*euro*FINESCO*s.a.*

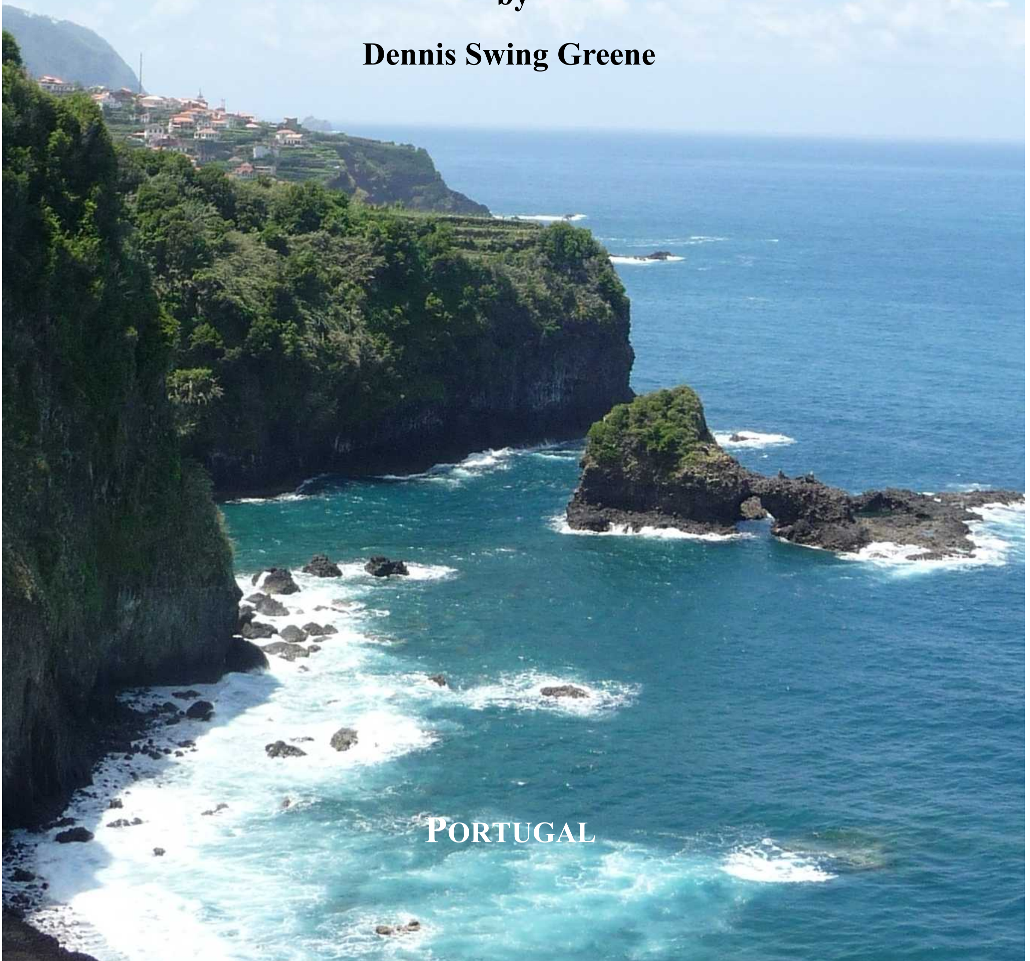
*e*Book nº 1

OFFSHORE COMPANIES

Moving Onshore

by

Dennis Swing Greene



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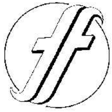

nº 1 Offshore Property Companies
What's wrong with an Offshore Company. 5

nº2 "White-list" Delaware Companies
Why Delaware Companies don't work. 9

nº 3 Buying a Property in an Offshore Company
How to avoid the pitfalls 13

nº 4 Portuguese Nominee Companies
"The Better Way to Hold Property in Portugal". . . 17

nº 5 Property Transfer Costs vs Redomiciliation
Paying the legal minimum 21

nº 6 Buying and Selling a Nominee Company
Choosing the best option. 23

nº 7 *Our Domiciliary Services*. 25

Beyond Advising on Offshore Company Transfers. 28

*Other e*Books from ***euro*FINESCO**. 32

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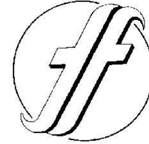


*We are a full service company, helping expatriates to make the most of their life in Portugal since 1991. Whether it be meeting obligations in a new land, maximizing opportunities in a smooth transition from the past, or financial and estate planning for the future, euro*FINESCO *is here to guide you, keep you compliant and prepare you to meet your goals.*

TAX CONSULTANCY

FISCAL REPRESENTATION

PORTUGUESE NOMINEE COMPANIES

CROSS BORDER ESTATE PLANNING

SMALL BUSINESS FORMATION

DOCUMENTATION

What's wrong with an "Offshore" Company

Legislation regulating Offshore Companies has changed many times over the years. After two punishing increases in 2002 and 2004 which saw "*IMI*" Rates for black-listed companies climb to 5% of property evaluations (some 10-fold of normal assessments), the 2007 Budget introduced a more reasonable charge of 1% starting in 2008. Many Company Owners breathed a sigh of relief, in the hope that they were finally out of the woods. However, "*IMI*" Rates for Blacklisted Companies are up to 7,5% in 2016, despite the recent information agreements between Portugal and many Offshore jurisdictions. Things got worse in 2017 with the introducion of the *Additional "IMI"* tax, effectively doubling the levy to 15%. Let us examine the "*big picture*" to see where, in fact, Offshore Companies stand when compared to onshore options.

Uplifted Evaluations

Historically, Portugal has had substantially understated Rateable Values ("*VPT*") on property. In fact, when the rules changed in 2004, more than one half of properties accounted for less than 1% of the tax collected. At the other end of the spectrum, the top 1% of properties (the newest ones) paid over 30% of real estate levies!

The Property Tax Reform Act of 2004 changed the method of calculation and a new "objective" 5-point formula was introduced based on 1) size, 2) location, 3) type of usage, 4) age, and 5) quality of construction. Any property transfer triggers a re-evaluation of the rateable value. The tax authority has since completed the re-evaluation of the remaining properties.

Needless to say, an ever-growing percentage of properties will pay their Rates based on these new uplifted appraisals so that any underlying increase will inevitably magnify the tax owed.

Corporate Tax on *"deemed income"*

A second punitive component against Offshores was also introduced in 2002 and still remains in force. Black-listed Companies must pay annual corporate tax ("*IRC*") based on "*deemed income*" equal to 1/15 of the rateable value of the property. Since new Rateable Values ("*VPT*") purport to be on average 80-90% of market value, such an "*IRC*" assessment will look something like this on a property with a VPT of €350,000

€350,000 ÷ 1/15 = €23,333   € 23,333 X 25% = €5,833

Based on the same assumptions, annual "IMI" Property Rates will cost an additional €17,500 for a total annual assessment of €23,333. Add mandatory Fiscal Representation and IRC declaration costs and annual fiscal compliance costs total almost €25,000.
Onshore options based on the same assumptions would only have annual assessments of less than €2,000.
In summary, even without the increase of Offshore Rates back to 5%, an Offshore Company will still pay substantially more in annual property taxes as compared to onshore options.

Market Perceptions

It should not come as a surprise that *Offshore* has become a "four-letter word" in recent years. Property buyers are leery of Offshore Companies, whether black-listed or white-listed, under the justifiable perception that they want to avoid buying someone else's problem. However, if an Offshore Company is moved to a Portuguese Nominee Company, Capital Gains Tax rates drop 2½ fold (10% as compared to 25%), potentially saving many thousands of Euros at the time of sale. Buyers can also achieve substantial savings in Transfer Tax and Stamp Duty, creating a win-win situation for both.

No Mortgage Facilities

Since 2009, the Bank of Portugal has forbidden Portuguese registered banks to lend to *Offshore Companies*, such as those found in Delaware, Gibraltar and elsewhere. The order defines *Offshore Jurisdiction* as follows:

> "*It is understood that Offshore Jurisdictions are characterized by attracting a significant volume of business with non-residents, due to the existence of less stringent banking procedures, bank secrecy, tax advantages that differentiate between the treatment of residents and non-residents . . .*"

With no financing available, only the very few will be able to purchase an Offshore Property Company outright. Although not going so far as to ban outright the use of these once popular structures, authorities in Portugal have made them prohibitively expensive to operate, a strong incentive for their owners to wind them up.

Anti-Avoidance Legislation

The Government approved in the Council Of Ministers legislation that makes compulsory divulging of any "abusive" tax planning schemes by promoters and/or by beneficiaries. The purpose of the legislation is to make mandatory the warning of the authorities of schemes on the edge of the law designed primarily to avoid paying tax. Specific clients need not be identified but rather the plans are entered in a data base to help prevent harmful strategies.

Unauthorised Tax Planning

Unauthorised schemes include the following:

a) involvement of entities resident in black-listed tax havens;
b) involvement of entities in jurisdictions not subject to taxation similar to "*IRS*" or "*IRC*";
c) if assessment would be 60% or less than the tax owed in Portugal were the entity resident;

d) if the beneficiary is partially or totally exempt from taxation;
e) when financial or insurance operations are involved that reclassify income or alter the beneficiary;
f) when the use of financial losses is implied;
g) when a confidentiality clause is present or if the sponsors responsibility is limited.

With companies domiciled in most so-called “white listed” jurisdictions falling on the wrong side of several restrictions, it would appear that most non-resident solutions - whether black or white - are condemned.
Fines for non-compliance can be €100,000 for companies and €50,000 for individuals. This decree-law has been in force since May of 2008.

Conclusion
It is important to go back to our starting point: legislation regarding Offshore Companies has changed 5 times since 2002. By any standard, such volatility constitutes a precarious basis for making any important long-term decision. In addition to substantial tax savings and a positive perception when selling, Redomiciliation of your Offshore Company to Portugal embraces a stable, mainstream solution sanctioned by Law. Rather than taking evasive measures, your strategy will be based on a fully compliant answer that allows you to pay the legal minimum.

Before examining advantages of redomiciliation to Portugal, let us first discuss why Offshore jurisdictions wound up being blacklisted in the first place so that we can be assured of not repeating what has proved to be a mistake. What is behind the Black List anyway? In a nutshell, there are two issues at stake: Sovereignty and Non-Competitive Tax Practices.

The Sovereignty Issue

Those who redomiciled to Delaware or Malta are faced with the following dilemma: while they have managed to escape for the time being the immediate consequences of punitive taxation on blacklisted companies, they have failed to resolve one of the fundamental problems: *the Sovereignty Issue*. No government likes to lose control over a piece of sovereign territory, especially when it means giving up most taxation rights. Portugal is no exception.

This is why the OECD introduced measures in the current version of the Model Double Tax Treaty to enable countries to assess Capital Gains on effective property rights transfers when wrapped in a foreign Property Company.

Tax Treaties

As an example, let us examine the case of a Delaware Company. In the Double Tax Treaty between the USA and Portugal, Article 14 (*Capital Gains*) states:

> *"1. Gains derived by a resident of a Contracting State from the alienation of immovable property (real property) situated in the other Contracting State may be taxed in that other State."*
>
> *"2. For the purposes of paragraph 1, immovable property situated in Portugal includes stock, participations, or other rights in a company or other legal person the property of which consists, directly or indirectly, principally of immovable property situated in Portugal..."*

To translate "*Treaty Speak*" into Plain English, this article states that the country where the property is located (Portugal) has taxation rights on the deemed transfer of the property upon the sale of the shares.

This provision mirrors the OECD Model Tax Treaty, giving countries the tools to combat fiscal fraud. With only minor variations, this condition is clearly defined in most other Portuguese bilateral tax treaties. Therefore, a white-listed Company normally offers little protection from CGT for Portuguese tax residents.

This same provision was introduced in the 2018 State Budget sealing the *"look-thru"* principle.

Non-Residents - *a potential Double Whammy*

But what if you are not resident in Portugal? Are you safe from liability to Portuguese assessment? While the jury is still out on a definitive ruling, the situation could be just as bad.

While you may not be resident in either jurisdiction, the Company still is. The Delaware Company, as a "*resident person*" embraced by the USA - Portugal Treaty, could be liable to CGT assessment, based on the effective transfer of rights to the property set off by the sale of the shares. However, in the case of a British or Irish tax

resident, the respective treaty with the USA is oblivious to the Portuguese "*situs*" issue and is only concerned with the gain from the sale of shares as "Moveable Property", triggering a separate individual CGT assessment in the home jurisdiction based on worldwide income. Because of the triangulation between jurisdictions, the bilateral agreements leave no means to eliminate any double taxation.

Under current Portuguese legislation, measures beefing up anti-avoidance practices were brought into place with *decree-law 39-A/2005 of 29 July* which states explicitly that any capital gains tax exemption is lost on the sale of shares when more than 50% of the company's assets is comprised of real estate holdings in Portugal. To exacerbate the potential problem even further, the same principal of deemed real estate conveyance could also apply to Property Transfer Tax ("*IMT",* formerly called *Sisa*). Overall, as a non-resident, the sale of the shares of the white-listed Company could attract Portuguese Capital Gains Tax of 28% and an additional "*IMT*" assessment of up to 6%.

"the Triangulation Trap"

To restate the obvious, the taxpayer might be faced with being taxed twice: once, in the Company from the *de facto* transfer of rights to the Portuguese property, and also as an individual on the gain from the sale of US shares within a worldwide assessment of income in the home jurisdiction.

Since few precedents exist to date to be able to give a definitive interpretation of such cases under bilateral treaties, it is impossible to predict an outcome with complete certainty. However, one thing is quite clear: using a third-country jurisdiction to veil property transfers and subsequent fiscal obligations could be a risky proposition. Tax Authorities both here in Portugal and around the world now possess powerful "tools" to close loopholes that were once common practice.

As such, the option of a “*white-listed*” Company should be considered anything but “best” advice for professionals and probably not a sensible solution for the majority of property investors in Portugal. Using a third jurisdiction company to hold a Portuguese property most likely will not meet the objective of avoiding taxation but rather the contrary: compound the risk of being snared twice in one’s own “*Triangulation Trap*”.

No Financing Available

Since 2009, the Bank of Portugal has forbidden Portuguese registered banks to lend to *Offshore Companies*, such as those found in Delaware, Gibraltar and elsewhere outside of Portugal.

With no financing available, a sale is becomes very difficult.

Before the introduction of the 2004 Portuguese Property Tax legislation, putting a property Offshore was considered the sensible thing to do. However, annual property tax for blacklisted companies is now set at 7.5% of the Rateable Value ("*VPT*"), approximately 20 times the rate on domestically held property. Equally important, rateable values, traditionally understated, are being updated in a two step process, often bring them up close to market values.

As a buyer, what should you look out for when the house of your dreams happens to be in an Offshore Company, whether "black" or "white-listed"?

Don't buy the Problem

Keep in mind Rule nº 1: *When you buy a company, you acquire both the assets as well as the liabilities*. The first problem, of course, is the Offshore Company structure itself. It can be expensive to maintain, needlessly forcing you to pay Portuguese Corporate Income Tax and, worst of all, can cost you tens of thousands of euros annually in extra Property Tax assessment. All because the Company's head office is located in an Offshore jurisdiction. However, if the owner moves the Company headquarters and management to Portugal, not only will most of the problems melt away but both you, the buyer, and the seller, will achieve surprising tax advantages over individual property ownership.

Investigate the background of the Company

Many companies have a complicated past. Sometimes, there are underlying bureaucratic problems. All too often, improvements have been made without building permission or without registration. Some former owners engaged the property in commercial activity, yet never declared a penny of the earnings. Remember rule nº 2: *the Company's outstanding liabilities are the responsibility of the current shareholder.*

Finally, do your homework thoroughly. Have your lawyer check all registrations, deeds, licences, etc. to make doubly sure that everything is up-to-date and contains no surprises. You, as current owner, will be responsible for any outstanding liabilities.

Another key issue is Compliance. Has the Company fulfilled all of its fiscal requirements since legislation started to change in 2002? Who is the Company's Fiscal Representative? Make sure that the Company tax returns have been submitted and that Rates payments are up-to-date.

"White-list" Migration isn't good enough

Those with property companies in Delaware or Malta are faced with a dilemma: while they have managed to escape for the time being the immediate consequences of punitive taxation on blacklisted companies, they have failed to resolve a fundamental taxation problem: *the Triangulation Trap*.

No government likes to lose control over a piece of sovereign territory, especially when it means giving up most taxation rights. Portugal is no exception. This is why the OECD introduced measures in the current version of the Model Double Tax Treaty to enable countries to assess Capital Gains on effective property transfers wrapped in foreign Company.

In a nutshell, the taxpayer may be faced with double taxation: once, first, in the Company, from the *de facto* transfer of rights to the Portuguese property, and then, as an Individual, on the capital gain from the sale of US shares within a worldwide assessment of income in the home jurisdiction.
Under Portuguese law, as elsewhere throughout the European Union, it is your obligation to declare <u>all</u> of your taxable income. It is *Finanças'* job to evaluate and assess income or implement coercive measures if you do not fulfill your reporting requirements. If left undeclared, a liability could remain in the Company as an eventual charge against future shareholders.

Buy a "Clean" Company

The problem is not the Company *per se*. It lies in the fact that the headquarters of the Company is in a non-resident tax haven. If the shareholders transfer the headquarters onshore to Portugal, the Company achieves a "New Beginning":

1) Capital Gains Tax issues can be reduced to a minimum;
2) Buyers are normally exempt from "*IMT*" transfer tax (formerly "Sisa");
3) Operating costs are low;
4) Local management can provide an important support structure against bureaucracy and eventual property related complications.

Get a Bargain

As always, the difference between a problem and an opportunity is your perception. While the current starting place may be less than desirable, simple relatively economical changes can dramatically reverse the fortunes for all concerned. With sound professional

advice and a bit of perseverance, the house that is now a nightmare can become your “dream come true”.

In other words, buy a bargain, then move the Company safely to Portugal.

What is a Portuguese Nominee Company?

A Fully Compliant Solution

Portuguese Nominee Companies have existed in statute law since the 19th 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 sanctions and instability that has contributed to the outcast status that now engulfs Offshore Property Companies.

Definition

A Portuguese Nominee Company ("*Sociedade Civil de Simples Administração de Bens Próprios"*), with headquarters and effective management in Portugal, is one that limits its activity to the mere administration of belongings and assets held as a reserve, a benefit, or the purchase of accommodation for its shareholders. In these Companies, the share capital must belong to either a family group or from two to five shareholders.

"*Civil Companies*"

As Civil Companies, these entities do not practice any commercial, industrial or agricultural activity as defined under Portuguese Law. They are "pure" Civil Companies, regulated by the Civil Code. They may formed via public deed and thereby recognised as a bonafide legal entity ("*com personalidade jurídica*") or via private contract without such formal recognition. These Companies are

subject to the Fiscal Transparency Regime where chargeable events are attributed and assessed directly to the shareholders (beneficial owners) in their Individual Income Tax declaration (IRS).
Civil Companies may also be constituted under "commercial form", in which case they follow the rules of the Portuguese Commercial Company Code.

Advantages of a Portuguese Nominee Company

No punitive taxation
Unlike Offshore Companies, there is no punitive taxation. There are no 5% Property Rates, no Deemed Income to be assessed against the Company, no sanctions against tax havens.

Reduced CGT Rates
Capital Gains Tax on the selling of Portuguese Nominee Company shares is only 14%, as compared to 28% assessment for the sale of non-resident company shares.
Non-resident individuals also potentially pay 28% while residents typically pay at marginal tax rates. (*Non-Residents should verify tax liabilities as defined in Double Tax Treaties with Portugal*).

Potential Transfer Tax Exemption
The sales of the shares may also be exempt from "*IMT*" Under Portuguese law, 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.

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 exceed a 75% concentration of ownership.

Ease of Transfer

When the Company is 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 expense often associated with property transfers, particularly important when legacy issues exist that could otherwise take years to resolve.

No Taxation on Redomiciliation

When an Offshore or a non-resident company moves to Portugal, there is no 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 registration of the Company in Portugal, a Balance of Accounts needs to be recorded to mark the starting point as a Portuguese resident entity. This Balance Sheet must be based on **current** rather than **historical** values. Thus, the Company's "Assets" reflect the market value of the property. The "Liabilities" show the Shareholders' loans into the Company - not the invoicing of how the monies were spent - as well as any outstanding loans or mortgage. As such, there is usually a significant uplift in the basis for eventual CGT assessment and 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. The ease of share transfers as compared to the bureaucratic labyrinth of real property sales keeps cost and complications to a minimum.

Shared Ownership

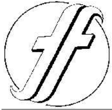
Fractional ownership simply means the division of any asset into portions or shares. When the "asset" is real property, this division is done more readily by creating a "*mezzanine structure*", i.e. creating a company which owns the property then allowing multiple owners or investors to own shares in the company. *Portuguese Nominee Companies* are ideally suited to this purpose.

Capital Improvements Never Expire

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

Domiciliary Services

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



nª 5: **Property Transfer Costs vs Redomiciliation**

Paying the legal minimum

A Portuguese Nominee Company is not a "*Limitada*", which is a commercial trading company and subject to both "*PEC*" (minimum corporate tax) as well as on-going accountancy charges. It is a simple, non-trading company, designed to hold and manage the assets of the Company to the benefit of the shareholders. It is, in fact, a tax exempt structure since any eventual one-off assessments are levied directly to the shareholders. As such, it is inexpensive to operate, with annual running charges of €700.

As to cost comparisons between moving the Property out of the Company ownership and redomiciling the Company headquarters and effective management to Portugal, there are a number of pertinent factors - both taxation as well as fees - to take into consideration. Please note that property transfer expenses are mostly proportional while redomiciliation fees are generally fixed.

	Property Transfer	Redomiciliation
CGT:	28% on the net gain	€ 0
IMT:	up to 6%	€ 0
Stamp Duty	0.8% of the sales price	€ 0
Dividends	28%	
Legal fees	1-2% of deed price	€1,250
Redomiciliation	-	€ 5,000
Strike-Off *	closing Offshore Company	
Misc. Expenses	notaries, registration, etc.	

EXAMPLE: *On a property, originally costing €300,000, and a current market value of €500,000, typical taxes, charges and disbursements would be as follows*:

	Property Transfer	Redomiciliation
CGT:	28%: €62,120	€ 0
IMT:	6% : €30,000	€ 0
Stamp Duty	0.8%: €4,000	€ 25
Dividends	28%: €28,000	€ 0
Legal fees	1.5% : €7,500	€ 750
Redomiciliation Cost	-	€ 5,000
Strike-Off / Exit Fees *	€3,000 *	€3,000 *
Other Disbursements	€2,000	€2,000
total	€136,660	€10,775

* varies substantially according to Offshore Jurisdiction as well as to Company Managers

CONCLUSION

Most people typically find that it could cost as a much as 1/4 of the market value to transfer the property out of the Company into their own names. A very expensive solution.

When Property Transfer Costs are compared to Redomiciliation, ***euro*FINESCO**'s package of services compares quite favourably: *a potentially financially crippling problem is resolved for a tiny fraction of property value.*

When you buy . . .

Buying a Nominee Company can save time and money as well as avoid many of the complications and bureaucracy often associated with conventional property acquisition.

✔ **Save Time**
Acquiring the shares of a Company is quick process. It can be done at the Notary or in your lawyer's office and can usually be accomplished in a few minutes, rather than week or months.

✔ **Simplicity**
Changes in Property ownership entangle 3 different organs of government: *a Câmara* (local Council), *as Finanças* (Revenue) and *o Registo Predial* (Land Registry). When transferring shares, these bureaucracies are only marginally involved.

✔ **Tax Efficiency**
With taxes to pay, the transfer of shares avoids triggering "*IMT*" (Property Transfer Tax) and Stamp Duty on Deeds of Property Transfer, usually proportioning substantial tax savings.

✔ **Reduced Costs**
Simplicity can also mean lower costs for disbursements that are an integral part of any transfer process.

✔ **A Fully Compliant Solution**
Portuguese Nominee Companies are non-trading *onshore* entities, recognised and accepted in Portugal and the European Union: A mainstream solution without heavy-handed legislation, blacklists, or punitive taxation.

When you sell . . .

Selling a Nominee Company offers the best of options to both Sellers and Buyers:

1) At the notary, the Company's shares are transferred to the Buyers at the full market value of the Property..

   The Sellers are liable for Capital Gains Tax on the sale of the shares at a flat assessment of 14% (levied autonomously) rather than face potential assessments that could be as much as 52% were the Property to be sold directly by the Company to the Buyers;

2) The Buyers elect one of two options:

   a) If Buyers wish to lock in the advantages of the Nominee Company under their control, the transfer of ownership is now complete and as the new Shareholders, they now take full possession. There is no further taxation: no "*IMT*" (Property Transfer Tax), no Stamp Duty. Subsequent registrations can now take place;

   b) If, for whatever reason, the Buyers wish to assume direct ownership of the Company's assets, the Company is dissolved and the Property is transferred to the Buyers' names. "*IMT*" (Property Transfer Tax) as well as Stamp Duty are due, followed by subsequent registrations, exactly as would be the case in any conventional property acquisition.

   In either case, the preferred option should be prepared in advance and the complete set of transactions can occur simultaneously in a matter of minutes at the Notary's office.

Every company must have a registered office where official documents can be served, in addition to one or more managing directors who are responsible for day-to-day management needs. We provide all of these domiciliary services, making sure that all rules and regulations are met in full. Our Domiciliary Service gives you all the advantages of working with experienced and highly qualified people, who look after your best interests and ensure that you have one less thing to worry about.

We assume a wide range of administrative responsibilities, such as ensuring proper registration with the local authorities, diligently processing all communications delivered to the registered address, keeping accurate books and records available for inspection at any time and much more.

COMPLIANCE

- Resourcing accurate and current information in Portugal to Beneficial Owners regarding the Company obligations as well as relevant changes in legislation;
- Clarification of pertinent procedures and fiscal interpretations with *Finanças;*
- Communications liaison between *Finanças* (Portuguese Tax Authority) and the Property Company;
- Reporting to Beneficial Owners about Company status.

ADMINISTRATION

As Company Administrators, we are qualified and prepared to meet all company commitments:

- Compliance fulfilment;
- Arranging specific compliance procedures:
- Registrations
- Rustic ➜ Urban transfers
  - Habitation Licence
  - Technical drawings submission ("*Modelo 1*")
    - Occupation status (*"devoluto"*)
- Rental Agreements
- Translations
- Domiciliary facility;
- Administrative services;
- Powers of Attorney;
- Board Minutes;
- Board Resolutions;
- Reception & Forwarding;
- Answering service;
- Clearing facility.

SHAREHOLDERS

- Keeping owners cognisant of changes in legislation;
- Evaluation of strategic options;
- Simulation of relevant taxation;
- Resolution of on-going issues;
- Company bank accounts.

"Finanças"

- Registration of any commercial business activities;
- International cross jurisdiction fiscal resolution;
- Statutory auxiliary requirements;
- Bilateral Tax Treaty issues;
- Corporate Tax Declaration (*"IRC"*) :
    - *"Modelo 22*"
    - Payment facility
- Council Rates / Property Tax
  (Imposto Municipal Imobiliário - "IMI")
    - Receipt
    - Payment facility
- Changes in company status
  ("Alteração de Actividade")
- Closing of company's activity
  ("Cessação de Actividade")

CONCLUSION

As your local representative, we ensure your company's good standing in accordance with local requirements in liaison with your lawyer and other local advisors. We recognize that owners of Portuguese Nominee Companies have individualised requirements; no two situations are the same.

Beyond meeting basic formalities and essential obligations, ***euro*FINESCO** will be by your side to help resolve problems that may arise in navigating your way through Portuguese bureaucracy. By putting our knowledge and *know-how* to work for you, we can meet individual needs and we are ready to provide flexible solutions that are specifically suited to you.

***euro*FINESCO** is a recognised leader in the field of Expatriate Services throughout Portugal over the past 20 years. Having pioneered the resurgence of *Portuguese Nominee Companies* since 2004, our experience and expertise can help you find the most appropriate solution tailored to your requirements.

At ***euro*FINESCO**, we take pride in being a frontrunner in fiscal and expatriate services in Portugal, playing a leading role in interpreting Portuguese fiscal legislation as plain English for the foreign resident community since 1991.

PORTUGUESE TAXATION

- *IRS* - Individual Income Tax Returns
- *IRC* - Income Tax Preparation for Portuguese Nominee Companies as well as Non-Resident Companies
- Fiscal Residency Transitions to Portugal
- Fiscal Representation for Non-Residents

INTERNATIONAL TAX ISSUES

- Bilateral Tax Treaties
- US Tax Returns
- Compliance Issues

PERSONAL TAX PREPARATION

The Portuguese tax system offers surprising opportunities to the foreign resident. When properly prepared, Portugal can prove to be a “tax haven within Europe” for you.

PORTUGUESE “*IRS*” INCOME TAX RETURNS

FINESCO specializes in helping foreign residents by preparing their annual Portuguese *IRS* Income Tax Returns.

NOMINEE COMPANIES FOR PORTUGUESE PROPERTY

- Meeting basic compulsory compliance commitments;
- Liaison between *Finanças* and Company Owners.
- Resourcing information to Owners;

Fiscal Representation

- Protecting your Valuable Investment
- Meeting Compliance Requirements
- Resourcing Key Information
- Liaison with *Finanças*
- Personalised Service
- Payment Facility
- Plain English

Documentation

We can assist you by cutting through the bureaucracy:

- *"Residências*"
- Portuguese Wills
- Driving Licences
- Rates Exemptions
- Fiscal Numbers
- Medical Cards

Small Business Formation

We can help expatriates launch new businesses in Portugal:

- Choosing the right structure
- Accountancy Services
- Registration of your Business
- Social Security & VAT

Cross Border Estate Planning

Cross Border Planning for individuals becomes important when assets and income are split between two or more jurisdictions. If you are a foreign resident, married to a foreigner, have international sources of income, or have assets in another country, Cross Border Planning may be necessary to avoid unforeseen harsh Inheritance Tax consequences.

Anytime foreign laws are introduced into a plan, complexity is an inevitable outcome because contradictions in different bodies of legislation is almost unavoidable. Because laws are so diverse in the international arena, planning in advance becomes essential to avert unforeseen assessments from another jurisdiction.

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*e*Books from *euro*FINESCO

1) Offshore Companies: *Moving Onshore*
2) Self-Employed in Portugal
3) Requirements of the Common Reporting Standard
4) Setting Up Fiscal Residence
5) Capital Gains Tax on Portuguese Property
6) Portuguese Tax Code Summaries
7) "*VPT*" Unveiled
8) Tax-Efficient Investing in Portuguese Property
9) Income from Portuguese Property
10) Taxation on Portuguese Property
11) "S.C.I.": *Sociedade Civil Imobiliária*
12) Property Companies: *White-List or Portugal*
13) Nominee Companies for Portuguese Property
14) Fiscal Representation in Portugal
15) *"Permutas"* or Property Swaps
16) Estate Planning & Nominee Companies
17) "I.H.T." – Residence Rules & Determining Domicile
18) Moving to Portugal – *before, during & after*
19) Taxation of Pensions in Portugal
20) "I.R.S." Tax Credits
21) CGT Mitigation: *14 Arrows in the Quiver*
22) Residence Rules: *in the EU, Portugal and the UK*

Extracts from *Relocating to Portugal - Useful Information*

23) Acquiring Portuguese Citizenship
24) Visas and Legal Framework
25) Your Rights to Health Care
26) Access to Education
27) Recognition of Qualifications
28) Social Security Entitlements
29) Golden Residence Visa

30) Leaving Portugal - *Moving Back*
31) Non-Habitual Residence Status and the Alternatives
32) Trusts, Foundations and Fiduciary Structures