

**23 DECEMBER 2020**

**COVID 19  
AMENDMENT TO THE TEMPORARY AND EXCEPTIONAL  
TAX COMPLIANCE REGIME**

On December 15th, 2020, Decree-Law 103-A/2020 was published, which amends the exceptional and temporary regime for compliance with tax obligations and social contributions established by Decree-Law 10-F/2020 of March 26th.

In order to fight for liquidity and the preservation of the activity of companies that have recorded a drop in invoicing reported by the *e-Invoice* of at least 25% of the monthly average of the full calendar year 2020 compared to the same period of the previous year, the Decree-Law establishes a supplementary scheme for deferring the obligation to pay VAT for the first half of 2021.

**VAT PAYMENT FLEXIBILITY MEASURES**

In the first half of 2021, entities that have achieved a turnover of up to EUR 2 million in 2019, or have started or restarted operations from January 1<sup>st</sup>, 2020, will be able to pay VAT:

- (i) until the voluntary deadline has expired; or
- (ii) in three- or six-monthly instalments, of a value equal to or greater than EUR 25.00, without interest.

The monthly instalments are due:

- (i) the first instalment, on the date of fulfilment of the obligation in question; and
- (ii) the remaining instalments, on the same date as the subsequent months.

Payment in monthly instalments is not dependent on the provision of a guarantee and must be requested electronically by the end of the period for voluntary payment of the obligation in question.

## ADDITIONAL REQUIREMENTS

These flexible measures apply only to taxable persons who declare and demonstrate, through the *e-Invoice*, a reduction of at least 25% in the monthly average of the full calendar year 2020 compared to the same period of the previous year. This reduction must be certified by a certified accountant or, if the entity does not have and should not have organised accounts, replaced by an undertaking on the applicant's honour.

If the items declared in the *e-Invoice* do not reflect all transactions involving the transfer of goods and services subject to VAT (even those exempted) for the periods in question, the reduction in invoicing is based on turnover. This statement must also be certified by a certified accountant.

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**PARES | Advogados** is able, and willing to provide any information under the laws and regulations applicable to the attribution and acquisition of Portuguese nationality, in a more concrete and adequate way to the reality of each client, being able to provide all the necessary support to the instruction of the respective process.

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