

# Portugal

The effective date is 1 July 2003 for B2C supplies of e-services to consumers in Portugal from suppliers established in a non-EU country and 1 January 2015 for B2C supplies of e-services to consumers in Portugal from suppliers established in another EU member state.

## **VAT Standard rate**

The standard VAT rate in Portugal in 2023 is 23%.

## **VAT Reduced rate**

The vat reduction rate in Portugal is 6% (e-books) .

## **Thresholds**

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of EUR10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over EUR 10,000.

## **Pieces of evidence**

To identify customer location merchant has to collect at least two items on non-contradictory evidence. And if two of them are in Portugal, the customer may be determined as Portuguese:

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- IP address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him ;
- Other commercially relevant information.

## **E-services list**

As defined by EU law, a digital product is any product that's stored, delivered, and used in an electronic format. These are goods or services that the customer receives via email, by downloading them from the Internet, or through logging into a website, in particular:

- E-books, images, movies, and videos, whether buying a copy from Shopify or using a service like Netflix. In tax language, these products are in a category usually called, «Audio, visual, or audio-visual products»;
- Downloadable and streaming music, whether buying an MP3 or using a service like SoundCloud or Spotify. Of course, these products also fall into the audio category;
- Cloud-based software and as-a-Service products, such as Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS);
- Websites, site hosting services, and internet service providers;
- Online ads and affiliate marketing .

## **Registration procedure**

If a company not established in Portugal is providing 'taxable supplies' digital services in Portugal, it may have to obtain a non-resident VAT registration with AT – autoridade tributaria e aduaneira.

A business established in a country outside the EU must appoint a tax representative to register for VAT in Portugal.

The MOSS is also available. The Mini One Stop Shop (MOSS) is a special scheme that aims to facilitate the compliance of all obligations relating to telecommunications services, broadcasting, and television and electronically supplied services to non-taxable persons in the EU in which they do not have an establishment to account for the VAT. If the supplier is established outside the European Union and does not have a fixed establishment in Portugal (nor in any Member State), and is not registered nor is legally required to register for VAT purposes in any Member State, it may choose Portugal as the Member State of Identification for MOSS purposes.

## **VAT returns filing date**

VAT returns filing is up to the 20th of the month following the quarter to which the services were provided. For instance:

- 20 April, for Q1 ending 31 March;
- 20 July, for Q2 ending 30 June;
- 20 October, for Q3 ending 30 September;
- 20 January, for Q4 ending 31 December.

### **VAT payment date**

The same date as for filing (see above).

### **Penalties**

Failure or late filing of VAT return can arise a penalty from €300 to €3750 as well as a slack or delay in payment of the tax due – up to 30% to 100% of the tax due.

### **Keeping records**

All records and supporting documents should be kept for 10 years.



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