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LEGAL UPDATE

Relocation to Portugal

IFICI (NHR 2.0) Current Status

February 2025

I. NHR – available until 2024

The known NHR (ended in 2023) is only available for those individuals that became residents for tax purposes until the end of 2024, and who proves that one of the following eligible tests is met:

- 1) Promise or work contract, promise or agreement of secondment concluded until December 31st, 2023 (whose duties are to take place in national territory);
- 2) Lease agreement or other agreement granting the use or possession of real estate signed until October 10th, 2023;
- 3) Reservation contract or promissory contract for the acquisition of a right in rem over real estate in Portuguese territory signed until October 10th, 2023;
- 4) Enrolment or registration for dependents in an educational establishment in Portuguese territory, completed by October 10th, 2023;
- 5) Residence visa or permit valid until December 31st, 2023;
- 6) Procedure, initiated until December 31st, 2023, for granting a residence visa or residence permit, before the competent authorities, in accordance with the legislation in force applicable to immigration, namely through the request for an appointment or actual appointment for submission of the application for a residence visa or residence permit, or by submitting the application for the granting of residence visa or residence permit;

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- 7) Being a family member of the applicants in any of the situations mentioned above referred.

II. New IFICI – ‘NHR 2.0’ framework

The new NHR named ‘**Tax incentive for scientific research and innovation**’ (IFICI) is available for 10 years and foresees:

- a) flat rate of 20% for employment and self-employment income; and
- b) **full exemption on foreign source income** (except pensions),

for those who:

- 1) *Become residents in Portugal for tax purposes; and*
- 2) *Have not lived in Portugal in the previous 5 years; and*
- 3) *Do not benefit from the old NHR or the former tax residents regime; and*
- 4) *Met one of the following eligible tests:*

TYPE	CRITERIA	REGISTRATION
<p>Madeira and Azores</p>	<p>Jobs and other activities carried out by tax residents in the autonomous regions of the Azores and Madeira, to be defined by regional decree-law</p>	<p>Madeira and Azores Government</p>
<p>Teaching and Research</p>	<p>Teaching in higher education and scientific research, including scientific employment in entities, structures, and networks within the Portuguese science and technology system, as well as positions on the corporate bodies of entities that were qualified as technology and innovation centers</p>	<p>A Fundação para a Ciência e a Tecnologia (FCT), I.P.</p>
<p>Qualified Jobs (and corporate bodies members)</p>	<p>Portuguese companies within the scope of 'contractual benefits towards productive investment', as defined in Chapter II of the Investment Tax Code</p>	<p>AICEP, EPE</p>

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	(investments higher than 3M€ - industry, IT, tourism, agriculture, energy, telecommunications)	
High Qualified Jobs (Listed) ¹	<p>Option A: Portuguese companies with relevant applications², which benefit or have benefited from the investment support tax regime, in within Chapter III of the Investment Tax Code (RFAI) ³</p> <p>Option B: Industrial and Service companies, whose main activity corresponds to a listed activity⁴ <u>and</u> that export at least 50% of their turnover</p>	Portuguese Tax Authorities
Qualified Jobs (and corporate bodies members)	Identified by the Portuguese agencies AICEP or IAPMEI as being relevant to the national economy , particularly in the context of attracting productive investment and reducing regional asymmetries	AICEP, EPE Or IAPMEI IP
Jobs (and corporate bodies members)	R&D employees whose costs are eligible for the purposes of the tax incentive system for research and business development, as defined in the Investment Tax Code (SIFIDE)	ANI - Agência Nacional da Inovação SA

¹ The list was approved by the Government in Ordinance 352/2024/1, which includes: board members, general manager and executive manager of companies, directors of administrative and commercial services, directors of production and specialised services, specialists in the physical sciences, mathematics, engineering and related techniques (except architects, urban planners, surveyors and designers), industrial product or equipment designers, doctors, university and higher education teachers, information and communication technology specialists (IT experts).

² The company is obliged to make a significant investment (tangible and intangible assets) that will create jobs and maintain them until the end of the minimum maintenance period for the assets being invested in.

³ **Option A: eligible activities:** please consider the list published in Ordinance 282/2014: mining and quarrying; manufacturing industries; accommodation; catering and similar; publishing activities; film, video and television production activities; computer programming and consultancy; data processing, information domiciliation and related activities and web portals; scientific research and development activities; activities of interest to tourism; administrative and support services provided to businesses.

⁴ **Option B: eligible activities:** please consider the list published in Ordinance 352/2024/1: mining and quarrying; manufacturing; information and communication activities; research and development of physical and natural sciences; higher education; human health activities.

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Jobs (and corporate bodies members)	In entities certified as start-ups under the Portuguese Start-Up Law (IT business, R&D)	Start Up Portugal
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Note: Each entity will be responsible to communicate all the relevant data to the Portuguese Tax Authorities, however the regulation for that purpose is still to be approved.

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