

## Decoding Portugal's Crypto Tax Maze: A Simplified Guide

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By **Cátia Silva**, 16th May 2025

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### **Taxable Territory**

Portuguese tax residents pay tax on world-wide income, which includes world-wide crypto related income. Crypto taxation for individuals typically falls within one of the following three categories:

- For holdings exceeding 365 days, gains are tax-free. Holdings for a shorter duration incur a flat 28% capital gains tax. If you are eligible to register as an NHR 2.0 taxpayer in Portugal (see [here](#) for details), capital gains provided from the sale of crypto may be exempt from taxation in Portugal.
- Income derived from passive crypto investments, such as capital or regular income from staking, airdrops or lending, is taxed at a flat rate of 28%. This includes investment income received in fiat currencies, from passive crypto investments, not based on crypto transfers.

- With regards to professional crypto trading profits (including those earned from self-employment income or as a professional crypto trader) several factors need to be taken into consideration, such as the number of platforms used, number of trades, the holding periods, the profit ratio to other sources of income, etc. Profits are then taxed at the standard progressive rates, of between 13.5% and 48%. In addition, the simplified regime, relevant to self-employed individuals and business with income up to €200,000, may be applicable, and result in a number of deductions.

### **Other Tax Considerations**

- Note that transactions exclusively in cryptocurrencies are tax-free in Portugal.
- Additionally, individuals who are non-tax resident in Portugal are only taxed on Portuguese sourced crypto income at a flat rate of 25%.
- Crypto assets may be held under a company's name, with tax rates ranging from 11.9% in Madeira to 20% in mainland Portugal.

### **Navigating the Nuances**

- Ensure clarity: determine your tax residency status and holding period before assuming that you are eligible for a tax-free status [read here for more information.](#)
- Record-keeping: Maintain detailed records of transactions and cost bases for accurate tax calculations.

### **Beyond Taxes**

#### Gifts and Inheritance:

Stamp duty applies in certain circumstances involving cryptocurrency such as; donations, gifting, or inheritance at a rate of 10%. For more information, please refer to:

the [Practical Tax Guide to Inheritance and Gifts received in Portugal](#). In the instance of commissions, a stamp duty charge of 4% is applicable.

#### Purchasing Property with Crypto:

Property may be purchased exclusively using crypto with the first instance occurring in Braga, north of Portugal, in May 2022. This was made possible with the introduction of changes in Notary Regulations, to permit such transactions. Specific compliance measures are required for such transactions.

#### Evolving Landscape:

Regulations are constantly evolving, to stay updated on changes we recommend you select a firm of professionals such as Dixcart: [advice.portugal@dixcart.com](mailto:advice.portugal@dixcart.com), to keep you fully updated.

#### Global Considerations:

Investing in foreign crypto projects may entail international tax implications. Stay informed about such considerations to remain compliant.

#### **Remember**

By understanding the basics of crypto taxation in Portugal, you can approach your investments with confidence. Remember, seeking professional guidance is invaluable for navigating the intricacies and ensuring compliance. So, explore the crypto world with a clear head and make informed decisions to enjoy the Portuguese sunshine and your digital assets!

Reach out to [advice.portugal@dixcart.com](mailto:advice.portugal@dixcart.com) for more information.

*This information is not tax advice and is not intended to replace personalized advice from a qualified tax professional. Each individual's circumstances are unique and their tax obligations may differ from what is presented here. Always consult a qualified professional before making any decisions based on this information.*