

Portuguese VAT Registration: Does Your Overseas Company Need It?

Expanding into Portugal can create VAT obligations before a business has an office, employees or permanent presence in the country.

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

Expanding into Portugal can create VAT obligations before a business has an office, employees or permanent presence in the country. But the existence of Portuguese sales does not automatically mean that an overseas company needs a Portuguese VAT number.

An overseas company may need Portuguese VAT registration when it sells goods or provides services that are taxable in Portugal and is responsible for declaring the VAT, even without a local office in Portugal.

Registration is not always necessary. Depending on the transaction, the customer may account for the VAT under the reverse-charge rules, or the business may be able to report it through the One Stop Shop (OSS) scheme.

For an owner or finance director planning Portuguese operations, the first question is not simply “How do we obtain a VAT number?” It is “What are we selling, to whom, and who must account for VAT?” The answer can affect contracts, pricing, invoicing, accounting systems and ongoing compliance. Establishing the correct VAT treatment before activity begins can therefore be considerably easier than restructuring processes once transactions are already taking place.

What makes a transaction relevant to Portuguese VAT?

VAT rules determine which country can tax a sale of goods or services. These are known as the “place-of-supply” rules, and the answer depends on what is being sold and to whom. A review should identify each revenue stream separately, rather than treating all activity connected with Portugal as one category.

Events show why the distinction matters. Tickets to a physical conference, exhibition or similar event in Portugal fall within specific Portuguese VAT rules

Online attendance needs a separate review: the VAT rule for admission to a physical event does not correspond to the VAT rules that apply to virtual access. An organiser offering both options should check the VAT treatment of each before deciding how to invoice customers.

Should we charge Portuguese VAT, or does reverse charge apply?

The answer depends on the supply and the supplier's and customer's circumstances. Under qualifying reverse-charge rules, the customer accounts for the VAT instead of the supplier; not every sale to a business qualifies. The Portuguese Tax Authorities (*Autoridade Tributária e Aduaneira* or AT) legislation states that overseas suppliers making only sales covered by the specified reverse-charge provisions should not register or use a Portuguese VAT number for those sales. On the invoice, the VAT number of the supplier and the customer must be registered and validated on VIES to ensure the reverse charge can be applied.

Could the One Stop Shop be an alternative?

The One Stop Shop (OSS) offers another possible route. For eligible goods and services sold to the ultimate consumers, it allows businesses to declare VAT due in other EU countries through one EU country.

For services, the Union scheme covers qualifying services and sales by EU-established businesses in EU countries where they are not established. The non-Union scheme covers qualifying services and sales in the EU sold by businesses with no EU establishment. Whether OSS removes the need for Portuguese registration depends on all the goods and services the business sells and who buys them, as OSS is essentially for B2C cross-border supplies.

What should businesses establish before entering Portugal?

We recommend a short pre-activity review covering the contracts, customer profile and practical invoicing arrangements. Useful information includes:

- **Supplies and customers:** What is being sold, where are the goods located, where it is delivered or performed, and whether customers are businesses or consumers.
- **Commercial arrangements:** Which entity contracts with the customer, who issues the invoice, and when payments or deposits are collected.
- **Systems and responsibilities:** How the invoicing platform works, who keeps the sales and accounting records, and who will manage Portuguese reporting.

Registration, where necessary, is the beginning of the compliance process rather than its completion: invoicing software and requirements, VAT accounting and periodic returns must also be addressed. The aim should be a process that the overseas finance team

Frequently asked questions about Portuguese VAT registration

Does a foreign VAT number replace Portuguese VAT registration?

No. If Portuguese registration is required, having a VAT number in another country does not by itself meet that requirement. Check the transactions first, including whether reverse charge or an eligible OSS route applies, rather than assuming that either a foreign number or a new Portuguese number is always the answer.

Does a non-resident business need a Portuguese VAT representative?

A fiscal representative acts for the business in meeting its local tax obligations. Under the normal Portuguese VAT rules, appointing one is generally optional for EU-established businesses and required for businesses established outside the EU where Portuguese obligations apply, subject to exceptions. Confirm this as part of the registration review, not as a separate administrative afterthought. For recovery-specific requirements, see [Portuguese VAT recovery and refunds](#).

Planning sales or a project in Portugal? Discuss your proposed activities with Dixcart Portugal before contracts and invoicing arrangements are finalised. Tell us where your company is established, what it will sell, who its customers are and when activity is expected to begin.

An initial discussion can help establish whether a focused VAT review or wider accounting and tax support is appropriate. The scope and fees for any engagement would be agreed before work begins.

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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.