



## PORTUGUESE NOMINEE COMPANIES *for Foreign Property*

When real estate is held in a Company, “immoveable” property is transformed into a “moveable” asset (ie. shares). At the point of sale, the Company shares are transferred while the property remains untouched, securely in the hands of the Company.

Needless to say, assessment on share conveyance is quite different from that of immoveable assets. While no “one-size-fits-all” solution exists, there are many situations where a Company structure can alleviate many burdens, open opportunities while mitigating tax implications of the underlying transaction.

- ***A Fully Compliant Solution***

This is a fully compliant solution. The *Portuguese Civil Company* structure has been in Portuguese legislation since the nineteenth century and has survived countless reforms over almost 150 years. While there is no crystal ball to predict future legislation, this basic corporate structure under Portuguese Law has undoubtedly stood the test of time. Its recent revival is thanks to the “win-win” solution that it offers to both buyers and sellers, squarely within the law. In fact, the simplicity of this form of company makes this structure easy and inexpensive to run.

- ***Tax Efficiency***

As a non-trading entity, Portuguese Civil Companies are exempt from Portuguese Corporate Tax (“IRC”) and Special Tax on Account (“PEC”). They follow Fiscal Transparency rules where any chargeable events are assessed directly to shareholders, not the Company.

The Capital Gains Tax rate in Portugal on the sale of Civil Company shares is only 10%.



- ***Confidentiality***

In its simple form, required registrations only identify the Company's administrators, leaving shareholder identity confidential.

- ***An Invaluable Estate Planning Tool***

Domicile or "Personal Law" - the determination of which body of law governs one's life and estate - is a key element of any Estate Planning strategy. When seeking to establish Domicile of Choice, Portuguese Civil Companies can be used to retain control of assets located in one country while effectively re-domiciling them in another.

While direct retention of property can often be interpreted as an intention to return by the local Revenue, transfer of ownership to a Portuguese Civil Company effectively relocates the holding in Portugal in a confidential yet mainstream structure, thereby eliminating direct links to the individual.

- ***Ease of Transfer***

With the property secured safely within the Company, bureaucracy is significantly reduced at the time of sale, cutting costs and complications so often associated with property ownership. A simple Deed of Transfer declaring the sale of the shares is all it takes, thereby avoiding the headaches related to licencing, registration and ever-changing rules of property red tape.

- ***Low Operating Costs***

Annual operating costs are modest for *Portuguese Civil Companies*. These mainstream onshore structures are not subject to the restrictive and costly prerequisites that increasingly make many offshore regimes prohibitively expensive.

***No Benefit-in-Kind Assessment***

Both under Legislation as well as Company Statutes, Shareholders cannot be construed as "*Shadow Directors*", an underlying premise for any alleged benefit-in-kind assessment.



- ***Two Choices***

There are two kinds of *Portuguese Civil Companies*. The simple form has much in common with the Anglo-Saxon Trust and allows for a degree of confidentiality of shareholders.

In its commercial form, full registration and disclosure apply as with any standard trading company.

- ***Domiciliary Services***

In addition to orchestrating the formation or transfer of your *Portuguese Civil Company*, **euroFINESCO** is also prepared to carry out all on-going administrative services as required under Portuguese law. In fact, this structure also provides an essential support from knowledgeable professionals who are on your side to meet your needs.

- ***Our Know-How and Experience***

**euroFINESCO** has been a recognised leader in the field of Expatriate Services throughout Portugal over the last 20 years. Having pioneered the resurgence of *Portuguese Civil Companies* since 2004, our experience and expertise can help you find the most appropriate solution.

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29 March 2018