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IFICI – TAX INCENTIVE SCHEME FOR SCIENTIFIC RESEARCH AND INNOVATION

IFICI (Tax Incentive Scheme for Scientific Research and Innovation) was created with a goal to give Portugal some mechanisms to attract qualified and specialised talent, making the country more competitive and appealing by offering more favourable tax treatment to individuals in terms of personal income tax.

This tax incentive was implemented by the 2024 State Budget, succeeding the Non-Habitual Resident (RNH) regime, which was in force until the end of 2023.

The IFICI provides for taxation through a special fixed rate of 20% on net income in categories A and B obtained in Portugal. It also grants an income tax exemption on income obtained abroad, even if this income is considered for the purposes of determining the tax rate applicable to non-exempt income.

This benefit will be granted for a period of 10 consecutive years from the year in which the taxpayer is registered as a resident in Portuguese territory. However, the consecutive years may be interrupted, so that in the event of a change of tax residence, the benefit may be resumed, provided that the beneficiary is once again considered a tax resident in Portugal and once again earns income that qualifies for this benefit.

Those who benefit or have benefited from the Non-Habitual Resident Regime (RNH) are not eligible for this benefit, nor are those who have opted for taxation under the former residents' tax regime.

That said, individuals who become residents in Portuguese territory and who have not been residents in Portuguese territory in any of the previous five years may benefit from the IFICI regime, provided that they carry out one of the activities listed in Article 58-A of the Portuguese Tax Benefits Statute.



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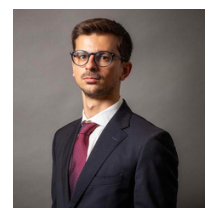
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The activities eligible for IFICI benefits are aimed at more restricted targets, including, among others, teaching in higher education, scientific research and highly skilled professions, such as information and communication technology specialists.

Persons resident in Portuguese territory who wish to benefit from IFICI must submit their applications by January 15 of the year following that in which they become residents in Portugal. The application must be submitted in accordance with the activity carried out to one of the competent entities for its assessment, depending on the eligibility criteria applicable to the specific case.

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