

PERSONAL INCOME TAX

NON-REGULAR TAX REGIME FOR NON-REGULAR RESIDENTS



The Investment Tax Code, created by Decree-Law n. 249/2009, approved on September 23rd, implemented a Personal Income **tax system for the non-regular resident**, with the purpose of attracting to Portugal non resident professionals qualified for activities with high added value intellectual or industrial propriety or know-how, as well as beneficiaries of pension schemes granted abroad.



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Who may apply for a non-regular resident status?

The non-regular resident tax regime is available for citizens meeting the following conditions:

- Deemed resident on Portuguese territory for tax purposes, according to any of the criteria defined under [Art 16, paragraph 1 of the Portuguese Personal Income Tax Code \(CIRS\)](#), in the year to be taxed as a non-regular resident;
- Has not been deemed resident on Portuguese territory during the five years prior to the year pretended to be taxed as a non-regular resident.

When does the citizen have to request the registration as a non-regular resident?

The request for registration as a non-regular resident must be made only after the registration as a resident in the Portuguese territory.



Therefore, in case he already has a Portuguese Tax Identification Number (NIF) but are still registered as a non-resident, he must request previously the change of address and the status of resident, in any local tax office or citizen service center.

Deadline: The registration request, as a non-regular resident, must be done until March 31, inclusive, of the year following the one in which he became a resident in the Portuguese territory.



How does one know if the registration request as a non-regular resident was accepted or rejected by Tax and Customs Authority?

- Request made through the website “[Portal das Finanças](#)”:

If the request is accepted, he can get the supporting document, in PDF format, using the option above mentioned.

After the acceptance of the request and in case the activity or activities is/ are considered of high added value, according to the provisions of Ordinance 12/2010, of January 7, he must send the original or authenticated copy of an activity supporting document, to Directorate of Taxpayers Registration (DSRC), placed at Av. João XXI, n.º 76, 6.º, 1049 – 065 Lisboa. The document can be a declaration issued by the employer, a contract of employment, or in case the activity is “Quadro Superior de Empresas” (Upper management), a proxy containing the indication that the requester has administration powers and authority to bind the company, according to Circular 7/2010, of Directorate of Personal Income Tax. The code referring to the high added value activity will be recorded by the Directorate of Taxpayers Registration, after being confirmed the activity’s practice. It will be available for consultation on Portal das Finanças, at the option “Situação Cadastral Atual”.

If the request is rejected he will be notified by Tax and Customs Authority - AT of the intention of rejecting the request, presenting the grounds for the decision, so that he can react, if he wants to, stating his reasons and sending supporting documents, when applicable.



What rights are granted to the non-regular resident?

A citizen deemed non-regular resident has the right to be taxed according to the non-regular resident tax scheme during a period of **10 consecutive years**, from the year of the registration as a resident on Portuguese territory, as long as continues to be deemed resident in each of the 10 years.



This period of 10 years is not extendable.

Please note that the right to be taxed according to the non-regular resident tax regime in each year of the above mentioned period depends on the fulfillment of the condition of being deemed resident on Portuguese territory.



Whenever the citizen has not benefited from right to be taxed according to the tax regime defined for non-regular residents in one or more years of that 10 years period, still may benefit again from that same right in any of the remaining years of that period, provided the citizen still has a resident status for income tax purposes.

What activities are considered of high added value, of scientific, artistic or technical nature, for the purposes of application of the non-regular resident regime?

According to [Ordinance n. 12/2010, January 7](#), table of the mentioned activities:

Table of activities considered of high added value according to the provisions of Art. 72. n.º 6 and Art 81. n.º 5 of the Personal Income Tax Code (CIRS):

- 1- Architects, engineers and similar:
 - 101 - Architects
 - 102 - Engineers
 - 103 - Geologists
- 2- Visual artists, actors and musicians:
 - 201 - Theater, ballet, cinema, radio and television artists
 - 202 - Singers
 - 203 - Sculptors
 - 204 - Musicians
 - 205 - Painters
- 3- Auditors:
 - 301 - Auditors
 - 302 – Tax Consultants
- 4 - Doctors and dentists:
 - 401 - Dentists
 - 402 - Medical Analysts
 - 403 - Clinical Surgeons
 - 404 - Ship's doctor
 - 405 - General Practitioners
 - 406 - Dentists
 - 407 - Clinical dentists
 - 408 - Medical psychiatrists
 - 409 - Gastroenterologists
 - 410 - Ophthalmologists
 - 411 – Orthopedic Surgeon
 - 412 - ENT(Ear Nose and Throat) specialists
 - 413 -Pediatricians
 - 414 - Radiologists
 - 415 - Doctors from other specialties
- 5 - Teachers:
 - 501 - Professors
- 6- Psychologists:
 - 601 - Psychologists
- 7- Liberal Professionals, technicians and alike:
 - 701 - Archaeologists
 - 702 - Biologists and life sciences experts
 - 703 - Computer Programmers
 - 704 - Software consultant and activities related to information technology and computing



705 – Computer programming activities
 706 - Computer consultancy activities
 707 - Management and operation of computer equipment
 708 – Data services
 709 - Data processing, hosting and related activities; Web portals
 710 - Data processing, hosting and related activities
 711 - Other data service activities
 712 – News agencies
 713 - Other information service activities
 714 - Scientific research and development
 715 - Research and experimental development on natural sciences and engineering
 716 - Research and development in biotechnology
 717 - Designers
 8 - Investors, Managers and Directors:
 801 - Investors, Directors and managers of companies that promote productive investment, as long as they are connected to projects and concession contracts that are eligible for tax benefits per the Investment Tax Code (*Código Fiscal*)
 802 - Upper Management



Who is considered to be an investor, director and/or manager?

On this table, as regards the activities with code 8 (801-Investidores, directors and managers and 802 – Upper management), please note that:

- a) Investors can only benefit from the non-regular resident tax regime if their income is obtained as a director or manager;
- b) A Manager is considered to be:
 - 1) Anyone under the scope of [Decree-Law n. 71/2007, March 27](#) (Status of Public Manager);
 - 2) Anyone responsible for permanent establishments of non-resident entities;
- c) Upper management includes all people at a director position and with binding powers of the legal person.

NOTE: Taxable persons may be notified to present the necessary documents (powers of attorney, trade register certificate, minutes, etc.) proving their capacity as director/manager and correspondent power of legal representation.



Are remunerations of statutory bodies of a legal person always eligible for special tax rate of 20%?

The remunerations of the legal person's statutory bodies classified as income from employment (category A), according to [Art. 2, paragraph 3a\) of the Personal Income Tax Code \(CIRS\)](#), are only eligible for the special tax rate of 20% as long as the exercise of these functions is under the scope of code 801 of the above mentioned Ordinance.

What withholding tax rate is to apply by the entities paying or providing category A income to non-regular residents?

Entities paying or providing income of category A to non-habitual residents, resulting

from activities of high added value, of scientific, artistic or technical nature, listed on the mentioned [Ordinance n.º 12/2010, January 7](#), shall apply a withholding tax of 20%, according to [Art 99, paragraph 8 of the Personal Income Tax Code\(CIRS\)](#).

And what about category B income?

Category B income, resulting from activities of high added value, of scientific, artistic or technical nature, listed in the mentioned ordinance, shall be subject to a withholding tax of **20%**, according to Art. 101, paragraph 1 d) of the CIRS.

TAXATION OF INCOME OBTAINED BY NON-REGULAR RESIDENTS



A – PORTUGUESE SOURCE INCOME

Net income of category A (employment) and B (self-employment) obtained from the high added value activities, of scientific, artistic or technical nature mentioned above, by non-regular residents on Portuguese territory are taxed at the **special rate of 20%**, in case the aggregation option is not exercised – [Art. 72, paragraph 6 of the CIRS](#).

In case this aggregation option is exercised, it is mandatory to include the total income of the same category, in accordance with [Art.º 22.º, paragraph 5 of the CIRS](#).

Regarding the remaining income of category A and B (not considered of high added value) and income of the remaining categories, obtained from non-regular residents, these shall be aggregated and taxed according to the general rules of the CIRS.

B – FOREIGN SOURCE INCOME



Elimination of international juridical double taxation using the exemption method

1 - Category A income (employment) – [Art. 81, n. 4 of the CIRS](#)

The **exemption method** is applied to category A income obtained abroad by non-regular residents on Portuguese territory, if one of the conditions described in the following subparagraphs is satisfied:

- a) Person taxed by the source State (Nation), according to the convention to eliminate double taxation entered into by Portugal and the source State (Nation); or
- b) They can be taxed in another country, in cases where the convention to eliminate double taxation has not been held, as long as the income obtained is not considered to have been obtained in Portuguese territory, according to [Art. 18, paragraph 1 of the Personal Income Tax \(IRS\) Code](#).

2 - Income in category B (Self Employment), E (Capital Income), F (Real State Income) and G (Increase in Wealth) – [Art 81, paragraph 5 of the CIRS](#)

Income in category B (Self Employment), obtained through high added value rendering of services of a scientific, artistic or technical nature, or from intellectual or industrial property, as well as, from providing information regarding an experiment carried out in the commercial, industrial or scientific areas, and those in category E, F and G, obtained abroad by non-regular residents, are **exempt** if alternatively:

- a) They are taxed by the source State/nation, according to the convention to terminate double taxation entered into by Portugal and the source State; or
- b) They can be taxed in another country, in cases where the convention to terminate double taxation has not been held into under the terms defined by the OECD Model Tax Convention on Income and Capital, **as long as** it is not a territory subject to privileged tax systems (defined by [Ordinance n. 292/2011, November 8](#)) and, as long as the corresponding income, cannot be considered to have been obtained on Portuguese territory, as per [Art. 18., n. 1 of the CIRS of the Personal Income Tax \(IRS\) Code](#).

3 - Income in category H (pensions) - [n.º 6 do art.º 81.º do CIRS](#)

Portuguese non-regular residents that have obtained category H incomes in foreign countries, have exemption if these incomes are from contributions that have not been deducted under [Art. n. 2 of Art. 25. of CIRS](#) and if the conditions below are met:

- a) They are taxed by the source State/nation, according to the convention to eliminate double taxation held by Portugal and the source State; or
- b) They cannot be considered to have been obtained on Portuguese territory as per [Art. 18, paragraph 1 of the CIRS](#).

4 - Other income obtained abroad

Any other type of income obtained abroad, as business or professional income of Category B, not covered by this tax regime for non-regular residents, will be taxed on Portuguese territory according to [Art 15, paragraph 1 of the CIRS](#):

- according to the convention to eliminate double taxation held by Portugal and the source State, in case there is one; or
- in case there is no Convention, apply the unilateral standard to eliminate international juridical double taxation.

FREQUENTLY ASKED QUESTIONS (II)


Is the above mentioned income obtained abroad totally exempted?

Yes. Nevertheless this income (category A, B, E, F, G and H) is compulsorily included for determining the tax rate applying to the remaining income, except for income



provided for under [Article 72, paragraph 6, n.1, c\) to e\), of the CIRS](#), according to [Article 81 of n. 7 of the CIRS](#).

Who should submit [Annex L](#) attached to the revenue declaration “mod. 3” form for Personal Income Tax?

 <p>MINISTÉRIO DAS FINANÇAS AUTORIDADE TRIBUTÁRIA E ADUANEIRA DECLARAÇÃO DE RENDIMENTOS - IRS MODELO 3 Anexo L</p>		1	RESIDENTE NÃO HABITUAL	2	ANO DOS RENDIMENTOS 01 2
3 IDENTIFICAÇÃO DO(S) SUJEITO(S) PASSIVO(S)					
Sujeito passivo A NIF 01		Sujeito passivo B NIF 02			
A	IDENTIFICAÇÃO DO TITULAR DO RENDIMENTO			NIF 03	

Annex L is to declare income obtained by non-regular residents in the national territory, from the high added value activities listed above, of scientific, artistic or technical nature (categories A and B), and also to identify the selected option concerning the method to avoid the international double taxation applied to those types of income and income from categories E, F, G and H obtained abroad.

The Annex shall be submitted by the beneficiary of the income who is registered in Portugal as non-regular resident for tax purposes.

The Annex is personal and each one must be completed with the details of only one beneficiary.

The high value added income to be mentioned in the following tables must also be declared in the relevant Annexes (A, B or C).

4	RENDIMENTOS OBTIDOS NO TERRITÓRIO NACIONAL											
A	CATEGORIA A - RENDIMENTOS DO TRABALHO DEPENDENTE (ANEXO A)											
	NIF DA ENTIDADE PAGADORA				CÓDIGO RENDIMENTO (ANEXO A)				CÓDIGO ATIVIDADE			
401												
402												
403												
404												

Table 4A should be completed with income from activities mentioned in Annex A, obtained by the non-regular resident from the high added value activities listed above, as follows:

- 1st Column: the identification of the income paying entities;
- 2nd Column: the income codes used for reporting in Annex A;
- 3rd Column: the performed activities codes related to the income (see table above);
- 4th Column: the gross income before any deduction, obtained from high added value activities.

B		CATEGORIA B - RENDIMENTOS PROFISSIONAIS - REGIME SIMPLIFICADO (ANEXO B)															
		NIF DA ENTIDADE PAGADORA						CAMPO DO QUADRO 4 DO ANEXO B				CÓDIGO ATIVIDADE		RENDIMENTO			
421															*	*	?
422															*	*	?
423															*	*	?
424															*	*	?

Table 4B must be completed with professional income, mentioned on table 4A of Annex B, corresponding to the high added value activities, including intellectual or industrial property or know-how, listed in the mentioned table.

It must be completed as follows:

- 1st Column: the identification of the income paying entities;
- 2nd Column: the field number of table 4A of Annex B where the income obtained from the high value added activity has been mentioned;
- 3rd Column: the high added value activity code, according to the table above, using code 999 for income from intellectual and industrial property or know-how;
- 4th Column: the income amount mentioned on table 4A of Annex B, obtained from the high added value activity.

c		CATEGORIA B - RENDIMENTOS PROFISSIONAIS - REGIME CONTABILIDADE ORGANIZADA (ANEXO C)											
		NIF DA ENTIDADE PAGADORA						CÓDIGO ATIVIDADE		RESULTADO			
										LUCRO		PREJUÍZO	
461									
462									
463									
464									

Table 4C must be completed with the results (taxable profit or tax loss) of the professional earnings, according to the accounting registers, corresponding to the high added value activities.

It must be completed as follows:

- 1st Column: the identification of the income paying entities;
- 2nd Column: the high added value activity code, according to the table above, using code 999 for income from intellectual or industrial property or know-how;
- 3rd Column: the positive results of the period regarding the high added value activities;

- 4th Column: the negative results of the period regarding the high added value activities.

5	RENDIMENTOS OBTIDOS NO ESTRANGEIRO (ANEXO J)																
CAMPO DO QUADRO 6 DO ANEXO J				CÓDIGO ATIVIDADE	CAT. A ou B	PAIS	RENDIMENTO			COM IMPOSTO PAGO NO ESTRANGEIRO			SEM IMPOSTO PAGO NO ESTRANGEIRO				
501									.	.	9	.	.	9			
502									.	.	9	.	.	9			
503									.	.	9	.	.	9			
504									.	.	9	.	.	9			

Table 5 must be completed with income obtained abroad corresponding to high added value activities fitting into categories A and B, indicating separately income taxed and not taxed abroad.

Complete as follows:

- 1st Column: the field of table 4 and/or 6 of Annex J where income obtained abroad from high added value activity has been mentioned;
- 2nd Column: the high added value activity code, according to the table above, using code 999 for income from intellectual and industrial property or know-how;
- 3rd Column: classify earnings as category A or category B for personal income tax purposes, using therefore letters A or B;
- 4th Column: the country code ([table at the end of the instructions of annex J](#)) where the income from the high added value activities has been obtained;
- 5th Column: the income amount obtained from the high added value activity;
- 6th Column: the amount of tax paid abroad regarding the high added value activity;
- 7th Column: to mark in case the income obtained abroad has not been taxed in that country.

6	OPÇÕES POR REGIMES DE TRIBUTAÇÃO	
A	RENDIMENTOS DE ATIVIDADES DE ELEVADO VALOR ACRESCENTADO	
Para os rendimentos da categoria A do quadro 4A e/ou 5: PRETENDE A TRIBUTAÇÃO AUTÓNOMA <input type="checkbox"/> 01 OU OPTA PELO SEU ENGLOBALAMENTO <input type="checkbox"/> 02		
Para os rendimentos da categoria B do quadro 4B, 4C e/ou 5: PRETENDE A TRIBUTAÇÃO AUTÓNOMA <input type="checkbox"/> 03 OU OPTA PELO SEU ENGLOBALAMENTO <input type="checkbox"/> 04		
B	RENDIMENTOS OBTIDOS NO ESTRANGEIRO - ELIMINAÇÃO DA DUPLA TRIBUTAÇÃO INTERNACIONAL	
Relativamente aos rendimentos auferidos de: <ul style="list-style-type: none"> • Categoria A tributados no estrangeiro; • Categoria B respeitantes a atividades de elevado valor acrescentado que possam ser tributados no estrangeiro; • Categoria E, F ou G que possam ser tributados no estrangeiro; • Categoria H tributados no estrangeiro ou não obtidos no território português. Indique o método que pretende: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> MÉTODO DE ISENÇÃO <input type="checkbox"/> 05 MÉTODO DE CRÉDITO DE IMPOSTO <input type="checkbox"/> 06 </div>		

Table 6 of Annex L allows the exercise of the options provided for in the Personal Income Tax Code (CIRS).

Table 6A – income from the high added value activities, the beneficiary from category A high added value activities income may opt for flat rate taxation, ticking field 01, or for inclusion, ticking field 02. Opting for inclusion means including all category A income.

The beneficiary from category B high added value activities income may opt for flat rate taxation, ticking field 03, or for inclusion, ticking field 04. Opting for inclusion

means including all category B income, as provided for in [Article 22 paragraph 5 of the Personal Income Tax Code \(CIRS\)](#).

Table 6B – income obtained abroad – Annex J – Elimination of the international double taxation, it is intended to choose the method for avoiding international double taxation.

The exemption method is applied to the non-regular residents in the Portuguese territory who obtain income abroad, as follows:

- **Category A income** – provided that the income is taxed in the other State, according to the convention to avoid double taxation concluded with that State; or taxed in the other country, region or territory, in case there is no convention concluded by Portugal to avoid double taxation, and under the provisions set out in [Article 18 paragraph 1 of the Personal Income Tax Code \(CIRS\)](#), are not to be considered as obtained in the Portuguese territory;
- **Category B income** – provided that the income is obtained from services rendered of high added value, of scientific, artistic or technical nature or obtained from intellectual or industrial propriety, or from the supply of information regarding the experience acquired on the industrial, commercial or scientific sector, under any of the following conditions:
 - a) The income can be taxed in the other Contracting State, according to the convention to avoid double taxation concluded by Portugal with that State; or
 - b) The income can be taxed in the other country, territory or region, according to the OECD model tax convention on income and capital, except for those listed as privileged tax regimes, clearly more favourable, and also, provided that the income is not considered as obtained in the Portuguese territory according to the requirements of Article 18 of the Personal Income Tax Code (CIRS).
- **Category E, F or G income** – provided that any of the conditions set out in the paragraphs above are met
- **Category H income** – provided that, if originated by contributions, this income has not generated a deduction according to [Article 25 paragraph 2 of the Personal Income Tax Code \(CIRS\)](#), whenever one of the following conditions are met:
 - a) The income is be taxed in the other Contracting State, according to the convention to avoid double taxation concluded by Portugal with that State; or
 - b) Under the requirements set out in [Article 18 paragraph 1 of the Personal Income Tax Code \(CIRS\)](#), the income is not considered as obtained in the Portuguese territory.

The beneficiary of the income can opt for the tax credit method, and in this case the income is mandatorily aggregated for the purpose of taxation, except those set out in [Article 72 paragraphs 3, 4, 5 and 6, of the Personal Income Tax Code \(CIRS\)](#)