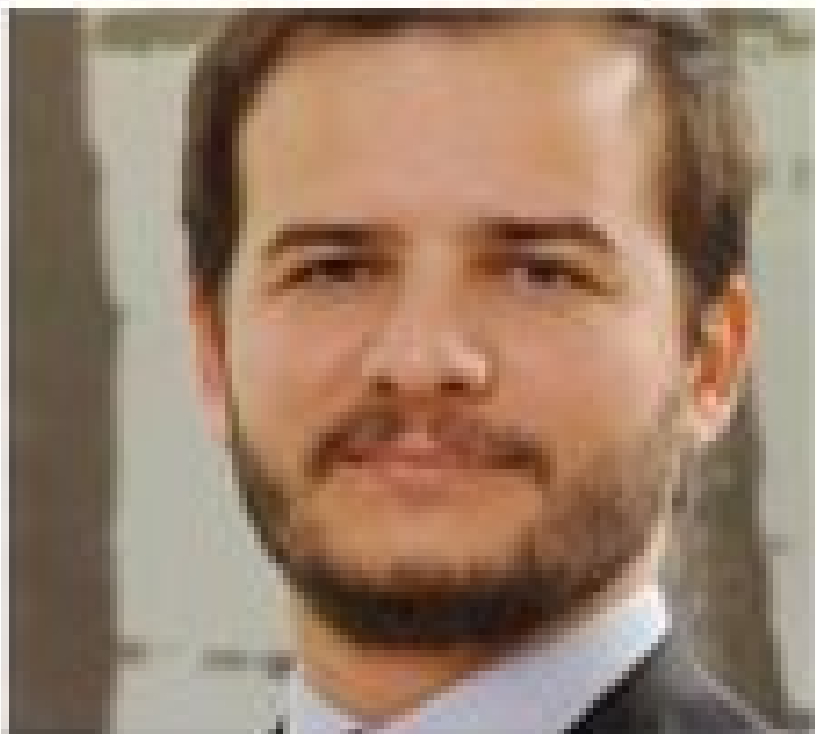
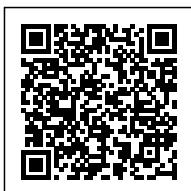


# INVESTOR-FRIENDLY TAX REFORM - VIEIRA DE ALMEIDA

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## **By simplifying tax and promoting investment, the new CIT reform is repositioning Portugal as a gateway for international investment**

As Portugal continues to align itself with other countries in a globalised economy, the new Corporate Income Tax reform is very much focused on being investor friendly, according to Joaquim Pedro Lampreia, Tax Managing Associate at Vieira de Almeida. Benefits range from simplifying the formalities that come with legal and tax obligations, to restructuring international tax policy to be more competitive for inbound and outbound investment.

"This is a country that has been traditionally viewed as a cultural bridge between other Portuguese-speaking countries," says Lampreia. "But despite business streams coming from all over the world, from a corporate point of view we just didn't have an efficient investment vehicle in place."

Within this global context, measures include a new worldwide participation exemption regime (applicable to inbound and outbound capital gains and dividend payments), a new intellectual property regime, allowing for partial exemption from CIT, and a new amortisation of intangibles regime, which adapts the tax rules to the accounting rules.

Lampreia hopes that such measures will result in a simple and efficient investment structure that seamlessly reinforces the country's existing worldwide ties. "But without complexity, numerous

jurisdictions or several multi-tiered vehicles," he adds.

Despite the reform only just having been approved, lawyers are already seeing interest from clients, says Lampreia, and are assuming an advisory role. "Up until now, when clients or corporate groups were looking for a new tax structure to invest in another jurisdiction, they didn't want one that was complex or required spending more on tax consultancy and litigation," he explains.

"This Corporate Income Tax reform really does make sense," Lampreia says. By creating a good tax structure for a lot of different kinds of income, whether it be dividends, capital gains or royalties, he concludes, Portugal is keeping it very simple and straightforward for the international investor.