



# Portugal's strategic positioning: innovation and competitiveness in international taxation



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Lisbon November 18 2025

# Welcome !

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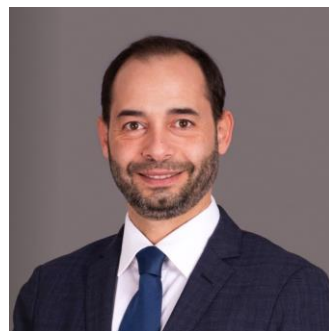
Rogério  
Fernandes  
Ferreira



Marta  
Machado de  
Almeida



Vânia  
Codeço



Duarte  
Ornelas  
Monteiro



Álvaro  
Silveira de  
Meneses



Joana  
Marques  
Alves

# Setting the tone

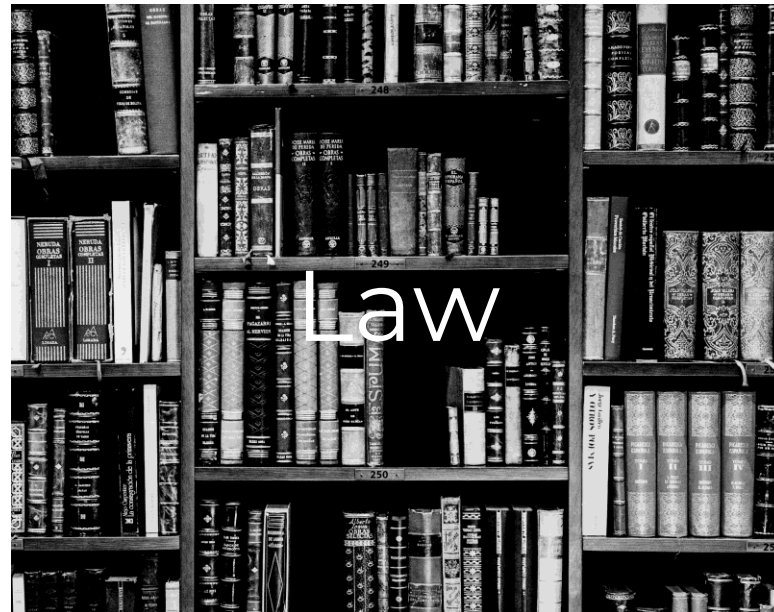
Rogério Fernandes Ferreira



Why  
Portugal?



Location



Law



Tools

IFICI – Joana Marques Alves

Residency visas – Duarte Ornelas Monteiro

Tax incentives for R&D and investment –  
Álvaro Silveira de Meneses


Holding companies' regime and Madeira –  
Marta Machado de Almeida + Álvaro Silveira  
de Meneses

Tax arbitration and international disputes –  
Vânia Codeço + Rogério Fernandes Ferreira

# IFICI – “Incentivo Fiscal à Investigação Científica e Inovação”

# IFICI | Context

Not simply 'NHR 2.0'

 Tax Incentive Scheme for Scientific Research and Innovation



Jan 1, 2024



Goal: to attract highly qualified professionals and entrepreneurs in strategic sectors, with an emphasis on innovation, scientific research, and technology

# IFICI | Key benefits

Portuguese-sourced income from eligible professional activities



20% PIT flat rate

foreign-sourced income



exemption

pensions



taxed under general PIT rules

non-eligible income



tax haven income



35% tax rate

# IFICI | Eligibility criteria - applicant

- ✓ Portuguese tax resident
- ✗ Residency in the past 5 years
- ✗ NHR or similar regime

## Professional focus:

- scientific research
- higher education roles
- healthcare
- ICT, engineering, and C-level positions in qualifying sectors

# IFICI | Eligibility criteria - company

✓ Certified startups

and/or

✓ Companies in:

- industry, energy, construction
- hospitality, ICT, finance, insurance
- scientific, education, healthcare services

\*Depending on the eligibility route selected, **academic qualifications matter**

# IFICI | Regime validity & conditions

valid for 10 years



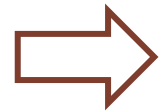
annual requirements

- ✓ Portuguese tax residency
- ✓ income from eligible activities

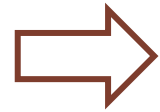


loss of benefit for that year

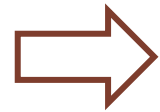
# IFICI | Common pitfalls



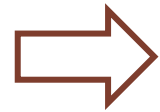
past Portuguese tax residency



income timing

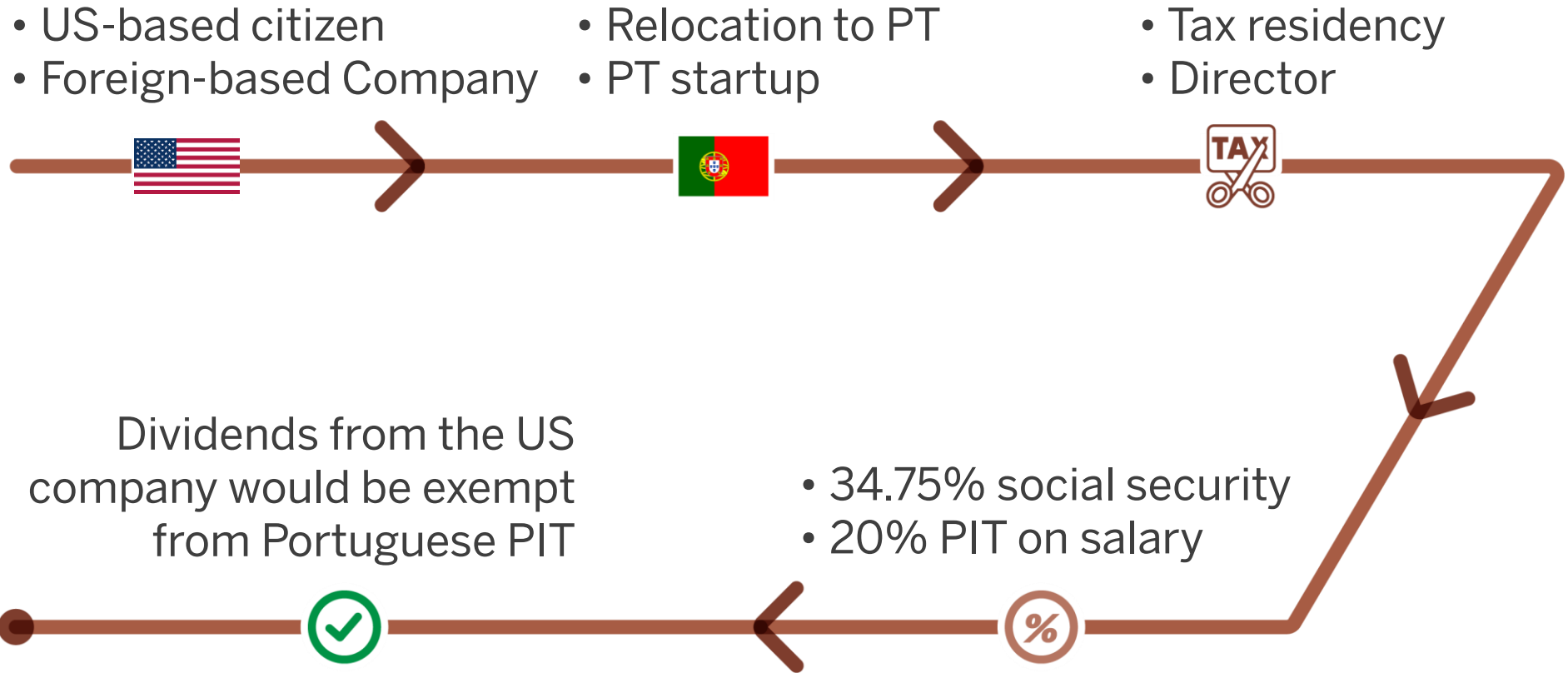


missed application deadlines



pension income and tax haven exposure

# IFICI | Example



# IFICI | Key takeaways



- IFICI attracts talent in strategic sectors
- Strong personal and corporate tax benefits
- Requires alignment of tax, company setup, and immigration compliance

# Portugal residency visas

# Residency visas | Strategic context



No wealth tax and no inheritance tax



Portugal as one of Europe's most attractive destinations



Synchronization between residence visas, tax residence and IFICI enrolment



Prior tax planning is essential

# Residency visas | Key visa options

D2 Visa	→	entrepreneurs & freelancers	→	directly compatible with IFICI
D3 Visa	→	highly qualified professionals	→	
D7 visa	→	individuals with passive	→	especially effective with IFICI – FI tax exemption
Golden Visa	→	investors & patrons	→	investment funds & no tax residence required – no IFICI
Startup Visa	→	innovative entrepreneurs	→	the startup itself can guarantee the IFICI
D8 Visa	→	digital nomads	→	less aligned with the IFICI

# Residency visas | Family paths



- ✓ All residency visas allow family reunification & dependents gain residence rights
- ✓ Family members can also access IFICI after renewing their residence permits (except for the Golden Visa)
- ✓ For adult children abroad, Golden Visa remains the most flexible option

# Residency visas | Incentives

## Investment & innovation

- ✓ IFICI bridges visa routes and fiscal incentives
- ✓ Golden Visa project creating 10+ jobs can qualify under IFICI
- ✓ D2/D3 startups benefit from foreign talent recruitment incentives

Trend: non-real estate investment funds for Golden Visa applicants—linked to tech, green economy, venture capital

# Residency visas | Synchronization points

## Legal path

tax, income, and business planning



visa application



residence permit



IFICI application

# Residency visas | Key takeaways

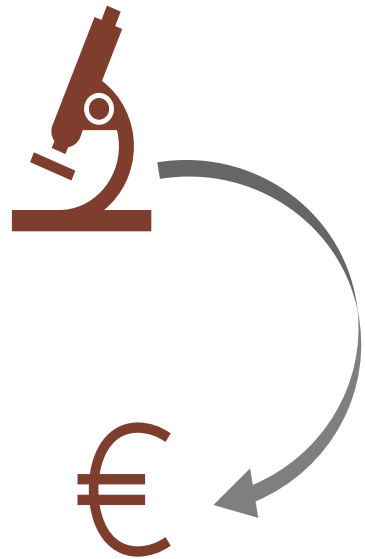


- D2&D3 → best for entrepreneurs/startups & highly compatible with IFICI
- D7 → simple & ideal for passive income earners
- Golden Visa → flexible for investors & families, mainly via investment funds
- IFICI → connects visas, innovation, tax relief & investments
- D8 → less IFICI-related but important for global talent attraction
- In all visas → family inclusion & early tax / legal coordination are crucial

# Corporate Income Tax incentives for R&D and investment

# How PT taxes R&D | Main CIT Incentive

## SIFIDE II



- ✓ Corporate income tax credit, (dual) percentage of eligible expenses
- ✓ Base rate: 32,5% of qualifying expenditure, incremental rate of 50%
- ✓ SMEs: first two years base rate 47.5%
- ✓ Examples of eligible expenses: tangible fixed assets, qualified personnel, outsourcing of R&D activities, acquisition of patents
- ✓ New Government proposal: indirect investment in R&D no longer eligible from 2026 onwards

# How PT taxes R&D | main CIT incentive

## SIFIDE II's impact



- ✓ Applications have multiplied more than ten-fold since 2006
- ✓ Declared R&D expenditure in 2023 amounts to € 2.5B
- ✓ Every € 1 of State's tax expenditure equates to the mobilization of € 1.7 of additional private R&D investment

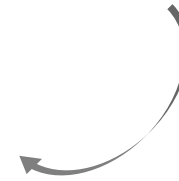
# How PT taxes R&D

## From sunset to new horizons?



SIFIDE II was programmed to end in 2025

After the sunset: new horizons?



- ? extension of SIFIDE II approved for 2026
- ? Portugal still relevant in a Pillar 2 / global minimum taxation context
- ? Corporate Income Tax rate: 21% (2024) -» 20% (2025) -» 19% (2026) -» 18% (2027) -» to 17% (2028)

# R&D results | Main CIT Incentive

## Patent & software box



- ✓ Up to 85% exclusion of net qualifying IP income, calculated per asset and under modified nexus approach (up to less than 5% effective tax rate)



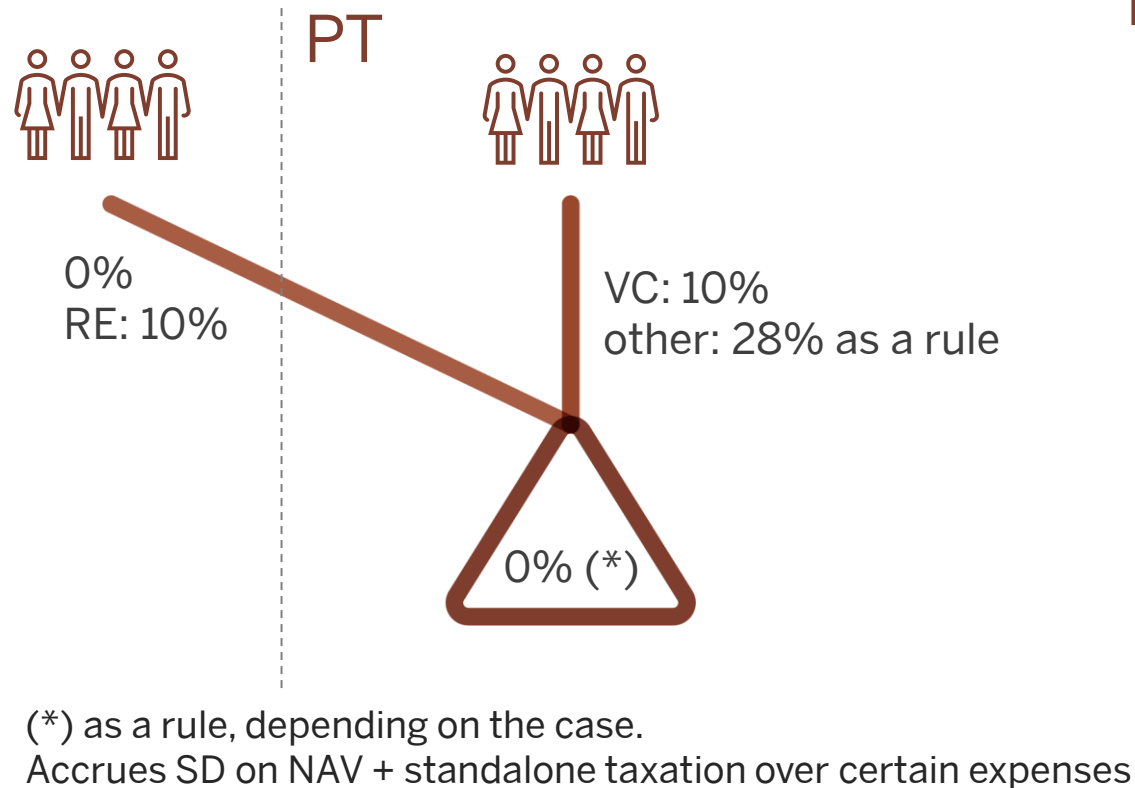
- ✓ Eligible assets are registered patents, industrial designs and models, and software



- ✓ The inclusion of software is particularly relevant, as it connects with other incentives and legal framework for startups

# Capital | investment vehicles

## Tax regime for undertakings for collective investment



## Exit-taxation model

### ▷ Fund Level

- ✓ objective exemptions on income categories (dividends, capital gains, ...)

### 👤 Investor Level

- ✓ Residents face domestic withholding
- ✓ Non-residents typically benefit from WTH exemption

Note: requires coordination with US tax advisors

# Corporate Portuguese Platforms

## Holding regime

# Holding companies regime



treaty network



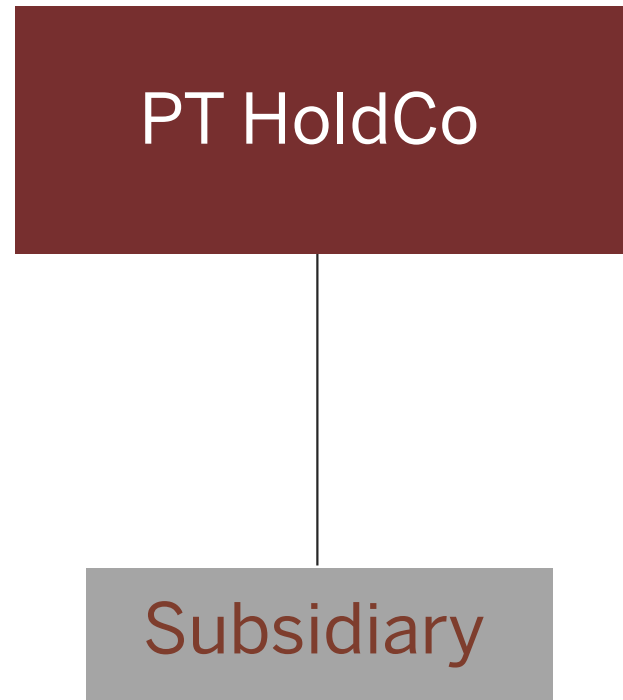
Participation Exemption



EU/OECD credibility

# Holding companies regime

## Portugal - Participation exemption



- ✓ Applies to subsidiaries in any jurisdiction if subject to a minimum taxation except blacklisted

# Holding companies regime

## Portugal allures



- Broad scope of exemption with flexible conditions  
dividends + CGs  
10% minimum holding for 12 months
- Without minimum acquisition value  
no minimum investment threshold
- Wide geographic reach (inbound PE)  
EU subsidiaries + treaty network
- Capital gains flexibility  
without imposing restrictive conditions
- No withholding on outbound dividends  
no withholding tax PSD +  
treaty rates outside of PSD
- Fully compliant with EU Directives  
PSD + I&R + ATAD
- Special Madeira Regime  
effective tax rates can be further reduced

# Holding companies regime

## Execution details and practical notes

### filework

- tax residency certificates for shareholders / parent companies / subsidiaries
- specific forms for outbound payments

### substance

- danish beneficial ownership cases
- + effective management

### overall context of the structure

- Nordcurrent case, analysis of objective non-genuine arrangement + subjective assessment of the main purpose

# Corporate Portuguese Platforms

## International business centre of Madeira

# International business centre of Madeira

## Baseline

- ✓ Regional CIT below Portugal mainland
- ✓ Outermost region: MFTZ is an EU State-Aid compliant regime if properly implemented
- ✓ Industrial regime has additional benefits



# International business centre of Madeira

IBCM | licensed regime



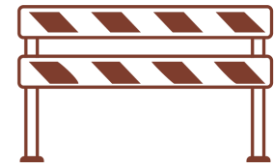
5% CIT on  
foreign-facing  
income



license window  
to 31-12-2026  
benefits  
to 31-12-2028



dividends to  
non-residents  
(non-blacklist):  
WHT-exempt



EU State-aid  
guardrails  
DTT/directives  
access

# International business centre of Madeira

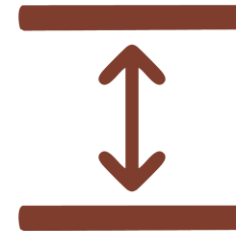
IBCM | eligibility, substance and ceilings



Jobs + investment:  
1-5 jobs + 75k inv.  
or 6+ jobs



Staff in / working  
from Madeira  
(AWU)




Track: people,  
source of income,  
incentive ceilings

# Portuguese Tax arbitration Regime

# Portuguese tax arbitration regime

## A practical alternative

- ✓ Voluntary alternative to court litigation 
- ✓ **Covers:** tax assessments, self-assessments, withholding taxes
- ✓ **Excludes:** criminal tax offences & assessments unrelated to taxes

# Portuguese tax arbitration regime

## Certainty for investors

Panels of 1 or 3 arbitrators - renowned tax experts



Fixed fee schedule → cost predictability

Decisions → final, binding & enforceable



# Portuguese tax arbitration regime

## Portugal's unique advantage



- ✓ Voluntary alternative to court litigation



- ✓ Decisions delivered within avg 6 months
- ✓ Extensions rare, max. 1 year



- ✓ Direct access to the Court of Justice

The Portuguese tax arbitration regime offers a unique and efficient mechanism for resolving cross-border tax disputes combining swiftness, expertise, and direct access to the highest EU court

# MAP / MLI

# MAP / MLI | Legal framework

## The four instruments



- Double Tax Treaties
- Multilateral Instrument (MLI)
- EU Arbitration Convention
- EU Directive 2017/1852

# Portugal's approach

## Experience and Future Outlook



limited  
historical use



increasing  
relevance



2025  
Commission

**Thank you!**

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