



ALTERATION TO THE RULES OF FISCAL REPRESENTATION OF THE NON-RESIDENT

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A representação fiscal é o elo de ligação entre a Autoridade Tributária e o contribuinte não residente.

The fiscal representation is the link between the Tax Authority and the non-resident tax payer.

The fiscal representative ensures the permanent contact between the tax administration and the taxpayers, for the purposes of receiving correspondence, fulfilling obligations or exercising their rights with the Tax Authority.

As a rule, the fiscal representative is not responsible for the payment of taxes of the non-resident citizen, except if the latter exercises a self-employed activity subject to VAT, in which case the fiscal representative may be jointly and severally liable for the payment of VAT.

For citizens resident in a country of the European Union (EU), Norway, Iceland or Liechtenstein (EEA), the adherence to electronic notifications or the appointment of a tax representative is always optional.

Previously, all taxpayers who were absent from Portugal for a period exceeding 6 months or who were resident in a country outside the EU and the European Economic Area, were always required to appoint a tax representative.

Following the Circular Letter no. 90054 of 06/06/2022, citizens resident outside the EU and EEA are no longer obliged to have a fiscal representative.

The appointment of a tax representative becomes mandatory only when the Taxpayer resident outside the EU and EEA, is subject of a legal-tax relationship, namely, is the owner of a vehicle or real estate registered in the Portuguese territory, celebrates an employment contract or exercises a self-employed activity in the Portuguese territory.

On 09 July 2022, Decree-Law 44/2022 came into force, which waives the requirement to appoint a tax representative when the Taxpayer adheres to one of the following dematerialised notification channels:

- 1) Public service of electronic notifications associated to the digital single address;
- 2) Electronic notifications and summonses system in the Finance Portal;
- 3) Electronic mailbox.

The deadline for compliance with the obligation to appoint a fiscal representative or to adhere to one of the modalities of dematerialised notifications is 15 days as from the taxable event that gives rise to the legal tax relationship. Failure to appoint a tax representative, when mandatory, is punishable by a fine of between €75 and €7.500.

Portuguese taxpayers resident in the United Kingdom - whose appointment of a tax representative was mandatory since 1 January 2021 - will be able to join the system of electronic notifications and summonses on the Finance Portal during the second half of 2022. Alternatively, if they choose not to join this system, they may appoint a tax representative until 31 December 2022, without any penalty.

Summary:

The adherence to electronic notifications or the appointment of a tax representative is always optional for citizens resident in country of the European Union (EU), Norway, Iceland or Liechtenstein (EEA).

When registering and attributing the tax identification number (NIF), citizens resident in countries outside the European Union (EU) and the European Economic Area (EEA), who are not subject to a legal-tax relationship with the Tax Administration, are exempt from appointing a tax representative or adhering to electronic notifications.

Taxpayers resident in countries outside the European Union (EU) and the European Economic Area (EEA), which have a tax relationship with Portugal, are obliged to appoint a fiscal representative or, alternatively, to adhere to one of the electronic notification methods.

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