



## PORTUGUESE NOMINEE COMPANIES

### Problem nº 1: *First-time Home Buyers in Portugal*

Even if you are an experienced property investor prior to coming to Portugal, when you purchase your first home in Portugal, you will face the common problem of any novice: inexperience - the language, the bureaucracy, the idiosyncrasies. Do you know where to go, how to get things done, who to trust?

#### ***Solution: A built-in support structure***

When you buy property via a Portuguese Nominee Company, you do much more than just lock in multiple tax advantages in a fully compliant structure. With **euroFINESCO**, you have a team of competent professionals on your side, specialised in sorting out the problems that constantly arise in Portugal: navigating a complex and unpredictable bureaucratic system, keeping you updated regarding constantly changing legislation. Meeting tax obligations is a matter of Law. We will make sure you are fully compliant while helping you to pay the legal minimum. You have someone who can put the problem - and the solution - to you in plain English, an extended team of capable, knowledgeable professionals who are specialised in meeting your needs. Providing you with personalised service is one of our principal goals.

Additional advantages of the *Nominee Company* are numerous:

#### ***No punitive taxation***

Unlike Offshore Companies, there is no punitive taxation. There are no punitive 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 through **euroFINESCO**, 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 *Portuguese 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 undoubtedly 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.

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29 March 2018