



## PORtUGUESE NOMINEE COMPANIES

### *“The Better Way to Hold Property in Portugal”*

#### **A Fully Compliant Solution**

Nominee Companies have existed in Portuguese statute law since the 19<sup>th</sup> century and have been embraced in subsequent legislative reforms over the past 150 years. Therefore, they are fully compliant and are not subject to any of the punitive laws that have made Offshore Property Companies a pariah: no deemed income tax, no higher Property Tax (IMI).

#### **Reduced CGT Rates**

Capital Gains Tax on the sale of a Nominee Company is only 14%, as compared to 28% for non-resident companies. Non-resident individuals also pay 28% while residents typically pay up to 24% if they are ineligible for rollover relief. Non-Residents should check tax liabilities as defined in Double Tax Treaties with Portugal.

#### **Potential Transfer Tax Exemption**

The sales of the shares are often exempt from “IMT”. When there is not a greater than 75% concentration of shares upon transfer, no Property Transfer Tax is due on the underlying assets. If eligible, the buyers may potentially save thousands of euros, making Nominee Company acquisition more attractive than direct property purchase.

#### **Ease of Transfer**

When the Company is eventually sold, only a simple deed of sale of the shares is required. The property remains securely within the company. There is nothing to trigger bureaucratic problems and extra time and expense often associated with property transfers, particularly important when legacies exist that could otherwise take years to resolve.



## No Taxation on Redomiciliation

Moving an Offshore or a foreign company to Portugal does not trigger any Capital Gains Tax or Property Transfer Tax upon re-domiciliation. This is because it is the Company Headquarters that moves, not the property, thereby avoiding any transfer of the Company's assets.

## Uplifted Basis for CGT

Following Company registration in Portugal, the share capital need to be set based on **current** rather than **historical** values. It is possible to achieve a significant uplift of the basis for eventual CGT assessment. Not surprisingly, many historical problems can be rendered irrelevant. A colossal problem can be transformed inexpensively into a very manageable inconvenience.

## Reduced Closing Costs

Buyers also enjoy reduced closing costs, avoiding the 0.8% Stamp Duty on property transfers as well as IMT. The ease of share transfers as compared to the bureaucratic labyrinth of real property sales keeps cost and complications to a minimum.

## Capital Improvements Never Expire

Unlike direct ownership where expenses can no longer be offset against Capital Gains after twelve years, any capital invested into your Nominee Company is always reflected in the Company's capital value. This is important when major remodelling is contemplated, such as a new kitchen, bathroom, swimming pool and the like.

## Domiciliary Services

Beyond meeting formalities and essential obligations, **euroFINESCO** will be by your side to help resolve problems that may arise in navigating your way through Portuguese bureaucracy.