



COMPANY FORMATION IN PORTUGAL

MAIN FORMS OF COMPANY/BUSINESS IN PORTUGAL

In Portugal a company can be established as a resident or a non-resident entity.

Resident entities can be established as subsidiaries or as branches.

Subsidiaries can be established as limited or as shares companies.

SPECIFIC TAX CONCERNS RELATED TO ESTABLISHING A COMPANY

Both resident and non-resident companies must pay VAT on the sales at the official rate.

The resident companies must pay corporate income tax at the official rate. Both companies can have employees.

LEGAL ISSUES RELATED TO ESTABLISHING A COMPANY

The resident companies must nominate a manager and a statutory accountant that will be the responsible to prepare and submit the VAT returns, CIT form and the financial statements.

A branch has no minimum capital to be established.

A Limited company can be incorporated with a minimum paid capital of 1€ and a minimum of one shareholder. A shares company can be has created with a minimum of 50.000€ for paid capital and should have at least five shareholders. For both type of entities it's mandatory to have a minute book for general shareholders assembly. For shares entity it is mandatory also to nominate an auditor (Chartered Accountant/Revisor Oficial de Contas) but for a Limited subsidiaries it's only mandatory to have auditor after achievement of some criteria.

CULTURAL CONCERNS RELATED TO ESTABLISHING A COMPANY

Both subsidiaries (limited or shares company) have limited responsibility and can have a selection of the name according to the availability what is available and does not create confusion with the existing ones. For the branch, the name selection is limited to the name of the investor's company plus " – Sucursal em Portugal" and will have responsibility according to the investor's legal type.

OTHER COUNTRY-SPECIFIC ISSUES RELATED TO ESTABLISHING A COMPANY

For European investors there are no obligations for tax representation. A local bank account is required.

Our team is available for any further information and can incorporate a company in one day.