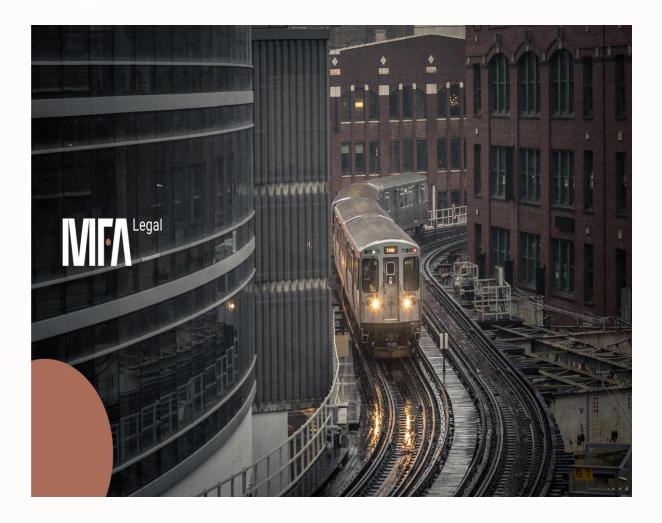


Managing your risk. Embracing your business.

NHR Regime

Proposal for transitional regime



November 20th, 2023

Managing your risk. Embracing your business.

New rules for transitional regime NHR

Pursuant to the draft proposal just submitted in the Parliament, any taxpayer meeting the residency criteria set forth in the Portuguese domestic legislation until 31st December 2023 shall be eligible to accede the regime.

Moreover, it is extended the possibility to transfer the tax residency into Portugal **until 31**st **December 2024, provided that one of the following requirements** is met:

- ✓ Promissory or employment contract entered until 31st December 2023;
- ✓ Lease agreement entered until 10th October 2023;
- ✓ Reservation or promissory contract for acquisition of a real estate property located in Portugal until 10th October 2023;
- ✓ Matriculation of dependants in school domiciled in Portugal completed until 31st October 2023;
- ✓ Residency visa valid until 31st December 2023;
- ✓ Procedure initiated until 31st December 2023 for application of valid visa or residency permit, including eligible investments made under the former golden visa program which are still pending and waiting for validation by the Portuguese emigration authorities.

These new rules allow for a more adequate articulation between ongoing immigration and relocation procedures and the effective tax Relocation to Portugal.

The application for the NHR regime must be concluded until the 31st March of the subsequent year in which the taxpayer became tax resident in Portugal. As such, a taxpayer that shifts its tax residency in September 2024, is entitled to apply to the NHR scheme until 31st March 2025.

It is also foreseen that late submission of NHR applications does not preclude accession to the regime, being, though, restrained the effects to the remaining period within the 10-year validity of the program.

The likelihood of these (or similar provisions) being approved seems relatively high, given that the Socialist Party holds the majority of the votes in the Parliament.

The final Bill will be approved by the 29th November, after which the Parliament will be dissolved due to the Prime Minister's dismissal.

For further clarifications, please do not hesitate to contact us:

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