



New Rules on Tax Representation in Portugal

Decree-Law 44/2022 was published on July 8, 2022, introducing substantive amendments to article 19 of the Portuguese General Tax Law in order to exempt the mandatory appointment of a tax representative whenever taxable persons adhere to any of the electronic notification channels provided for under Portuguese law.

In order for taxable persons to benefit from this alternative to appointing a tax representative, they will need to subscribe to one of the following electronic notification channels:

- the public electronic notifications service associated with the digital single address (MUD);*
- the electronic notifications and summonses scheme on the website of Portuguese Tax Authorities (known as “Portal das Finanças”); or*
- the electronic mailbox*

In addition, from January 1st, 2023, all taxable persons subscribing to the public electronic notifications service associated with the MUD or the electronic notifications and summonses regime on the Portal das Finanças will be exempt from subscribing to the electronic mailbox (commonly known as ViaCTT).

Taxable persons resident outside the European Union (EU) or the European Economic Area (EEA)

Under the rules currently in force (as set out in Circular Letter no. 90054/2022, of 6 June), the appointment of a tax representative by taxable persons not resident in the European Union is no longer compulsory when applying for a Portuguese tax identification number. This appointment was, however, mandatory within 15 days from the constitution of a legal tax relationship in Portugal between such taxable persons and the Portuguese Tax Authorities (“TA”), which would happen, namely, if

- 1) were owners of vehicles and/or real estate registered/situated in Portuguese territory;*

- 2) entered into an employment agreement in Portugal; or
- 3) carried out a self-employed activity in Portuguese territory.

When this diploma enters into force, in practical terms, the taxable person will no longer be obliged to appoint a tax representative, under the alternative condition of adhering to one of the aforementioned electronic communication channels.

The cancellation of adhesion to one of these channels shall only take effect after the prior appointment of a tax representative.

Citizens resident in the EU/EEA

For non-resident citizens with an address in an EU/EEA country, as the tax representation is already optional, so will be the adherence to such notification channels.

Citizens with tax residence in the United Kingdom

In particular, as regards taxable persons who have their address in the United Kingdom and are party to a legal-tax relationship in Portugal, it should be noted that Circular-Letter No. 90056/2022, of June 15, has established a transitional period, under which they will be able to appoint a tax representative or, alternatively, adhere to a electronic notification channel until December 31, 2022, without any penalty.

In short, this measure represents a sound administrative simplification that follows the technological evolution and the necessary reconfiguration of the means of communication between taxable persons and the Portuguese Tax Authorities, relieving the taxable persons from the burdens associated with the mandatory appointment of a tax representative in Portugal.

The waiver of the obligation to appoint a tax representative came into force on July 9, 2022. The exemption from mandatory adherence to the electronic mailbox will enter into force on January 1, 2023.

We are obviously available for any clarification that may be necessary. In any case, we recommend the reading of [Decree-Law No. 44/2022](#).

Contacto:

Mário Silva Costa – mario.costa@pbbr.pt
