

## Portuguese VAT Invoicing and Returns: What Overseas Businesses Need to Know

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By **Lionel de Freitas**, 20th October 2026

For overseas businesses covered by the normal Portuguese VAT rules, registration is only the starting point. They also need to issue compliant invoices, apply the correct VAT treatment, submit regular VAT returns and make necessary payments to the Portuguese Tax Authorities (when applicable). Where Portuguese invoicing rules apply, businesses must also check how invoices are issued and whether certified software is required.

For a finance team managing an international business, the challenge is connecting local rules with the systems already in use. Establish which system issues the invoice in compliance with the legislation, how the data reaches the accounts and who checks the result, rather than leaving gaps between tax advice and day-to-day operations.

Dixcart Portugal combines accounting and tax support with group reporting and a senior-led relationship model for international businesses. The practical aim is to connect Portuguese compliance with the information and oversight required by the wider business.

### **What must a Portuguese VAT invoice include?**

Portuguese invoicing rules generally apply to supplies made in Portugal, but there are important exceptions, including certain supplies by non-established businesses where the customer accounts for the VAT. First, establish which country's invoicing rules apply. Do not assume that every invoice connected with Portugal must follow the same format.

Where Portuguese rules apply, invoices must include dates, sequential numbering, the required supplier and customer details, a description of the goods or services, details of origin and delivery of goods, the amount subject to VAT and the relevant VAT information or reason for not charging tax.

Advance payments require particular attention because the invoice is generally due on receipt of the payment.

## Different revenue streams can create different VAT outcomes

For businesses with several revenue streams, VAT should be considered at transaction level rather than assuming one treatment applies to the entire business.

- Consider an international events business
- Check ticket sales
- Event-management services and other sources of income separately

The rules determining where VAT applies distinguish physical admission from general business-to-business (B2B) services and virtual access. VAT treatments may therefore differ as different transactions may be subject to different VAT treatments.

## Can overseas businesses use their existing invoicing software in Portugal?

The answer requires a review of its role, not simply its brand or country of origin. We recommend distinguishing the customer-facing booking or sales platform from the system responsible for issuing the tax invoice and the accounting software receiving the transaction data.

For businesses covered by Portuguese invoicing rules, using invoicing software is itself a reason that certification by the Portuguese Tax and Customs Authority (*Autoridade Tributária e Aduaneira*, or AT) may be required. Turnover and the requirement to keep formally organised accounts are separate tests; turnover is not the only consideration (see [here](#) for more details on requirements).

The system setup should cover the relevant rules for invoice numbering series, ATCUD (the unique document code) and QR codes. The requirements depend on how invoices are issued and any exceptions that apply. Confirm how invoice details must be reported to the Portuguese tax authority, separately from the VAT return process.

Before launch, we recommend testing ordinary sales alongside deposits, refunds and corrections. Assign someone to check missing customer details, duplicate records, failed data transfers and manual changes. The resulting records should be checked against the original transactions.

## How often must Portuguese VAT returns be submitted?

Under the normal regime, Portuguese VAT returns are generally monthly or quarterly, with frequency and filing rules governed by Article 41 of the Portuguese VAT Code. The finance team should maintain a current compliance calendar that distinguishes preparation, review, submission and payment in line with Portuguese VAT requirements.

VAT paid on business purchases, known as input VAT, needs a separate review. Whether it can be deducted from the VAT charged depends on what the business

bought, how the goods or services are used and the supporting documents. Restrictions and specific exceptions apply to costs such as travel, accommodation and hospitality. Paying Portuguese VAT on a supplier invoice does not, by itself, establish a right to recover it. See [Portuguese VAT recovery: routes and restrictions](#).

We recommend reconciling invoice records, credit notes, accounting entries and the figures proposed for each return. Payment records provide a further cross-check but should not be used as a substitute for determining the correct VAT treatment and period.

### **How Dixcart Portugal can support international businesses**

Dixcart Portugal combines accounting and tax support with group reporting and a senior-led relationship model for international businesses.

The practical objective is to connect Portuguese compliance requirements with the information, systems and oversight required by the wider organisation.

For businesses launching Portuguese operations, adding new revenue streams or reviewing an existing VAT process, a focused review can help establish whether the VAT treatment, invoice output, systems flow and reporting responsibilities work together as intended.

The scope might include reviewing:

- principal transaction types and VAT treatment;
- invoicing arrangements;
- system outputs and data flows;
- reporting responsibilities;
- VAT return processes; and
- reconciliation and control points.

The appropriate scope and fees would be agreed before work begins, and confidential information should be shared through an agreed secure channel.

## **Frequently asked questions about Portuguese VAT compliance**

### **Does accounting-software integration make an overseas invoice compliant?**

No. Connecting systems is not a substitute for meeting the invoice-content and issuing-method requirements that apply to the transaction. We recommend checking which system complies with the invoices requirements and testing its output, rather than relying only on a successful data transfer.

### **Are invoice-data reporting and VAT returns the same obligation?**

No. Invoice-data communication and periodic VAT returns are distinct compliance processes. Confirm which duties apply to the business and assign responsibility for each, including any relevant reporting exceptions.

The AT's non-resident guidance states that, from 1 January 2023, non-resident businesses subject to Portuguese invoice-issuing rules must communicate invoice details under Article 3 of Decree-Law 198/2012. Establish which invoicing rules apply, then confirm the relevant reporting process.

Launching Portuguese activity or reviewing an existing process? Discuss your invoicing and reporting requirements with Dixcart Portugal. Outline the systems you use, the main types of sale and the point at which your finance team needs support.

That discussion can help define a focused review of VAT treatment, invoice output and reporting responsibilities, or identify a need for recurring support. Scope and fees would be agreed before work begins; any sample invoices or confidential records should be shared through an agreed secure channel.

### **Discuss your Portuguese invoicing and VAT reporting**

**Explore the cluster:** [Portuguese VAT registration for overseas companies](#) | [Portuguese VAT event case study](#) | [Portuguese VAT recovery and refunds](#)

*This article provides general information, not advice on a particular transaction. The appropriate VAT treatment and compliance requirements should be confirmed against the facts and the rules in force when the activity takes place. This information is for discussion purposes only.*