



“Imposto do Selo” - Stamp Duty

Stamp Duty is charged on a variety of deeds, contracts, documents, titles, books, papers and financial operations. This must be paid by the person with an economic interest in the deed or contract such as the buyer in a purchase contract, credit institutions or financing companies in financial operations.

EXEMPTIONS

There are a variety of categories of documents, contracts, financial operations and other similar instruments that are granted exemption from Stamp Duty:

- Interest on loans granted for acquisition, construction, reconstruction or improvement of residential buildings;
- Loans and the interest and/or commissions charged, granted by credit institutions and financing companies to similar entities, provided that both parties reside in the European Union (EU) or, if the case that one is a non-EU resident, cannot reside in a tax haven country;
- Financial operations, including interest charges, between companies and their respective subsidiaries, provided that the first company hold a minimum 25% holding in the latter company for two consecutive years;
- Incorporation and increase in share capital of holding companies (“SGPS”); Guarantees allocated to the State upon the management of public debt;
- All legal documents and products relating to entities residing in the tax-free trade zone of Madeira and of the Santa Maria Island (Azores), according to article n°33, paragraph 11 of Decree-Law 215/89, of 25th July 1989.



RATES

The Stamp Duty is levied on the value of each taxable deed or operation at a tax rate, which varies according to the type of deed or operation, as exemplified below:

- Onerous or gratuitous acquisition of immovable assets: 0,8%
- Rental or sublets (on monthly rent): 10%
- Interest paid bills of exchange and Treasury bills, loans, credit accounts discounts: 4%
- Premium and interest on drawn bills, bills receivable, drafts issued on domestic markets or any other kind of transfer: 4%
- Commissions in respect of guarantees granted: 3%
- Other commissions on financial services: 4%
- Change of unincorporated partnership or entity into a company (percentage of the net value of the partnership or entity's assets): 0,4%
- Lottery and other winnings: 35%
- Transfer of commercial, industrial or agricultural establishments: 5%

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