PORTUGUESE NOMINEE COMPANIES
Opportunity nº 2: *Buy-to-Let*

Buying a property to let can serve as a stand alone investment option or work in conjunction with long-term personal goals for eventual retirement. When well managed, there are promising rewards.

Capital Growth
Over the long term property is almost always an appreciating asset. With foreseeable demographic pressures in Portugal over the coming years, demand for housing is set to boom. It is for this reason that many people invest in property, both for long term profit and well as on-going income.

Retirement Planning
Property is an increasingly popular choice among people planning for retirement. Driven by falling annuity rates, pensions may not provide the returns previously expected. Shrewd property acquisitions can remove much of the dependence on a pension. Approached correctly, a *buy-to-let* investment can be self-financing over the life of the loan repayments. With the mortgage repaid, the property can provide a useful and sometimes sizeable income.

With a personal pension, you cannot access your cash until you retire. With property, you can access capital at any time you wish, by selling up. In addition to long term income, you end up with a sizeable asset that you can pass to your children or other heirs.

Additional advantages of the *Nominee Company* are numerous:

No punitive taxation
Unlike Offshore Companies, there is no punitive taxation. There are no 5% Property Rates , no Deemed Income against the Company. In fact, *Nominee Companies* are tax exempt and any tax are levied directly to the Shareholders.

Reduced CGT Liability

14% CGT, plain and simple. There is a CGT rate of 14% on the sale of Company shares. This tax is flat rated, assessed independently from other income, so it will not "top-slice", unwittingly forcing the taxpayer into a higher tax bracket.

No Property Transfer Tax for Buyers

There is no "*IMT*" (Municipal Transfer Tax) on the sale of the shares as long as a single shareholder does not have absolute control of the Company (exceeding a 75% concentration of ownership).

Ease on Entry

When transacted though ***euro*FINESCO**, buying a property via a *Portuguese Nominee Company* should cost no more than the direct purchase of the property. We can perform both Company formation and the Property transfer simultaneously.

Reduced Closing Costs

Buyers also enjoy reduced closing costs, avoiding the 0.8% Stamp Duty on property transfers. For example, in a recent *Nominee Company* sale openly reported at €1,700,000, the total tax bill came to only €25 for incidental expenses on the deed, saving the buyer "*IMT*" and Deed Stamp Duty that normally would have cost more than €136,000.

Low Operating Costs

The annual operating costs are modest for *Portugese Nominee Companies*: just €700+VAT. This annual fee includes all basic compliance requirements and offers a support structure for non-Portuguese speaking investors to guide them through the maze of bureaucracy.

Capital Improvements Don't Expire

Under normal Capital Gains Tax calculations, only improvements done in the 12 years prior to sale are eligible to be considered as deductible expenses. In other words, after this period, these improvements "expire". However, injections of capital into your company never lose validity and add value to the Company at the point of sale.

a Fully Compliant Solution

Last but not least, this is a fully compliant solution. The *Nominee Company* structure has been in Portuguese legislation since the nineteenth century and has survived countless reforms over the past 150 years. While no one has a crystal ball to look into the future, this basic structure under Portuguese Law has undoubtably stood the test of time. Although this type of company had fallen into disuse until recently, its revival is thanks to the "*win-win*" solution that it offers to both buyers and sellers, squarely within legislation.

29 March 2018