



**FISCAL REPRESENTATION
ALTERNATIVES**

Property ownership is synonymous with paying tax. Whether it be Transfer Tax & Stamp Duty at purchase, Council Rates and Income Tax as an Owner or Capital Gains assessment when you eventually sell, fiscal compliance is a constant.

A qualified, professional fiscal representative can help fulfill these responsibilities while assuring that you pay only the legal minimum. It is your Fiscal Representative who is answerable for your obligations, whether as liaison with Finanças, defending you in tax inspections or ensuring that fiscal commitments are current.

As of 01 January 2012, Fiscal Representation is no longer mandatory for EU and EEA citizens. The following FAQ's will help you decide on which choice is in your best interest.

I heard that Fiscal Representation is now optional. Is this true?

Yes. Requiring European Union citizens to have Fiscal Representation is now considered contradictory to the principle of free movement of citizens within the EU.

We fully agree that it was excessive to require a Fiscal Representative just to obtain a Fiscal Number. We welcome this change so we can focus more of our attention on meaningful services that genuinely help our clients and save them money.

Will I still be obliged to have a Fiscal Representative in the future?

No. The legislative changes came into effect on 01 January with the 2012 budget. However, while Fiscal Representation becomes optional for EU and EEC citizens who are Non-Resident in Portugal, the requirement stays unaltered for other nationalities. Nevertheless, Fiscal Representation is still advisable in most situations:

- ▶ If you let to holidaymakers or conduct another type of business in Portugal, you may still want Fiscal Representation to satisfy the underlying commercial requirements of the activity;
- ▶ If you own property, we can streamline bureaucracy for you;
- ▶ If you advice, we can provide accurate information and give you reliable, compliant advice;
- ▶ When you come to sell your property, you will need to sort out Capital Gains Tax obligations in Portugal, either before or after leaving the country. As your Fiscal Representative, we can help keep assessment to a minimum while meeting all of your reporting requirements.

Why did Fiscal Representation exist in the first place?

As a small country and a popular tourist destination, Portugal receives almost twice as many foreign visitors each year as there are Portuguese living in the country. Many eventually buy property or partake in business activities, creating liability to Portuguese taxation. Past legislation required all foreigners with tax to pay to appoint a fiscal representative to take responsibility for fiscal compliance. As your Fiscal Representative, we answer for you to the tax authorities.

***If you opt to be without Fiscal Representation,
you will be fending for yourself.***

Should I maintain my Fiscal Representation with euroFINESCO?

While Fiscal Representation is no longer mandatory, nothing has been devised to replace it. Bureaucracy not designed to accomplish a task can prove the worst of solutions, with each Finanças office implementing regulations according to its own local criteria. It is our view that there will be few people will find it attractive to venture forward on their own into such a chaotic environment.

At **euroFINESCO**, we complete over a thousand Portuguese “IRS” tax returns annually. All come to us voluntarily, choosing to work with us because they perceive real value in our services.

In the same spirit, we believe that *Non-Residents* still need Fiscal Representation and will continue to seek out our support, not because of some regulatory preconditions imposed by Brussels or Lisbon but rather because Non-Residents appreciate the positive contributions that we make to their lives in Portugal.

We have a lot of money invested in our property in Portugal. Will euroFINESCO continue to protect us?

Your property is a major investment. If basic requirements go unmet or are not completed correctly, your asset could be at serious risk. Having a qualified professional *Fiscal Representative* should be considered a prerequisite, not an extra.

Using qualified professionals such as **euroFINESCO** as your Fiscal Representative goes far beyond minimum compliance requirements. Whether helping you to get off to a good start, keeping you informed about important changes, or saving you money over time, our comprehensive fiscal and expatriate services can add real value to your property investment.

This is not the first change in Fiscal Representation. Will there be more changes upcoming?

Unfortunately our crystal ball doesn't give us all of the answers. Whatever your situation today or however it may evolve in the coming years, we are confident that you will continue to welcome our support to find cost-effective solutions to your on-going needs in Portugal.

Now and in the future, we would like to continue to serve as your Fiscal Representative. It is our long-term goal not to make any direct charge for this status; only invoice you for the services that you require and request.

**For further information, please consult our eBook n° 14
“Fiscal Representation in Portugal”**

© - All rights reserved

September 2016