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CÂMARA DE COMÉRCIO AMERICANA . PORTUGAL

Accounting - Self-Employed & Companies: Tax and Accounting in Portugal

Speakers:

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About Finpartner

Founded in 2006, Finpartner has specialized in providing accounting, taxation, payroll processing, and consulting services at both the national and international levels. Our work is directed towards national and international companies, as well as individuals.



Clients
+ 3500



Projects
+200



Get to know the **speakers**

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Company incorporation in Portugal

Let's talk about

→ Independent workers

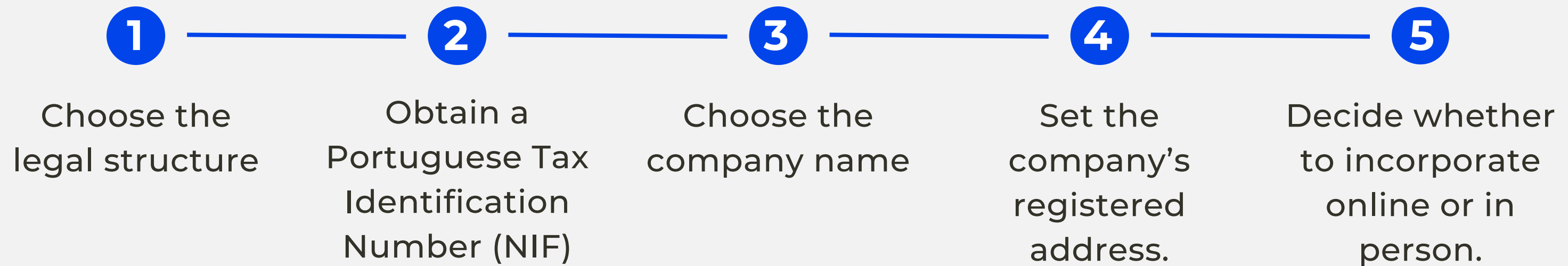
- Available regimes: simplified vs. organized accounting
- Declarative and tax obligations
- Business-related expenses
- Social Security rules



Company incorporation in Portugal ←

- Deadlines to consider for incorporation
- Required documentation
- Start of activity
- Registration with Social Security
- Appointment of a Certified Accountant
- Tax obligations in Portugal for companies
- Accounting in Portugal, organizational structure

What Do You Need to Set Up a **Company**?



Where to Set Up the Company?



In person :

- All partners must be present at the IRN (Institute of Registries and Notary). This is a faster process, using predefined models.



Online:

- More flexible, requires a Digital Mobile Key or Citizen Card.

Key **Deadlines** to Remember

- **Incorporation:** Can be immediate or take up to 5 business days, depending on the method.
- **Start of Activity:** Must be declared within 15 days after incorporation via the Tax Authority Portal.
- **Social Security Registration:** Within 10 days after the 15-day deadline for activity start.
- **Beneficial Owner Registration:** Within 30 days of incorporation.
- **Commercial Registration:** Immediate in most cases.



Required **Documentation**

- Identification document and NIF of the partners
- Statement of the corporate bodies
- Articles of Association (Company Agreement)
- Admissibility certificate (Certificado de Admissibilidade)
- Proof of address and registered office
- IBAN of the company's bank account



Start of Activity on the **Tax Authority Portal**

A mandatory step after incorporation.

It can be done online, in person, or through a Certified Accountant.

Required Information

- CAE – Economic Activity Code
- Revenue forecast
- Type of VAT and Corporate Income Tax (IRC) regime
- Company's IBAN



Appointment of a **Certified Accountant**

Mandatory for **Collective legal** entities (e.g. companies) and **Sole proprietors** with organized accounting.

The Certified Accountant is responsible for:

- Preparing the company's accounting;
- Submitting tax returns;
- Providing client support.



Tax Obligations of Companies in Portugal

- **IRC:** Corporate Income Tax
- **VAT:** Monthly/quarterly declarations
- **IUC:** Single Tax on Circulation (vehicle tax)
- **IMI:** Municipal Property Tax
- **IMT:** Municipal Tax on Onerous Property Transfers
- **Social Security:** For managers and employees
- **Tax Declarations:** Model 22 (IRC) and IES (Simplified Corporate Information)
- **SAFT:** Standard Audit File for Tax Purposes (sales)



Organization between **Client and Accountant**

Monthly submission of:

- Purchase and sales invoices
- Receipts, proof of payments, and bank statements

Regular communication:

- Clarification of doubts;
- Alerts on deadlines and obligations;
- Sending of tax payment slips;
- Support in decision-making.



Conclusions **and Recommendations**



- Get well informed before starting a business activity
- Choose a Certified Accountant you trust
- Comply with all legal and fiscal deadlines
- Keep documentation organized
- Stay alert to legal changes and tax opportunities

Independent workers

Simplified Regime vs. Organized Accounting



Simplified Regime :

100% of annual revenue

- 75% is considered taxable income
- 25% is activity expenses



Organized Accounting:

- Annual income from the activity - Annual expenses from the activity = Profit/Loss
- Mandatory if annual revenue exceeds €200,000.

Declarative obligations inherent to a self-employed worker

IRS (Imposto sobre o Rendimento das Pessoas Singulares)

- Annual declaration (January 1st to December 31th)
- Where all income earned is declared (including income earned from self-employment)
- Delivery date: between April and June of year N+1

Recapitulativa Declaration

- This is where sales/services provided within the European Union market are declared.
- It is an accessory declaration and has a direct correlation with VAT declarations

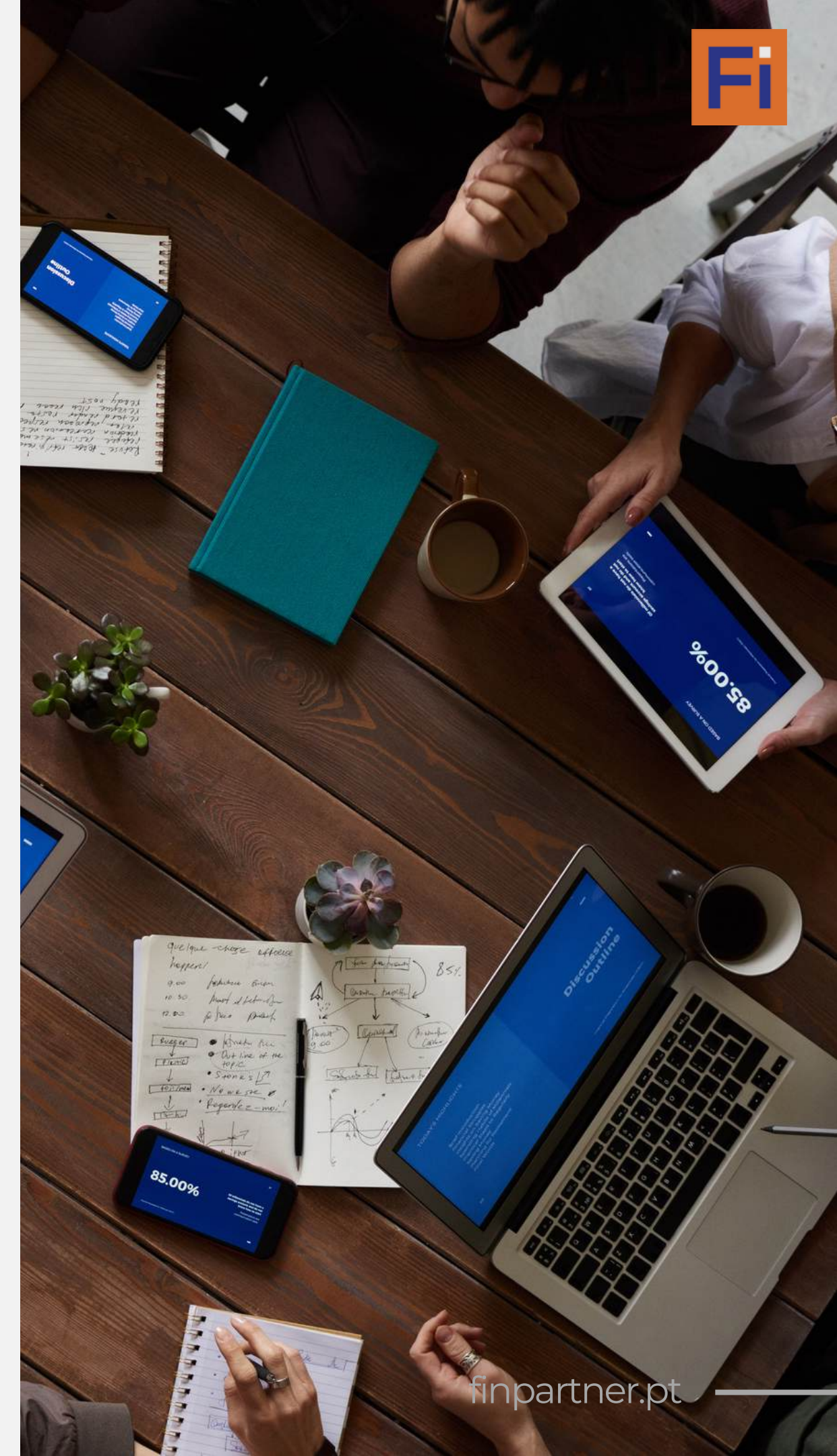


VAT Declarations (IVA)

- 15.000€ Rule
- It is usually a quarterly declaration, which is submitted until 20th of two months after each quarter
- 650.000€ Rule – It is mandatory to deliver a monthly declaration
- Deductible VAT vs. Liquidated VAT
- VAT payment deadline: 25th of the second month following the end of the quarter to which the transactions related.

Billing communication

- 2 options: Issue invoices in the Tax Authority system or Issue invoices in programs certified by the Tax Authority
- Submit invoices electronically by the 5th day of the month following their issuance.

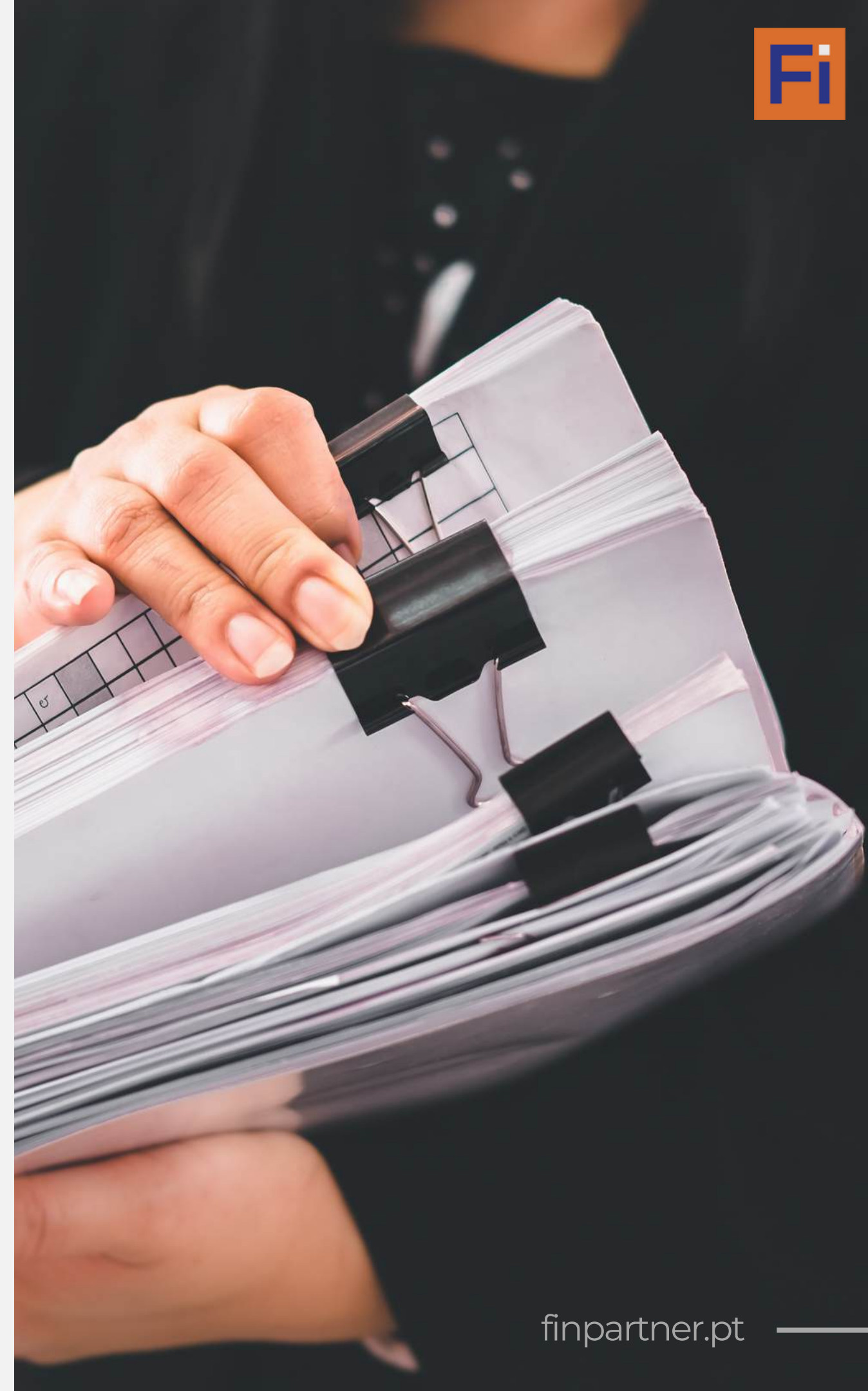


Model 30

- Delivery is made when payments are made for services rendered to non-residents.
- Delivery date: by the end of the second month following payment

IES (Simplified business information)

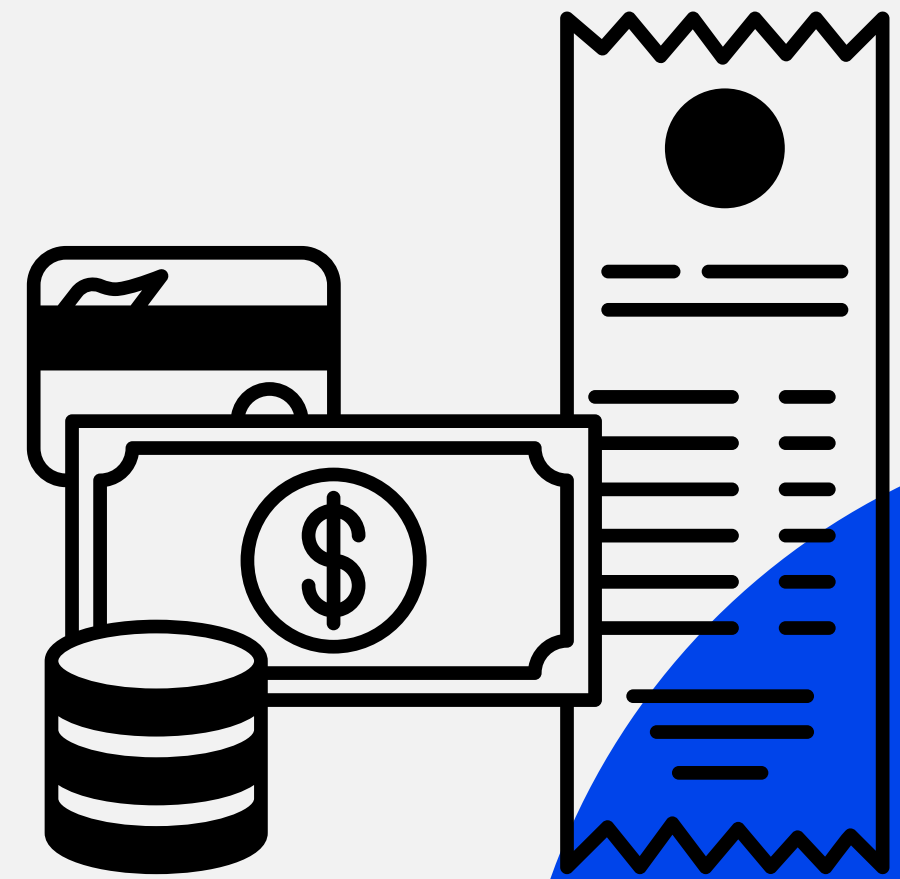
- Only mandatory for self-employed workers with organized accounting
- This statement includes the Profit/Loss statement, the balance sheet for the year, accounting and tax information.



Expenses associated with the activity of a self-employed worker

Self-employed workers have **three options** when choosing their business expenses:

- 100% deductible expenses
- Partial expenses of the activity (only 25% of the expense is deducted) - Examples of these expenses are: Electricity, gas, water, etc.
- Expenses that are not related to the activity



Taxation and taxes for self-employed workers

The taxation of income obtained from self-employment in Portugal generally follows Portugal's progressive tax rates.

Escalões IRS	OE 2025	Taxas	Julho de 2025	Taxas
1º	Até €8.059	13%	Até €8.059	12,50%
2º	Até €12.160	16,50%	Até €12.160	16%
3º	Até €17.233	22%	Até €17.233	21,50%
4º	Até €22.306	25%	Até €22.306	24,40%
5º	Até €28.400	32%	Até €28.400	31,40%
6º	Até €41.629	35,50%	Até €41.629	34,90%
7º	Até €44.987	43,50%	Até €44.987	43,10%
8º	Até €83.696	45%	Até €83.696	44,60%
9º	Acima de €83.696	48%	Acima de €83.696	48%

What will differentiate the taxation of a self-employed worker will be the **regime under which they operate:**

Simplified Regime

Only 75% of the income obtained from the activity is taxed, and this taxation will be subject to Portugal's progressive tax rates.

Example:

- Annual revenue: €50,000
- 75% is taxable income: 37.500€
- 15% business expenses: 7.500€
- Tax rate applicable according to progressive rates and assuming that the 15% in activity expenses was justified is 35.5%: $37.500€ \times 35.5\% = 13.312,50€$
- If €7,500 in business expenses is not justified and, for example, only €5,000 in business expenses is justified, the taxable income becomes as follows: $7.500€ - 5.000€ = 2.500€ + 37.500€ = 40.000€ \times 35.5\% = 14.200€$

Organized Accounting Regime

This system is similar to the accounting system used by companies. The equation works as follows: $\text{Income} - \text{Expenses} = \text{Profit/Loss}$

Example:

Activity income: 100.000€

Activity expenses: 30.000€

Profit: 70.000€

This €70,000 will be taxed according to progressive rates, so the rate to be applied will be 45%: 31.500€



Different existing tax regimes:

1. Non-habitual resident status

- Created in 2009 and abolished in 2024
- Provides for the possibility of taxing income obtained from self-employment at a flat rate of 20%, some cases 0%, (if the worker performs a high value-added profession).

3. IFICI (tax incentive for scientific research and innovation)

- Considered the new RNH, this regime was recently created in 2025. It grants the same benefits as the RNH, namely taxation at a fixed rate of 20% on income obtained from the activity.
- Difficulty accessing the scheme.

2. Return program (e.g., residents)

- Only 50% of the income obtained from the activity is taxed.
- However, there is a limit: only incomes up to €250,000 per year are covered by this benefit.



Social Security rules for self-employed workers



There are two entities that self-employed workers need to pay constant attention to. The first is the Tax Authority and the second is Social Security.

When a taxpayer decides to start working as a self-employed activity, during their first year of activity, they are exempt from making Social Security contributions. Starting in the second year of activity, it will become mandatory to submit quarterly Social Security declarations.

- Quarterly Social Security declarations
- **Deadline for submission: by the end of the month following each quarter;**
- **21.4% rate;**

Examples:

Contributions are based on the worker's invoicing for each quarter

		1Q					
		January	February	March		Total 1Q	
Total Invoicing		5 000,00 €	2 000,00 €	3 000,00 €		10 000,00 €	
						7 000,00 €	70%
						2 333,33 €	/3
						499,33 €	21,40%

Examples:

·Possibility of reducing or increasing the contribution by 25%:

	1Q				
	January	February	March	Total 1Q	
Total Invoicing	5 000,00 €	2 000,00 €	3 000,00 €	10 000,00 €	
				7 000,00 €	70%
				2 333,33 €	/3
				499,33 €	21,40%
				124,83 €	25%
	-25%		+25%		
	374,50 €		624,17 €		

Maximum Contribution: 1.341,78€ / month

Minimum Contribution: 20€ / month

Organized Social Security Accounting System

This regime can only be applied to self-employed workers with organized accounting. And, unlike the regime described above, this regime directly affects the profit that the self-employed worker declared on their IRS tax return. This profit is divided by the 12 months of the year and a rate of 21.4% is applied. This regime can only be chosen after two years of activity in Portugal.

Example:

Taxable profit: $40,000$ (income) - $20,000$ (expenses) = $€20,000$
per year

Monthly base: $20,000 / 12 = €1,666.67$

Monthly contribution: $1,667.67 * 21.4\% = 356.67€$



👉 **We're here to answer your questions!** 👉



**Thank you
for your
time!**

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