United Kingdom - Publication: Implications of Ending Portugal’s Non-Habitual Residents Regime

KPMG LLP in the United Kingdom has released an online publication on the Portuguese government’s announcement regarding the end of the Non-Habitual Residents regime from 1 January 2024 onwards.

See "The end of an era: Portuguese Non-Habitual Residents regime to end" (30 October 2023).

This publication discusses the impact of this change (from 1 January 2024 onwards) and what this might mean for U.K. resident non-U.K. domiciled taxpayers.

WHY THIS MATTERS

Individuals considering relocating to Portugal will no longer be able to access the special tax regime, unless they meet the relevant conditions and hold a valid residence visa as at 31 December 2023.

This may mean a more burdensome tax situation for employees relocating on assignment to Portugal in future and higher assignment costs for their employers.

KPMG LLP (U.K.) INSIGHTS

This announcement was made as part of the Portuguese government’s State Budget Law Proposal for 2024 and, although not yet definite, is highly likely.

The changes could impact taxpayers from jurisdictions other than the U.K. with plans to relocate to Portugal.
KPMG LLP (U.K.) INSIGHTS continued:

If taxpayers (and their employers) believe they may be affected, they may wish to consult with their qualified tax professionals, KPMG’s Global Mobility Services team in Portugal (partner and country lead Sandra Aguiar (saguiar@kpmg.com)) or, where relevant, a member of the tax team with KPMG LLP in the U.K. (see the Contacts section).

FOOTNOTES:

1 For more information on Portugal's Non-Habitual Residents regime, see sections 2.3 and 2.8 of *Taxation of International Executives: Portugal*, a KPMG International publication.

2 For the Portuguese budget and related documents, see (in Portuguese) the website for *Proposta de Lei do Orçamento do Estado 2024*.

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in the United Kingdom:

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The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom.

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