CAPITAL GAINS TAX
"Check-Up"

When you buy or sell a property in Portugal, the notary who performs the deed is required to report the transaction to *Finanças*. Stated more bluntly, if you don't declare the sale, he already has and the taxman will be after you. Getting advice after the sale may be better than none at all but your best approach for a successful outcome is to plan carefully before you sell, preferably early on, defining a long term strategy that will structure your property in the most advantageous manner to achieve your long-term objectives.

The Best Structure

When you buy, it is important to determine which is the best structure to use. For those seeking a long-term primary residence in Portugal, direct ownership may often be a good solution. Eventual *rollover relief* can offer the easiest and most appropriate CGT mitigation solution.

However, if your investment in a second home or a "buy-to-let" is your principal purpose, a *Portuguese Nominee Company* may prove to be the wiser solution. Only a case-by-case analysis will determine the best answer for you.

Asking the Right Questions

Expecting your someone else to uncover the "*skeletons in the closet*" of a prospective property often is a leap of faith that may end with an unpleasant surprise. You need to know which questions to ask before you make your commitment because you, once the owner, will be held responsible for all licencing and paperwork being up-to-date.

Ignorance - never an excuse - or lack of due diligence will not avoid fines or even eventual demolition of any offending structures.

(Consult ***euro*FINESCO** Brochure b55 - *Elements of a Title Search)*

Understanding the Requirements

It is crucial for a successful conclusion that you grasp the essentials of where you and your property stand under current Portuguese legislation. For example, key factors such as the Property's Rateable Value ("*VPT*") under current rules or determining your Martial Property Regime (*are you and your spouse co-owners or joint owners?*) can open or close the doors of opportunity.

Plain English

As you may already know, Portugal can have complex bureaucracy. All documents, forms and other paperwork are only in Portuguese and instructions are often use jargon that even many native Portuguese have trouble understanding. We put the process to you in Plain English. With proper guidance, even those who speak English as a second language should have little trouble in understanding how to proceed.

Your Options

- Even if you originally bought in individual names, a *Portuguese Nominee Company* may still be your best solution. In one recent case, a property inherited at the Rateable Value (VPT) of €55,000 sold for €1,000,000. Despite the sizable gain, our strategy successfully lowered tax by over 80%.
- Properties trapped Offshore can find a fresh start through *Redomiciliation*. With an evaluation up-lift and reduced operating expenses, you will no longer be stuck with a "*white elephant*" that no one wants to buy.

- When a corporate solution is deemed undesirable, *Company Liquidation* can present a possibility to reduce tax. Settlement and asset distribution can give everyone what they want without triggering CGT.
- When a Company solution is not viable, opportunity exists with *a Property Swap*. Tax rules are surprisingly favourable on this form of acquisition. In these troubled times, it is not difficult to find someone in the same predicament as you.

Conclusion

The complete *"CGT Check-Up"* is available to you at ***euro*FINESCO**. With the right advice and timely action, you can save thousands in lawfully avoidable tax assessment. With many of our solutions, we work on a success basis so your risk is kept to a minimum. By maximising your rights under the law, you can avoid many of the pitfalls and headaches common to foreign buyers while limiting your tax liability to the legal minimum.

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