



## “White-listed” Companies subject to scrutiny

Changes in legislation have brought additional pain to companies domiciled in popular “white-listed” jurisdictions like Delaware and Malta. Transparency measures now allow authorities to *look-thru* companies to identify and assess the underlying beneficial owners.

In a parallel move, the sale of a non-resident company’s shares can now be taxed in Portugal as a transfer of the rights to the underlying Portuguese property. In other words, a foreign moveable asset (a non-resident Company) can be taxed as a Portuguese immovable asset (a Portuguese property) when more than 50% of the company’s holdings are in Portuguese real estate.

While these changes may have a severe impact on “white-listed” companies holding Portuguese real estate, there is no effective change for resident structures such as Portuguese Nominee Companies (“*Sociedades Civas*”). Transparency is nothing new to Portuguese Companies. The owners and assets of Portuguese Companies have always been recorded in official registries. Any tax advantage enjoyed by Nominee Companies is part and parcel of mainstream Portuguese legislation, not confidentiality. While those who have recommended “white-listed” companies over the years have reason for concern, there is no justification for casting the shadow on Portuguese companies.

In fact, most of the problems associated with Offshore Companies, whether white or black-listed, can be readily resolved at relatively modest expense by transforming the structure into a Portuguese Nominee Company. This procedure, known as “Redomiciliation”, creates a compliant structure offering the beleaguered Company Owner a host of advantages:



- A fully compliant solution
- Potential uplift in share value
- Avoiding punitive “IMI” rates
- Possible “IMT” exemption
- Ease of transfer
- Recognition of shareholders loans
- Tax-efficient Redomiciliation
- Reduced closing costs
- Capital improvements never expire
- Support unravelling bureaucracy
- Modest annual domiciliary fees

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