



ANTICIPATING ASSESSMENT

If you believe that winning the lottery will be your key to prosperity, you may already have defined your strategic outlook. However, if you really want to have the odds in your favour, *planning* is always your best bet. This is specially true when it comes to Capital Gains Tax. Understanding how CGT assessment works in Portugal is the best way to orchestrate a satisfactory and successful outcome.

In this day and age of ever-increasing scrutiny from tax authorities, it is essential to distinguish between a *legitimate* plan of action and pursuing *dodgy* strategies:

Compliant tax planning - a systematic analysis of differing tax options aimed at minimising on-going or long term tax liabilities; or

Aggressive tax planning - tax strategies where there is a reasonable probability that a particular tax stance will not be upheld by an audit and subsequent legal challenge.

Aggressive tax planning is designed to sidestep fiscal obligations and may well be interpreted as tax evasion. Pursuing such strategies can lead to serious complications, particularly in this age of heightened tax enforcement and open channels of communication between fiscal authorities.

Simply put, proper planning means understanding your options and choosing the most appropriate one. It means working within the law to help you pay the legal minimum.