

OCTOBER 2019

## CHANGES TO THE FRAMEWORK ON NON-HABITUAL RESIDENTS ADDED-VALUE ACTIVITIES

### Circular no. 4/2019 and Administrative Instruction no. 2005/2019

On the 8<sup>th</sup> October 2019, administrative instructions were published by the Tax Administration (Tax and Customs Authority - TA) which simplify the procedures referring to the validation of high added-value activities (HAVA) in the list currently in effect.<sup>1</sup>

We should take note that HAVA may be exercised by non-habitual residents (NHR) for a period of 10 years and are taxed at a flat 20% rate as part of the personal income tax.

The new administrative instructions simplify the procedure currently in effect, which entailed the prior validation of the activity as a HAVA, by the TA, against the submission of a request, following the attainment of the NHR status.

The validation of the HAVA by the TA is now carried out upon the submission of the tax return (in which the undertaken HAVA is expressly stated) and the correspondent supporting evidence.

The TA additionally informed that the requests already submitted for the validation of the HAVA will be closed. New specific instructions on the new HAVA list published in July of the present year will be disclosed (this list only comes into effect on the 1<sup>st</sup> January 2020).<sup>2 3</sup>

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<sup>1</sup> In accordance with the HAVA list of ministerial ordinance no. 12/2010 of the 7th January.

<sup>2</sup> Ministerial ordinance no. 230/2019, of the 23<sup>rd</sup> July.

<sup>3</sup> On this subject, read our July Information Note through this link: [>>>](#).

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**PARES | Advogados** is available to provide more detailed information on the non-habitual residents framework that will suit the specific needs of each client, being able to offer all necessary support on this matter.

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