



## Tax Representation in Portuguese Territory

### INTRODUCTION

The non-residents, as well as the residents who were absent from the Portuguese territory for a period exceeding six months, and who in any case, moved or were domiciled outside the European Union (EU) or outside the European Economic Area (EEA - Norway, Iceland and Liechtenstein), were required to appoint a tax representative in Portuguese territory who would represent them before the Portuguese Tax and Customs Authority (Autoridade Tributária e Aduaneira), comply with tax obligations and receive communications.

On June 6, 2022, the Tax Administration, through Circular Letter n.º 900054, clarified the procedures associated with the appointment of a tax representative in Portuguese territory, saying that *“in the act of registration and allocation of a tax number to a national or foreign citizen, as a non-resident, with no address in a third country - a country not belonging to the EU or the EEA, the appointment of a tax representative is not mandatory.”*

**The Tax Administration alerted that the appointment of a tax representative in Portuguese territory will become mandatory, if the non-tax resident has his/her tax residence outside the EU or**

EEA, if he/she is subject to a legal-tax relationship, which occurs in the following cases:

- (I) Being the owner of a vehicle registered in Portuguese territory;
- (II) Being the owner of a property situated in Portuguese territory;
- (III) Entering into an employment contract in Portuguese territory;
- (IV) Have a self-employed activity in the Portuguese territory.

The Decree-Law n.º 44/2022, of 8 July, enforced these changes to the legal rules regarding the mandatory appointment of a tax representative for:

- Non-residents who apply to the Tax Authorities for the issue of a portuguese tax number;
- Portuguese tax residents who are absent from Portuguese territory for a period of more than 6 months.

The possibility of dispensing the appointment of a tax representative is also established, and this appointment will now be merely optional, provided that taxpayers adhere to a dematerialised

notification channel, whether it be the public service of electronic notifications associated with the single digital address (MUD), the system of electronic notifications and summonses on the Finance Portal or the electronic mailbox.

In the case of the taxpayer decides to cancel the adherence to any of the above mentioned electronic means of communication, he shall then previously appoint a fiscal representative with the Tax and Customs Authority, under the penalty of the cancellation request not being effective.

## **ADVANTAGES**

The alterations introduced simplify the taxpayers obligations and speed up their relationship with the Tax Administration, following the recent technological evolution in the area of communications.

## **WHEN DOES IT COME INTO EFFECT?**

The Decree-Law n.º 44/2022, of July 8, 2022 came into force on July, 9.

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