

Practical Tax Guide to Inheritance and Gifts Received in Portugal

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By **Catarina Sardinha**, 3rd July 2025

Estate planning is necessary, as Benjamin Franklin would agree with his quote 'Nothing is certain except death and taxes'.

Portugal, unlike some countries, does not have inheritance tax, but makes use of a stamp duty tax named 'Stamp Duty' that applies to the transfer of assets upon death or lifetime gifts.

What Succession Implications Exist in Portugal?

Portugal's succession law applies forced heirship – implying that a fixed portion of your estate, namely world-wide assets, will automatically pass to direct family. As a result, your spouse, children (biological and adopted), and direct ascendants (parents and grandparents) receive a portion of your estate unless expressly stated otherwise.

If it is your intention to establish specific arrangements to override this rule, this may be done with the drafting of a will in Portugal.

Note unmarried partners (unless cohabiting for at least two years and having formally notified the Portuguese authorities of the union) and stepchildren (unless legally adopted), are not considered immediate family – and thus will not receive a portion of your estate.

How Does Succession Apply to Foreign Nationals?

According to the EU succession regulation Brussels IV, the law of your habitual residence usually applies to your inheritance by default. However, as a foreign national, you can choose the law of your nationality to apply instead, potentially overriding Portuguese forced heirship rules.

This choice must be clearly stated in your will or a separate declaration made during your lifetime.

Who is Subject to Stamp Duty?

The general tax rate in Portugal is 10%, applicable to inheritance beneficiaries or gift recipients. However, there are certain exemptions for close family members, including:

- **Spouse or civil partner:** No tax is payable on inheritance from a spouse or civil partner.
- **Children, grandchildren, and adopted children:** No tax is payable on inheritance from parents, grandparents, or adopted parents.
- **Parents and grandparents:** No tax is payable on inheritance from children or grandchildren.

Assets Subject to Stamp Duty

Stamp Duty applies to the transfer of all assets located in Portugal, regardless of where the deceased resided, or the beneficiary of the inheritance resides. This includes:

- **Real estate:** Properties, including homes, apartments, and land.
- **Movable assets:** Personal belongings, vehicles, boats, artwork, and shares.
- **Bank accounts:** Savings accounts, checking accounts, and investment accounts.
- **Business interests:** Ownership stakes in companies or businesses operating in Portugal.
- **Cryptocurrency**
- **Intellectual property**

While inheriting an asset can be beneficial, it is important to remember that it may also come with outstanding debt that must be settled.

Calculating Stamp Duty

To calculate the Stamp Duty payable, the taxable value of the inheritance or gift is determined. The taxable value is the market value of the assets at the time of the death or gift, or in case of properties based in

Portugal, the taxable value is the value of the asset registered for tax purposes. If the property has been inherited/gifted from a spouse or civil partner and has been co-owned during marriage or cohabitation, the taxable value is shared proportionately.

Once the taxable value is established, the 10% tax rate is applied. The final tax liability is calculated based on the net assets received by each beneficiary.

Potential Exemptions and Reliefs

Beyond the exemptions for close family members, there are additional exemptions and reliefs that may reduce or eliminate Stamp Duty liability.

These include:

- **Bequests to charitable organisations:** Donations to recognised charitable institutions are exempt from tax.
- **Transfers to disabled beneficiaries:** Inheritances received by dependent or severely disabled individuals may be eligible for tax relief.

Documents, Submissions and Deadlines

In Portugal, even if you receive an exempt gift or inheritance, you still need to make a submission with the tax authorities. The following documents with associated deadlines are applicable:

- **Inheritance:** The Model 1 form must be submitted by the end of the third month following death.
- **Gift:** The Model 1 form must be submitted within 30 days of the date the gift is accepted.

Payment and Due Date of Stamp Duty

Stamp duty is required to be paid, by the person receiving the inheritance or gift, within two months of the notification of the death and in the case of receipt of a gift, by the end of the following month. Note that the ownership of an asset cannot be transferred until the tax is paid –in addition, you cannot sell the asset to pay the tax.

Estate Distribution and Tax Guidance

You can have one “worldwide” will to cover your assets in all jurisdictions, but it is not advisable. If you have significant assets in multiple jurisdictions, you should consider separate wills to cater for each jurisdiction.

For those who have assets in Portugal, it is advised to have a will in Portugal.

Reach Out Now for More Information

Navigating inheritance tax matters in Portugal can be complex, particularly for non-residents or those with complex inheritance situations.

Seeking professional guidance can provide personalised assistance, an intelligent assessment of the inheritance scenario, and assist to minimise or optimise liabilities.

Reach out to [Dixcart Portugal](#) for more information advice.portugal@dixcart.com.