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Portugal NHR 2.0 Program: Non-Habitual Resident Tax Update for 2024 (IFICI)

Portugal has unveiled an updated version of its Non-Habitual Resident (NHR) program, officially renamed the "Fiscal Incentive for Scientific Research and Innovation (IFICI) Program".

This new initiative, aims to attract highly skilled professionals in key areas such as research, technology, and strategic industries. With a focus on income generated within Portugal, the program offers substantial tax benefits to individuals contributing to the nation's economic and scientific progress.



What is the NHR 2.0 Program?

The NHR 2.0 program marks a significant shift in Portugal's tax incentive strategy, prioritizing professionals in high-value sectors who actively participate in the domestic economy. Unlike the original NHR scheme, which focused on foreign income and pensions, the updated program targets "Portugal-based income", offering a flat 20% personal income tax rate for qualified professionals. Notably, foreign pensions are no longer exempt from Portuguese taxes under this revised framework.

Key Differences: Old NHR Scheme vs. NHR 2.0

The NHR 2.0 program introduces a streamlined and focused approach, differing from its predecessor in several significant ways:

Foreign Pension Taxation: The new program taxes foreign pensions at progressive rates (13.5%–48%), eliminating the previous tax relief on this income.

Focus on Domestic Income: Tax benefits now apply to income generated in Portugal, especially within high-value sectors, rather than on foreign income streams.

Targeted Professionals: The new scheme prioritizes sectors such as research, technology, and innovation, particularly for professionals collaborating with Portuguese institutions.

Non-Renewable 10-Year Term: While the duration remains capped at 10 years, NHR 2.0 cannot be renewed after this period.

Benefits of the NHR 2.0 Program

The revised scheme is tailored to attract top talent with its key advantages:

Flat 20% Tax Rate: Eligible professionals can enjoy a reduced tax rate on Portugal-based income, significantly lower than the standard rate of up to 48%.

Selective Foreign Income Exemptions: Under specific conditions, foreign income (e.g., royalties, dividends, and rental earnings) may qualify for exemptions, provided they align with Portugal's Double Taxation Agreements (DTA) or OECD standards.

10-Year Stability: The program guarantees a stable tax environment for professionals establishing long-term residency in Portugal.



Eligibility Criteria for NHR 2.0

Applicants must not have been tax residents in Portugal during the preceding five years and should meet at least one of the following criteria:

Technology & Innovation: Professionals working in Portuguese-based tech firms or knowledge-driven industries.

Portuguese Start-ups: Employees in accredited start-ups with high growth potential or venture capital support.

Research & Academia: Researchers and academics involved in R&D projects within Portugal.

Export-Oriented Industries: Roles in companies where over 50% of revenue stems from exports.

Strategic Sectors: Positions in industries aligned with government initiatives, such as those supported by IAPMEI or AICEP.

Regional Roles: Jobs in Azores or Madeira that meet criteria outlined by local laws.



Applying for NHR 2.0

To benefit from the NHR 2.0 program, follow these steps:

1. Secure Legal Residency: Obtain a visa (e.g., Golden Visa or D7 Visa) or relocate from another EU/EEA country.

2. Get a Tax Identification Number (NIF): This unique number is essential for opening bank accounts, conducting business, and fulfilling legal obligations in Portugal.

3. Register as a Tax Resident: Declare your tax residency with Portuguese authorities, ensuring you meet the five-year non-residency requirement.

4. Apply for NHR Status: Submit your application via the Portuguese tax portal, including proof of residency, your NIF, and supporting documents.



Unlock Opportunities with NHR 2.0

The NHR 2.0 program presents a unique opportunity for skilled professionals to establish themselves in Portugal while benefiting from favourable tax rates and a thriving business environment. Although the application process may seem complex, expert guidance can simplify your journey.

Whether you need help navigating the NHR process, finding your dream home, or securing financing, our network of trusted professionals is here to assist. Let OliveHomes.com make your transition to life in Portugal seamless and rewarding.

Disclaimer

Please note, this guide is for informational purposes only and does not constitute legal or financial advice. As this program evolves, it's essential to consult a qualified advisor to understand your eligibility and any regulatory updates.

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This exceptional 6 bedroom villa with heated swimming pool, located in the prestigious Vale do Lobo resort, offers an unparalleled blend of elegance, comfort, and convenience. Situated within walking distance of the renowned golf clubhouse, this property is perfect for those seeking a luxurious lifestyle in the Algarve.

Ref. [OHL2188](#)

Price €2,950,000

Magnificent spacious Villa with pool on large plot close to the heart of Santa Eulalia in Albufeira

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Ref. [OH2848](#)

Price €2,990,000



Testimonial Of The Week



Alex was very professional and always available. An amazing member of your team and thank you for everything.

Ana - Vilamoura

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