BRIS GROUP

PORTUGAL

PRIVATE LIMITED COMPANY (LDA.)

CLIENT GUIDE 2026

EU company formation, taxation, holding structures and annual compliance

Professional company formation and ongoing corporate administration

BRIS GR LIMITED | 66 Paul Street, London EC2A 4NA, United Kingdom

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

Portugal Private Limited Company (Lda.) at a Glance

A Portuguese **sociedade por quotas (Lda.)** is a private limited company whose capital is divided into quotas. It is one of the principal Portuguese forms for privately owned operating businesses. A single-owner version is available as a **sociedade unipessoal por quotas**.

Topic	Current legal / practical position
Ownership	A standard Lda. has two or more shareholders (natural and/or legal persons). A single shareholder may use a Sociedade Unipessoal por Quotas.
Liability	Shareholder liability is generally limited to the company's capital; company assets answer for company debts, subject to statutory exceptions.
Share capital	Capital is freely set by the shareholders for an ordinary Lda.; each quota must be at least **EUR 1**. Special regulated activities can require higher capital.
Formation	Companies may be incorporated through Empresa Online, Empresa na Hora or the traditional registration route.
Corporate income tax	For tax periods beginning in **2026**, the general mainland IRC rate is **19%**.
SME / Small Mid Cap	Qualifying SMEs and Small Mid Caps carrying on agricultural, commercial or industrial activity benefit from **15%** on the first EUR 50,000 of taxable income, with the general rate on the excess, subject to the statutory rules.
VAT - mainland	Mainland VAT rates are generally **23%** standard, **13%** intermediate and **6%** reduced.
Tax residence	A company with its seat or effective management in Portugal is subject to IRC on its **worldwide income**, including income obtained abroad.

Key Benefits for International Clients

- EU-incorporated limited liability company with euro-denominated business environment.
- Very low statutory minimum quota value: EUR 1 per shareholder.
- Single-owner company form available.
- 19% general mainland corporate income tax rate for 2026.
- 15% rate on the first EUR 50,000 of taxable income for qualifying SMEs / Small Mid Caps.
- Portuguese participation-exemption regime can eliminate corporate tax on qualifying dividends and gains.
- EU VAT framework and access to Portugal's double-tax treaty network.
- Suitable for trading, consulting, technology, e-commerce, services, holding and other genuine operations.

The Tax Position for a Non-Resident Owner

Portugal is NOT a blanket 0% foreign-source company jurisdiction

A Portuguese Lda. does not become tax-free because its shareholders, directors, customers or income are outside Portugal. Article 4 of the Corporate Income Tax Code provides that entities with their seat or effective management in Portugal are taxed on **all income, including income obtained outside Portugal**.

Portugal should therefore be presented as an **EU operating and holding jurisdiction** with ordinary corporate taxation plus specific participation, treaty and EU reliefs—not as a territorial offshore structure.

Formation / Registration Requirements

Topic	Current legal / practical position
Company name	A pre-approved name may be used or a certificate of admissibility obtained for another approved name.
Constitution	Empresa Online, Empresa na Hora and traditional formation routes are available.
Capital	For quota companies the capital may be freely fixed, with a minimum quota of EUR 1.
Accountant	A certified accountant can be appointed during formation or subsequently, according to the official formation procedure.

Topic	Current legal / practical position
Shareholders	Standard Sociedade por Quotas: at least two shareholders. Sociedade Unipessoal por Quotas: one shareholder.
Corporate shareholder	A legal person may hold a quota; official formation guidance specifies corporate documents required for a corporate shareholder.
Management	The company is managed by one or more managers (gerentes), with representation arrangements established in the corporate documents.
Registered office	Portuguese registered office required.
Business activities	The company must register its intended activities; regulated activities can require licences/authorisations.

Share Capital

Official Portuguese government guidance confirms that ordinary quota-company capital is **freely fixed by the shareholders**, except where special legislation applies. Each quota must have a value of at least **EUR 1**. For a single-member quota company, the sole shareholder holds the entire capital.

Capital payment can be flexible

For quota companies, official formation guidance allows capital to be deposited before incorporation, within five business days after incorporation, or—where the relevant declaration route is used—by the end of the first financial year. The correct method should be selected during formation.

Corporate Income Tax - 2026

Article 87 of the Portuguese Corporate Income Tax Code, as amended by Law 64/2025, contains a transition rule under which the general IRC rate for tax periods beginning during **2026 is 19%**. The legislation provides a further scheduled reduction to 18% for tax periods beginning in 2027 and 17% from 2028, unless subsequently amended.

SME / Small Mid Cap Rate

Qualifying small and medium-sized enterprises and Small Mid Caps carrying on agricultural, commercial or industrial activities are taxed at **15%** on the first **EUR 50,000** of taxable income, with the applicable general rate on the excess. The reduced rate is subject to the statutory eligibility and EU de minimis-aid rules.

Participation Exemption

Portugal provides a statutory participation-exemption regime for qualifying dividends and capital gains. Current Article 51 provides exemption for qualifying distributed profits where the relevant participation, holding-period, taxation and anti-abuse conditions are satisfied. Article 51-C extends the regime to qualifying gains on disposals of equity interests. Eligibility must be reviewed carefully for each holding structure.

Dividend / Cross-Border Withholding Tax

Portuguese-source investment income and other payments can be subject to withholding tax under the Corporate Income Tax Code. Article 94 provides a general **25%** IRC withholding rate for covered payments, subject to specific rules. For qualifying corporate dividends, Article 14 and applicable EU Parent-Subsidiary/treaty provisions can provide exemption or reduction where all conditions and documentary requirements are met.

VAT - Mainland Portugal

Mainland Portugal applies VAT at **23%** standard, **13%** intermediate and **6%** reduced rates for the relevant categories. Zero-rated treatment can apply to specified transactions such as qualifying exports and intra-Community supplies. Madeira and the Azores have separate regional VAT rates, so this guide's headline VAT rates relate to mainland Portugal.

Documents Required from the Client

• Passport / acceptable identification for shareholders, managers and UBOs.

• Portuguese tax identification number (NIF) arrangements where required.

• Recent proof of residential address.

• For corporate shareholders: incorporation, constitutional, management and ownership-chain documents.

• Proposed company name, Portuguese registered office and detailed business activities.

• Proposed capital, quota ownership and management/representation arrangements.

• Expected countries of operation, customers/suppliers, turnover and transaction profile.

• Source-of-funds and, where appropriate, source-of-wealth evidence.

• Certified translations, apostilles/legalisation or powers of attorney where required.

Formation Process & Documents Received

1. Structure/tax review **2.** KYC/AML & NIF preparation **3.** Name / constitutional documents **4.** Company registration **5.** Tax/VAT/accounting setup **6.** Banking and annual compliance

Typical corporate file: commercial registration / permanent certificate access; articles/company contract; quota and shareholder information; manager/representation records; registered-office details; tax identification and activity-registration information; and VAT/accounting records where applicable.

Accounting & Annual Compliance

A Portuguese Lda. is subject to Portuguese bookkeeping, financial-reporting and tax obligations. A certified accountant is normally central to the company's ongoing tax and accounting compliance. Annual accounts, corporate income tax filings, VAT reporting, payroll/social-security obligations and corporate registry filings must be addressed according to the company's actual activity and size.

Foreign business remains Portuguese-taxable

A Portuguese-resident Lda. is taxed on worldwide income. Invoices to foreign customers or the absence of Portuguese customers do not create a general corporate-tax exemption. Double-tax treaties, foreign tax credits and participation exemption may prevent or reduce double taxation where their conditions are met.

Annual Compliance Checklist

- Maintain Portuguese registered office and current commercial-registry particulars.
- Maintain current shareholders, managers and beneficial-owner information.
- Maintain proper bookkeeping and supporting accounting records.
- Prepare annual financial statements and complete required annual corporate reporting.
- File the corporate income tax return and pay IRC due.
- Review tax prepayments and other corporate-tax obligations.
- File VAT returns and EU recapitulative reporting where applicable.
- Maintain certified-accountant arrangements.
- Review payroll and social-security obligations where personnel/managers are remunerated.
- Review withholding tax before dividends, interest, royalties or other covered payments.
- Document participation-exemption and treaty eligibility before relying on relief.
- Review transfer-pricing and related-party transactions where applicable.
- Maintain bank KYC and evidence of genuine commercial activity.

Bank Account & Operational Setup

A Portuguese Lda. may apply for corporate banking in Portugal, elsewhere in the EEA or internationally, subject to provider policy. Banks can request company-registration documents, managers and UBO details, source of funds/wealth, contracts, expected turnover, customer/supplier countries, tax information and evidence of genuine business activity.

Why Portugal Can Be Attractive

Topic	Current legal / practical position
EU company	Portuguese legal entity operating within the EU legal and VAT framework.
Low capital	Ordinary quota companies can be formed with quotas from EUR 1.
2026 CIT	General mainland rate of 19%, with a 15% first-band rate for qualifying SMEs/Small Mid Caps.
Holding regime	Participation exemption can eliminate tax on qualifying dividends and capital gains.
Treaty / EU access	Potential relief under Portugal's treaty network and EU directives, subject to conditions.
Commercial use	Suitable for genuine trading, consulting, technology, e-commerce, services and holding activities.

How BRIS Group Supports You

Structure review - Assess whether a Portuguese Lda. or Sociedade Unipessoal por Quotas fits the client's ownership, business and tax profile.

Formation - Coordinate company name, constitutional documents and Portuguese registration.

NIF / KYC - Coordinate tax-identification, shareholder, manager, UBO and source-of-funds/wealth requirements.

Registered office - Coordinate Portuguese registered-office services where available.

Accounting & tax - Coordinate bookkeeping, annual accounts, corporate income tax and VAT support.

Holding review - Coordinate professional review of participation-exemption and treaty/EU relief conditions where relevant.

Banking preparation - Prepare the corporate/KYC package and coordinate banking introductions where available.

Annual compliance - Coordinate accounting, tax, registry changes and ongoing corporate administration.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Portugal Lda. formation and maintenance and is not a fee quotation. BRIS Group professional fees, Portuguese registration costs, registered-office services, NIF assistance, accounting/tax work, certified documents, banking support and other optional services are quoted separately according to the structure and required work.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Portuguese or foreign legal, tax, accounting, regulatory or investment advice. **A Portuguese Lda. is not a blanket 0% foreign-source structure.** Portuguese-resident entities are subject to IRC on worldwide income. For tax periods beginning in 2026, the general mainland corporate income tax rate is 19%, with specific reduced rates and exemptions available only where statutory conditions are satisfied.

Primary official/legal sources reviewed: Portuguese Tax and Customs Authority (Autoridade Tributária e Aduaneira), including current Corporate Income Tax Code Articles 4, 14, 51, 51-C, 87 and 94 and official VAT materials; Gov.pt and Justiça.gov.pt / Instituto dos Registos e do Notariado guidance on Sociedade por Quotas, Sociedade Unipessoal por Quotas, Empresa Online, Empresa na Hora and share capital.

Information reviewed: August 2026. Tax rates, participation-exemption conditions, withholding-tax relief, VAT treatment, filing requirements and regulated-activity requirements should be reconfirmed for the client's facts before incorporation or transactions.

PREPARED BY BRIS GROUP

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Professional incorporation and corporate administration for international clients.