of Quality, Hygiene and Safety are outlined in the regulations published in the *Diário da República* on 25 June 2008.

A. *Accommodation Units*

- Adequate furnishings and equipment;
- Shutter system to shield from exterior light;
- Proper doors and locks for safety and privacy;
- Windows for adequate ventilation.

B. *Basic Infrastructure*

- At least one bathroom for each 3 bedrooms;
- Hot & cold running water in the lavatories;
- Access to a telephone in case of emergencies;
- Septic system must be designed to handle the maximum capacity of occupants.



C. *Hygiene*

- Proper conditions of cleanliness and hygiene;
- Regular cleaning service and weekly linen service.

D. *Safety*

- Appropriate number of fire extinguishers and fire blankets for the occupancy of the Property;
- First aid kit;
- Instruction manuals for appliances;
- Emergency telephone numbers;
- Observation of basic rules of fire safety.

In addition, each local lodging property must have a *Complaints Book* and will be overseen by the inspection authority, “*Autoridade de Segurança Alimentar e Económica*” (ASAE).

As can be readily seen, these statutory standards represent only the bare essentials. In the event of an accident, Owners are always better served to be able to show that they have exceeded the minimum requirements.

We strongly recommend going beyond the basics:

- Smoke alarms;
- Information signs around swimming pools and other potentially dangerous areas;
- Warning markings on any glass doors;
- Tourist liability insurance coverage (a supplement to most “*multi-risk*” homeowners insurance policies).

IV. INSPECTION

Once the application has been received and stamped, you may legally begin letting your property. The local authorities may conduct a physical inspection within 30 days following application and, if they are not satisfied, improvements may be demanded or the application can be cancelled. Further inspections are the responsibility of ASAE and Tourism of Portugal.



V. OPERATING AS A BUSINESS

Local Lodging means you function on a commercial basis, with many associated benefits, as opposed to long-term rentals. Mandatory registrations (*local lodging registration + business set-up*) need to be completed. There will be on-going reporting and administration requirements that we can also organise and manage for you.

Under current legislation, only 15% of your Local Lodging invoicing is subject to taxation. This should equate to an effective tax rate of less than 4% on gross income versus the existing 28% rate for long-term rental income for *Non-Residents*.

Non-Resident should verify the terms of the Double Tax Treaty in force between Portugal and their home jurisdiction to understand any further tax liabilities that might exist.

see brochure b32: euroFINESCO's Local Lodging Plan

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