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# Portugal's Non-Habitual Resident Regime

## A Guide

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## DISCLAIMER

**This is a description of a generic nature and cannot preclude specialist advice in connection with specific situations.**

## THE TAX PLANNERS' FAVOURITE QUOTATION

*"No man in the country is under the smallest obligation, moral or other, so to arrange his legal relations to his business or property as to enable the Inland Revenue to put the largest possible shovel in his stores. The Inland Revenue is not slow, and quite rightly, to take every advantage which is open to it under the Taxing Statutes for the purposes of depleting the taxpayer's pocket. And the taxpayer is in like manner entitled to be astute to prevent, so far as he honestly can, the depletion of his means by the Inland Revenue"*

Lord Clyde, Lord Justice General and Lord President of the Court of Session of Scotland in the case of Ayrshire Pullman Motor Services v Inland Revenue [1929] 14 Tax Case 754, at 763,764.

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## What is the NHR regime?

The non-habitual resident (“NHR”) taxation regime came into force in Portugal in 2009 and is proving very successful at attracting individuals of independent means, pensioners and certain skilled professionals to establish residency in Portugal for tax purposes, while not being subject to minimum or maximum stay requirements.

In addition to the non-existence in Portugal of wealth tax, or of inheritance/gift tax for close relatives, the NHR regime essentially grants qualifying individuals the possibility of becoming tax residents of a white-listed jurisdiction whilst legally avoiding or minimising income tax on certain categories of non-Portugal sourced income and capital gains for a period of 10 years.

A major feature of the NHR regime lies in its interaction with the double tax conventions signed by Portugal or with the OECD model tax convention in the absence of one. In effect, most double tax conventions (of which Portugal signed 71, as per Appendix 1) grant the possibility to tax most categories of income to the country of source of such income, although in practice, so as to attract foreign investment, many countries will not make use of that possibility to tax non-residents. Since most such categories will not be taxed in Portugal in the hands of a NHR because they *may* be taxed abroad, in practice most foreign-source income types will be zero taxed in such hands.

*“The NHR regime essentially grants qualifying individuals the possibility of becoming tax residents of a white-listed jurisdiction whilst legally avoiding or minimising income tax on certain categories of income and capital gains for a period of 10 years.”*

Taking the UK/Portugal convention as an example, if you are a resident of Portugal but receive dividends from the UK, then the UK has the power to tax them under article 10, although it does not if the recipient is not a UK resident. On the other hand, Portugal will not tax such dividends in the hands of a NHR either, because the UK *may* tax them under the convention. This way, the non-habitual resident of Portugal may receive dividends from UK sources completely free of tax.

Under the NHR regime, the following categories of foreign-source income and capital gains (except if sourced from a blacklisted tax haven that does not have a double tax agreement with Portugal, as per Appendix 2) will be exempt from income tax in Portugal if they *may* be

taxed in the source country, even though they will not often be taxed in the hands of non-residents in the latter country either:

- Dividends, interest and real estate income
- Capital gains from the alienation of real estate (including shares deriving more than 50% of their value from real estate) and of ships or aircraft operated in international traffic
- Royalties and associated income (but please note that under some conventions the source country is prevented from taxing this income, in which case it will be taxed in Portugal)
- Profits derived from eligible occupations, as listed in Appendix 3 (but please note that under most conventions the source country is prevented from taxing this income, in which case it will be taxed in Portugal)

Capital gains from the alienation of movable property (other than shares deriving more than 50% of their value from real estate or ships/aircraft operated in international traffic) will be tax exempt if the relevant double tax convention states that they *may* be taxed in the source country, but this is not the case with the OECD model or with the generality of the conventions, and therefore some tax advice may be required.

It should be noted that several countries often deemed “offshore tax havens” do have double tax conventions with Portugal and, strictly in accordance with the relevant legal provisions, would therefore be white-listed for the purposes of the NHR regime. However, in practice this is not always the case and therefore blacklisted tax havens should be avoided as income source countries by someone who wishes to avoid any confrontation with the tax authorities. In any case, *all EU member states are white-listed*, even though several such states may in many ways be used as “offshore tax havens”, especially by non-residents thereof.

Occupational pensions will be tax exempt in Portugal provided they are not deemed sourced from Portugal.

Foreign-source income from employment (including fees of directors and entertainers or sportsmen) will not be taxed in Portugal if it is taxed (at whatever rate) in the source country.

Portuguese-source income depends on whether it is derived from eligible occupations (see Appendix 3), as follows:

- Employment income (including fees of directors and entertainers/sportsmen), business or self-employment profits and royalties (including payments for know-how), if derived from eligible occupations will be subject to a 20% flat rate;
- Other Portuguese-source income will be taxed at the normal rates applicable to regular resident taxpayers;
- Surcharges apply to the slice of the total taxable income (whether subject to progressive or flat rates) which exceeds for each taxpayer the minimum guaranteed wage of EUR 7,798 p.a.

In sum, in order to maximise the advantages of the NHR regime, one has to take into account not only Portuguese tax law, but also the tax law of the source country of the income, as well as the double tax conventions (or the OECD model convention) applicable to the foreign-source income and gains one is to receive as a NHR.

A more detailed analysis of each income category under the NHR regime is provided below with reference to the OECD model tax convention and a summary table can be found in Appendix 4. Although most conventions signed by Portugal (and especially the most recent ones) do follow this model, it is essential that each relevant convention is looked at when planning for individual cases.

A summary of the taxation of *habitual* residents in Portugal may be found on [this web page](#).



## The regime's main benefits

- Residency of a white-listed, EU-member, country
- No minimum stay requirements in Portugal (but care must be taken to avoid deemed tax residence in another country)
- Possibility of enjoying a tax exemption on the following types of non-Portuguese source income during 10 years:
  - Dividends
  - Interest
  - Real estate income
  - Capital gains from the alienation of real estate, of shares deriving more than 50% of their value from real estate, and of ships/aircraft operated in international traffic
  - Occupational pensions and similar remuneration
  - Royalties and other income from know-how (with some exceptions)
  - Business and self-employment profits derived from eligible occupations (but do check the relevant double tax convention in this respect)
  - Any other income or gains that may be converted into one of the above through tax planning
- Possibility of paying tax at a flat rate of 20% during at least 10 years on Portuguese-source employment income, fees, profits and royalties if derived from eligible occupations
- Ability to pass on wealth to a spouse, children or other close relatives without payment of inheritance or gift taxes



## Eligibility requirements

In order to qualify as a non-habitual resident (NHR), an applicant must meet the following cumulative requirements:

1. Being entitled to live in Portugal, either on the grounds of citizenship (EU/EEA/Swiss citizens qualify) or under a special permit (e.g. being the holder of a [residence permit](#), such as the so-called “Golden Visa”, a residency by investment programme);
2. Qualifying as a tax resident of Portugal (please see the section titled “Portugal Residence”) after not having qualified as such during at least the previous 5 years;
3. Applying for NHR status to the Portuguese tax authorities upon taking up residence in the country or up until March 31<sup>st</sup> of the year following that in which Portugal residence was taken up.

The granting of NHR status is not automatic, but it will not be refused if all the legally applicable criteria are met.

## Timeline

The tax year in Portugal coincides with the calendar year.

Applying for NHR status to the Portuguese tax authorities has to take place upon taking up residence in the country and up until March 31<sup>st</sup> of the calendar year following that in which Portugal residence was taken up.

In order to apply, one has to register as a regular resident taxpayer and will be deemed so by the system until the application is approved. Upon approval, NHR status is granted for a period of 10 consecutive calendar/tax years, starting on the date on which the applicant became resident.

Currently, the processing time of an application for NHR status takes no more than a week. Problems may arise, however, in the event the applicant had already inadvertently registered as a resident, which is quite common under two main circumstances: (a) having been a Portugal-resident in the past, the applicant failed to notify the tax administration of the cessation of this residence; or (b) having purchased a residential property in Portugal, the applicant wrongly gave the tax office its address as the applicant’s address for obtaining a taxpayer identification number.

The capacity of NHR may be interrupted by the beneficiary at any time by ceasing to be a resident for one or more years. Upon his/her return to the country, the beneficiary may claim his/her NHR status back as from the tax year in which he/she became a resident again and for the number of years remaining until the end of the initial 10-year period.

## Portugal residence

By law, to be *deemed* a resident of Portugal *for tax purposes*, it will be enough for an individual to, *alternatively and in each tax year*:

- Spend more than 183 days in the country, whether or not consecutive
- Have a place of abode *available* in the country in a way that may lead to the *supposition* of an *intention* to keep and occupy it as a habitual home
- As at December 31<sup>st</sup> of a given tax year belong to the crew of ships or aircraft operated by an entity having its residence, registered office or effective management in the country
- Be employed by the Portuguese State to perform public duties abroad

*“... have a place of abode available in the country in a way that may lead to the supposition of an intention to keep and occupy it as a habitual home.”*

Tax residence is attributed to each family member on an individual basis.

It should be noted that as a rule and *in practice* the tax authorities accept the residential address of a taxpayer or intended taxpayer to be that which the taxpayer states as such, although they may request to see documentary evidence of the residency entitlement (they will generally do it in the case of first-time residents). As such, the abusive use of an address as the taxpayer's residential address (e.g. that of an accountant, a resident relative or friend, or of a property let or sub-let to someone else) must be avoided.

The best solution for a NHR who does not live permanently in Portugal and wishes to minimise costs is probably to purchase a property he/she may use on a need basis, but that is otherwise managed by a specialist agent for vacation rentals.

The Portuguese tax authorities will certify that a NHR is a resident taxpayer of Portugal, without any mention to any special status, so that a NHR may prove to the tax authorities of other countries that he/she may benefit from an applicable double tax convention or simply from not being deemed a resident of the other country.

Besides registering as a resident taxpayer, a non-Portuguese citizen must register in Portugal for identification purposes. This is handled by SEF, the border agency, or by the municipalities on behalf of SEF in the case of an EU/EEA/Swiss citizen, and it is unrelated to tax residency. Under the law applicable to foreigners establishing residence in Portugal:

- EU/EEA/Swiss citizens are expected to register with, and obtain a residence certificate from, their municipality up until the end of the fourth month after having established their residence in Portugal, for which purpose they must submit a declaration and documentary evidence of either their professional occupation or of having sufficient financial means;
- Non-EU/EEA/Swiss citizens must obtain a [residence permit](#) from the border agency before becoming resident, under different programmes, the most popular of which is the “Golden Visa” programme for investors. To secure a long-term residence permit, a non-EU/EEA/Swiss citizen that does not benefit from this special investor status will in general need either proof of having sufficient passive income or else an employment contract with a resident entity. After 5 years of being a legal resident of the country and upon proof of having sufficient income (for him/herself and his/her family dependants), health insurance, accommodation and basic fluency in Portuguese, such a person may apply for permanent resident status, an EU resident title, and treatment under the law equal to that of Portuguese citizens. And, after 6 years, citizenship may be applied for.



## Tax exempt foreign-source income

Income that can be enjoyed totally free of tax by a Portugal non-habitual resident is essentially non-Portuguese source income which is not taxed in the source country but *might* be taxed there under a double tax convention or, in its absence, under the OECD model tax convention. The income categories that are so treated are income derived from eligible occupations, royalties and other income from know-how, investment income and capital gains, except if sourced from blacklisted tax havens (as listed in Appendix 2).

Non-Portuguese source occupational pensions are tax exempt in the hands of an NHR.

Each of these income categories is reviewed below in detail.

### Profits derived from eligible occupations

Under the Portuguese personal income tax code, foreign-source business and self-employment profits are tax exempt in Portugal if derived from eligible occupations (see Appendix 3) and *may* be taxed in the source country under a double tax convention or the OECD model tax convention.

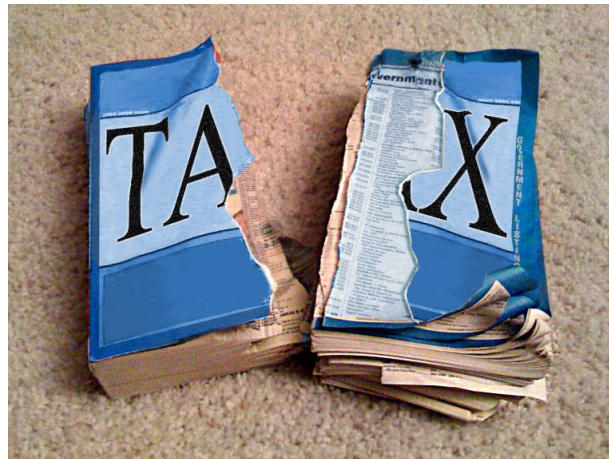
The latter states that business profits shall be taxed *only* in the source country, but where profits include items of income dealt with separately by other articles of the convention, then such items shall be taxed in accordance with such other articles. “Business” is defined as including the performance of professional services and of other activities of an independent character.

*“Income that can be enjoyed totally free of tax by a Portugal non-habitual resident is essentially non-Portuguese source income which is not taxed in the source country but might be taxed there under a double tax convention or, in its absence, under the OECD model tax convention.”*

## Investment income, including capital gains from real estate

Under the Portuguese personal income tax code, foreign-source dividends, interest, real estate income and capital gains from the alienation of real estate and ships or aircraft operated in international traffic are tax exempt in the hands of a NHR of Portugal if they *may* be taxed in the source country under a double tax convention or the OECD model tax convention.

The latter states that such income and gains may indeed be taxed in the source country and that:



- Dividends, if taxed in the source country, cannot be subject to a tax rate in excess of 15%;
- Interest, if taxed in the source country, cannot be subject to a tax rate in excess of 10%;
- Real estate income includes income from forestry and agriculture;
- Capital gains from the alienation of real estate include capital gains from the alienation of shares deriving more than 50% of their value from real estate;
- Capital gains from the alienation of ships or aircraft operated in international traffic shall be taxed in the country where the effective management of the enterprise is situated.

Both these rules and the applicable tax laws in the source countries vary from convention to convention and country to country and they have therefore to be taken into account by a NHR candidate before applying for such status in Portugal. For a summary of the maximum tax rates applicable at source to dividends, interest and royalties under the double tax treaties signed by Portugal you may follow [this link](#).

## Occupational pensions

Foreign-source occupational pensions and similar remuneration are tax exempt in Portugal in the hands of a NHR if they are *either* taxed in the source country under a double tax convention or else *if they are not deemed as sourced from Portugal*.

On the other hand, under the conventions that follow the OECD model, occupational pensions and similar remuneration, except for those derived from Government service, shall be taxable *only* in the country of residence of the taxpayer, i.e. Portugal. Since Portugal does not tax them in the hands of a NHR, it follows that such income will be enjoyed free of tax by the NHR.

Occupational pensions and similar remuneration derived from Government service are treated differently in the OECD model in that they shall be taxed *only* in the source country, except if paid to a resident and national of Portugal, in which case it shall be taxable only in Portugal. This means that in many cases the NHR who is a recipient of such income, whilst not taxed in Portugal, may well be taxed in the source country.

## Income from foreign employment

The main variables affecting the tax treatment of foreign-source income from employment, directors' fees and artistes' or sportsmen's fees in the hands of the NHR of Portugal are as follows: the source country of the income, whether or not the income is taxed in the source country and whether or not it is derived from an eligible occupation.

Foreign-source salaries, wages, fees and other income from employment are tax exempt in the hands of a Portugal NHR if they *are taxed* in the source country. If they are not taxed there, then they shall be taxed in Portugal as though they were Portugal-sourced and therefore benefit from the 20% flat tax rate if derived from an eligible occupation (see the list of occupations in Appendix 3).

However, under the OECD model tax convention, and therefore under most conventions, this income category *may* in general be taxed in the source country and therefore the taxpayer who is employed by a non-Portuguese entity may in some cases be able to choose where to be taxed in respect thereof, according to which country offers the most favourable

terms, and taking into account the rules of the applicable double tax convention. Such rules conform in general to those of the OECD Model, which are as follows:

- Salaries, wages and other **income from employment**, except Government employment and employment aboard a ship or aircraft operated in international traffic, *may* be taxed in the source country, except that it will be taxed in Portugal if, *cumulatively*, the recipient is present in the source country for less than 183 days per year, the remuneration is paid by an employer who is not a resident of the source country and it is not borne by a permanent establishment of the employer in the source country;
- Salaries, wages and other income from **Government employment** shall be taxable *only* in the source country, except if paid to a resident of Portugal who is also a national of Portugal or, being a national of the source country, did not become a resident of Portugal solely for the purpose of rendering services as an employee of the source country's Government, in which case it shall be taxable only in Portugal;
- Salaries, wages and other income from **employment aboard a ship or aircraft** operated in international traffic *may* be taxed in the State of effective management of the enterprise;
- **Company directors'** fees and similar income *may* be taxed in the source country;
- Income derived from performing as an **entertainer or sportsman** in another country *may* be taxed in this other country even if such income accrues to another person.

## Foreign income possibly requiring restructuring

As seen, non-Portuguese source income which *may* be taxed in the source country under a double tax convention or, in its absence, under the OECD model tax convention, is generally tax exempt in the hands of the NHR. However, there are two categories of income – royalties and capital gains from the alienation of securities and other movable property – which under the OECD model convention and many double tax conventions are taxable *only* in the country of residence of their recipient and therefore do not meet the Portuguese requirement that they *may* be taxed in the source country. As such, where the applicable convention excludes the source country from taxing these income categories, tax advice should be sought by the beneficiary before becoming a NHR of Portugal, especially in the event the expected non-exempt royalties or capital gains are significant.

Income derived from tax havens also deserves some consideration, as some types of income derived therefrom, such as income from financial assets, will not only be excluded from the tax exemptions enjoyed by an NHR, but also will be taxed in Portugal at punitive rates. Note, however, that this will not be the case if the tax haven has a double tax convention with Portugal.

Finally, it should be noted that although the official list of occupations that benefit from a 20% flat rate of tax includes that of “senior managers” (see Appendix 3), the Portuguese tax authorities decided to exclude company directors and other statutory company officers from this occupational category. As such, unless they are taxed at source (at whatever rate), directors’ fees will be fully taxed in Portugal at the rates applicable to regular taxpayers.

## Foreign-source royalties

Foreign-source payments of royalties or of information concerning industrial, commercial or scientific experience, whether or not in connection with eligible occupations (except if sourced from blacklisted tax havens that do not have a double taxation agreement with Portugal) are tax exempt in Portugal if they *may* be taxed in the source country under a double tax convention or, in its absence, the OECD model tax convention, in accordance with the Portuguese personal income tax code.

However, the OECD model convention establishes that such income shall be taxable *only* in the country of residence of the beneficiary, i.e. Portugal. Therefore, in the event the applicable convention follows this rule (which is *not* generally the case) or in the absence of a convention, it may be wise to seek tax advice becoming a resident of Portugal.

## Foreign-source capital gains from securities

Under the Portuguese personal income tax code, foreign-source capital gains are tax exempt in the hands of the NHR of Portugal only if they *may* be taxed in the source country under a double tax convention or, in its absence and if not sourced from a blacklisted tax haven that does not have a double tax agreement with Portugal, the OECD model tax convention.

However, both the OECD model convention and the generality of the conventions signed by Portugal establish that capital gains from the alienation of movable property (except shares deriving more than 50% of their value from real estate, and of ships or aircraft operated in international traffic) shall be taxable *only* in the country of residence of the beneficiary, i.e.

in Portugal. Therefore, it may be wise for someone who anticipates making significant capital gains from securities to seek tax advice before becoming a resident of Portugal.

## Income from tax havens

Under the Portuguese personal income tax code, profits derived from eligible services, royalties or income from know-how, investment income, rental income and capital gains sourced from blacklisted tax havens are excluded from the special tax exemptions granted to the NHR and are liable to Portuguese tax at aggravated rates. However, there are several so-called “tax havens” that are white-listed, such as those that are EU member states (Luxembourg, Malta, Cyprus, Estonia, Bulgaria, etc.) and, for example, the following:

- Isle of Man
- Jersey
- Macao
- Singapore
- Switzerland
- Uruguay

## Directors’s fees

As mentioned, foreign sourced company directors’ and other statutory company officers’ fees have been excluded by the Portuguese tax authorities from benefiting from the 20% flat rate of tax granted to NHR “senior managers”. Therefore, in order not to have such fees fully taxed in Portugal at the rates applicable to regular taxpayers, there are only three possible solutions:

1. To have them taxed at source, in which case they will be tax-exempt in Portugal; or
2. To have them billed by a business entity, which in turn pays a tax-exempt dividend to the NHR of Portugal; or
3. To have a new contract, under which the fees are paid to the NHR not in a director’s capacity, but, rather, in that of an eligible professional capacity (see Appendix 3), thereby benefiting from the 20% flat tax rate option.

*“... there are several so-called ‘tax havens’ that are white-listed, such as those that are EU member states (Luxembourg, Malta, Cyprus, Estonia, Bulgaria, etc.)...”*

## Portuguese-source income

Portuguese-source income from *employment, directors' fees, artistes' or sportsmen's fees, business or self-employment profits and royalties* are taxed at an optional flat rate of 20% in the hands of the NHR *if derived from one of the eligible occupations* listed in Appendix 3.

If not so derived, these income categories, as well as all other Portuguese-source income categories are taxed at the normal rates applicable to resident taxpayers (see [this web page](#)), the calculation of the applicable marginal tax rate taking into account all income, including exempt income.

A tax surcharge applies to the slice of the total taxable income (whether subject to progressive or flat rates) which exceeds for each taxpayer the minimum guaranteed wage of EUR 7,798 p.a.



## Planning your move

If you are an individual of independent means or a pensioner having non-Portuguese source income, or a skilled professional falling into one of the eligible categories listed in Appendix 3, becoming a non-habitual resident of Portugal may save you a fortune in income tax over at least the next 10 years.



This is, however, a decision that may in many cases requires careful planning, so that you don't face unforeseen pitfalls. As a minimum, you should take the following into account:

- If you plan to spend less than half a year each year in Portugal,
  - you will most probably have to avoid spending the rest of your time in any one particular country as you may otherwise be deemed a resident thereof for tax purposes;
  - you will need to have a place of abode in Portugal available to you "in a way that may lead to the supposition of an intention to keep and occupy it as a habitual home";
  - you should carefully consider what it takes to keep a place of abode in Portugal, including the handling of correspondence that you will receive at such place, among others from the Portuguese tax authorities;
- If you plan to live in Portugal for more than half a year each year, you should consider what the most suitable location would be, and whether to buy or rent a property;
- From the date you register as a Portugal tax resident, you will be able to obtain a certificate from the tax office confirming your new tax residence;
- Whether you will be liable to some sort of "exit tax" upon ceasing your current tax residence and acquiring Portuguese residency;
- What your sources of income are and how each one of them will be treated for tax purposes in the source country, under the double tax convention between such country and Portugal, and then in Portugal under the NHR regime;

- Who will handle your NHR application and, going forward, your annual tax returns in Portugal.

## Applying for NHR status

In order to apply for NHR status in Portugal, you (and your spouse if applicable) are required to file an online request on the tax office portal ([Portal das Finanças](#)). You can do this only after you have obtained your access credentials, which you must apply for online on the said portal, and will then be sent to you by post in one or two weeks' time.

Before you can request your tax office portal access credentials, you will have to register as a tax resident at any Tax Office (*Repartição de Finanças*) or Citizen's Shop (*Loja do Cidadão*), for which you must:

- Indicate your Portuguese tax identification number or request one if you haven't got it yet;
- Show your passport, or national identity card if you are an EU/EEA/Swiss;
- Provide proof of your address in Portugal, such as a lease agreement or a purchase deed;
- If you are a non-EU citizen, you may need to show your Portugal residence permit.

In the event the reregistration is filed by a representative, such representative shall be required to hold a legalised power of attorney together with legalised copies of the required documents.

Upon completing your online NHR status request, you will confirm that you were not resident for tax purposes in Portugal during the 5 years preceding your arrival in Portugal, and only in the event the tax authorities have doubts concerning the truth of what is stated will they request additional documentation, which generally includes a tax residence certificate from the previous country and/or a document proving that your vital and economic interests were centred in another country during the previous 5 years.

## Professional assistance

If you are considering becoming a non-habitual resident of Portugal, you may rely on Belion Partners to provide all the assistance you may need in connection with:

- Tax advice
- Purchasing or renting a property in Portugal
- Obtaining NHR status
- Managing your property and/or handling your correspondence
- Preparing and submitting your annual tax returns

Belion Partners is the leading provider of assistance to NHR candidates in Portugal and renders a full service of the highest quality, whilst charging the most competitive fees in the market.

In order to receive a quote, please email Belion Partners on [info@belionpartners.com](mailto:info@belionpartners.com) and be as specific as possible about your requirements.

## Appendix 1 – List of Portugal’s double tax conventions

Algeria	Guinea-Bissau	Peru
Austria	Hong Kong	Poland
Barbados	Hungary	Qatar
Belgium	Iceland	Romania
Brazil	India	Russia
Bulgaria	Indonesia	San Marino
Canada	Ireland	Senegal
Cape Verde	Israel	Singapore
Chile	Italy	Slovakia
China	Japan	Slovenia
Colombia	Korea	South Africa
Croatia	Kuwait	Spain
Cuba	Latvia	Sweden
Czech Republic	Lithuania	Switzerland
Cyprus	Luxembourg	The Netherlands
Denmark	Macao	Tunisia
East Timor	Malta	Turkey
Estonia	Mexico	Ukraine
Ethiopia	Moldova	United Arab Emirates
Finland	Morocco	United Kingdom
France	Mozambique	United States
Georgia	Norway	Uruguay
Germany	Pakistan	Venezuela
Greece	Panama	

Note: you can find the published conventions, often including an English version, on [this web page](#).

## Appendix 2 – Portugal’s blacklist of tax havens

- |                                                 |                                     |                                                          |
|-------------------------------------------------|-------------------------------------|----------------------------------------------------------|
| • American Samoa                                | • French Polynesia                  | • Panama <sup>(**)</sup>                                 |
| • Andorra <sup>(*)</sup>                        | • Gambia                            | • Pitcairn Island                                        |
| • Anguilla                                      | • Gibraltar <sup>(*)</sup>          | • Puerto Rico                                            |
| • Antigua and Barbuda <sup>(*)</sup>            | • Grenada                           | • Qatar <sup>(**)</sup>                                  |
| • Antilles                                      | • Guyana                            | • Qeshm Island                                           |
| • Arab Republic of Yemen                        | • Honduras                          | • Republic of Vanuatu                                    |
| • Aruba                                         | • Hong Kong <sup>(**)</sup>         | • Saint Helena                                           |
| • Ascension Island                              | • Island of Guam                    | • Saint Kitts and Nevis <sup>(*)</sup>                   |
| • Bahamas                                       | • Island of Kiribati                | • Saint Lucia <sup>(*)</sup>                             |
| • Bahrain                                       | • Island of Tokelau                 | • Saint Vincent and the Grenadines                       |
| • Barbados <sup>(**)</sup>                      | • Jamaica                           | • San Marino <sup>(**)</sup>                             |
| • Belize <sup>(*)</sup>                         | • Jordan                            | • Seychelles                                             |
| • Bermuda <sup>(*)</sup>                        | • Kuwait <sup>(**)</sup>            | • Solomon Islands                                        |
| • Bolivia                                       | • Labuan                            | • St. Peter's Island and Miquelon                        |
| • British Virgin Islands <sup>(*)</sup>         | • Lebanon                           | • Sultanate of Oman                                      |
| • Brunei                                        | • Liberia <sup>(*)</sup>            | • Svalbard (Spitsbergen archipelago and Bjørnøya island) |
| • Cayman Islands <sup>(*)</sup>                 | • Liechtenstein                     | • Swaziland                                              |
| • Channel Islands, except Jersey <sup>(*)</sup> | • Maldives Islands                  | • Tonga                                                  |
| • Christmas Island                              | • Marshall Islands                  | • Trinidad and Tobago                                    |
| • Cocos (or Keeling) Islands                    | • Mauritius                         | • Tristan da Cunha Island                                |
| • Cook Islands                                  | • Monaco                            | • Turks and Caicos <sup>(*)</sup>                        |
| • Costa Rica                                    | • Montserrat                        | • Tuvalu Island                                          |
| • Djibouti                                      | • Nauru                             | • United Arab Emirates <sup>(**)</sup>                   |
| • Dominica <sup>(*)</sup>                       | • Niue Island                       |                                                          |
| • Falkland Islands (or Malvinas)                | • Norfolk Island                    |                                                          |
| • Fiji Islands                                  | • Northern Mariana Islands          |                                                          |
|                                                 | • Pacific Islands not listed herein |                                                          |
|                                                 | • Palau Islands                     |                                                          |

**WARNING: Jersey (Channel Islands), the Isle of Man and Uruguay were white-listed during 2017 and blacklisted again under the 2018 State Budget (15/12/2017).**

(\*) – These jurisdictions may eventually leave this blacklist since they have signed agreements for the exchange of information with Portugal.

(\*\*) – These jurisdictions may eventually leave this blacklist since they have signed double taxation agreements with Portugal.

## Appendix 3 – List of NHR eligible occupations

- Archaeologists
- Architects
- Auditors
- Biologists
- Computer programmers
- Data processing and hosting specialists
- Dentists
- Designers
- Engineers
- Geologists
- Investors, directors and managers of companies promoting eligible projects under tax incentive contracts
- IT consultants
- IT professionals
- IT specialists (other)
- Life sciences specialists
- Medicine doctors
- Musicians
- News agency and other information professionals
- Painters (artistic)
- Psychologists
- Scientific research and development professionals
- Sculptors
- Senior management positions, except company directors<sup>1</sup>
- Singers
- Tax consultants
- Theatre, ballet, cinema, radio and TV artistic professionals
- University teachers
- Web developers and designers

<sup>1</sup> Although the law does include senior management positions ("*quadros superiores de empresas*") among the eligible occupations, the Portuguese tax administration decided by means of a circular letter to give this a restrictive interpretation, which excludes directors and other company statutory officers from being eligible unless their company benefits from a special agreement with the Portuguese State as promoters of productive investment projects to which tax incentives have been granted. This circular letter defines "senior managers" as individuals having a management position and the power to bind the company, but then goes on to exclude company directors and other company statutory officers from this definition. It follows that a manager who has the power to bind the company is deemed to belong to an eligible occupation, but this is lost if the same manager is appointed an executive director.

## Appendix 4 – NHR taxation summary table

Income category	Source	Circumstances	Taxation in the hands of the NHR
Income from employment (including fees of company directors, entertainers and sportsmen)	Portuguese	If derived from eligible occupations	20% flat rate + surcharge
		If not	Normal progressive rates apply
	Foreign	If taxed in the source country	Exempt
		If not	As per Portuguese-source income
Business and self-employment profits	Portuguese	If derived from eligible occupations	20% flat rate + surcharge
		If not	Normal progressive rates apply
	Foreign*	If income is derived from eligible occupations and <i>may</i> be taxed in the source country	Exempt
		If not	As per Portuguese-source income
Royalties (including payments for information concerning industrial, commercial or scientific experience)	Portuguese	If derived from eligible occupations	20% flat rate + surcharge
		If not	Normal progressive rates apply
	Foreign*	If they <i>may</i> be taxed in the source country	Exempt
		If not	As per Portuguese-source income
Dividends, interest, real estate income and capital gains from the alienation of real estate or of ships or aircraft operated in international traffic	Portuguese	In general	Taxed at the normal rates applicable to resident taxpayers
	Foreign*	If they <i>may</i> be taxed in the source country	Exempt
		If not	Taxed at the normal rates applicable to resident taxpayers
Capital gains from the alienation of movable property other than shares deriving more than 50% of their value from real estate, and ships or aircraft operated in international traffic	Portuguese	In general	Taxed at the normal rates applicable to resident taxpayers
	Foreign*	If they <i>may</i> be taxed in the source country	Exempt (NB: the source country may not in general tax them)
		If not	Taxed at the normal rates applicable to resident taxpayers
Occupational pensions and similar remuneration	Portuguese	In general	Taxed at the normal rates applicable to resident taxpayers
	Foreign	If deemed as not Portugal sourced	Exempt
		Otherwise	Taxed at the normal rates applicable to resident taxpayers

\* - Except blacklisted tax havens

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