Dixcart Portugal Corporate Comparison

Key Corporate Information: 3 types of Portuguese company

	Madeira IBC Company	Madeira Company	Portugal Mainland Company
Corporate Income Tax (CIT) Rate	5% (international/outside of Portugal)	14.7% (unless a SME - where first €50k of net taxable income is taxed at 11.9%)	21% (unless a SME - where first €50k of net taxable income is taxed at 17%)
Substance Requirement	Yes (1 employee and €75k investment/6 employees)	No	No
Other Criteria	5% tax applicable to international activities - all Portuguese sourced income, 11.9% up to 14.7% tax rate.	N/A	N/A
Withholding Tax	No withholding tax for individuals and corporates for outgoing payments	Typically from 25% * (unless a double taxation agreement applies, providing for a lower tax rate)	Typically from 25% * (unless a double taxation agreement applies, providing for a lower tax rate)
Capital Gains Tax (transfer of shares)	Participation exemption or 5% *	Participation exemption or taxed as normal income *	Participation exemption or taxed as normal income *
Audit Requirements	Yes, if an S.A., holding company (SGPS only), or if the company exceeds two of the three limits below, over a two-year consecutive period: 1. Total assets: €1.5m 2. Total income: €3m 3. Number of employees: average of 50	Yes, if an S.A., holding company (SGPS only), or if the company exceeds two of the three limits below, over a two-year consecutive period: 1. Total assets: €1.5m 2. Total income: €3m 3. Number of employees: average of 50	Yes, if an S.A., holding company (SGPS only), or if the company exceeds two of the three limits below, over a two-year consecutive period: 1. Total assets: €1.5m 2. Total income: €3m 3. Number of employees: average of 50
Filing (Mandatory?)	Yes	Yes	Yes
Participation Holding Exemption	Yes, 10% minimum shareholding of subsidiary for at least 1 year **	Yes, 10% minimum shareholding of subsidiary for at least 1 year **	Yes, 10% minimum shareholding of subsidiary for at least 1 year **
Shareholder Information Publicly Available	Yes	Yes	Yes
Time to Open Company	3 Weeks	2 Weeks	2 Weeks
Inheritance Tax	No	No	No
Stamp Due to Transfer of Shares	No	No	No
Possibility to get a residence Permit vis the Company	Yes	Yes	Yes
Other Beneficial Factors	• Fully registered Portuguese company (not offshore). • Automatically registered for VAT. • Possibility to open a bank account in Portugal. • Substance criteria approved by EU Commission. • OECD and BEPS compliant. • Access to all EU directives (Parent Subsidiary and Interest Royalty Directive).	• Fully registered Portuguese company (not offshore). • Possibility to open a bank account in Portugal. • Portugal is an OECD member. • Access to all EU directives (Parent Subsidiary and Interest Royalty Directive).	• Fully registered Portuguese company. • Possibility to open a bank account in Portugal. • Portugal is an OECD member. • Access to all EU directives (Parent Subsidiary and Interest Royalty Directive).
Number of Double Taxation Treaties	Over 70		
Special Double Taxation Treaties	• Angola and Peru, respectively, have one DTT with an EU jurisdiction, namely Portugal. • DTT with China provides possible 0% (participation exemption) or 5% capital gain on the sale of securities. • Favourable DTT with Latam countries, including favourable investment protection clauses. • It may be beneficial to use an MIBC to link businesses in Latam and USA. • Lower fixed company costs (including lower personnel costs) when compared to other EU jurisdictions. • Portugal mainland may be used as an entry point to bring goods into the EU (namely, Porto de Sines and Porto de Leixões).	• Angola and Peru, respectively, have one DTT with an EU jurisdiction, namely Portugal. • Favourable DTT with Latam countries, including favourable investment protection clauses. • Lower fixed company costs (including lower personnel costs) when compared to other EU jurisdictions. • Portugal mainland may be used as an entry point to bring goods into the EU (namely, Porto de Sines and Porto de Leixões).	• Angola and Peru, respectively, have one DTT with an EU jurisdiction, namely Portugal. • Favourable DTT with Latam countries, including favourable investment protection clauses. • Lower fixed company costs (including lower personnel costs) when compared to other EU jurisdictions. • Portugal mainland may be used as an entry point to bring goods into the EU (namely, Porto de Sines and Porto de Leixões).

*Provided the non-Portuguese country is not a Portuguese 'blacklisted' jurisdiction. In this event the tax will be 35% ** Not applicable to entities in a country, territory or region, subject to a favorable tax regime contained in the list approved by the Government. To benefit from participation exemption, the entity that distributes profits must be subject and not exempt from IRC, at the rate that cannot be less than 60% of Portugal CIT.

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