



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

The bank
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Despite managing well relatively the epidemic within its borders, the Portuguese economy has suffered strongly from the Covid-19, impacted by the collapse in tourism inflows and foreign activity, particularly in Spain. Indeed, Portugal is a small economy within the Eurozone and rely comparatively more on its exports, which accounted for 44% of GDP in 2020. Real GDP fell by 7.6% in 2020.

In the years following the creation of the single currency, growth was accompanied by the build-up of significant imbalances in the private sector, declining competitiveness and fragile public finances. During the Eurozone debt crisis, the country lost access to the financial markets and was placed under a European financing and adjustment programme. Painful reforms and fiscal consolidation had borne fruit, as Portugal left the excessive deficit procedure in the summer 2017. Strong and steady economic growth between 2014 and 2019 helped to further address economic imbalances. By the end of summer 2021, economic activity had almost fully recovered from the damage inflicted by the coronavirus crisis.

Structural weaknesses and legacy issues from the financial crisis remain (low potential growth, high public and corporate debt, declining but still large stock of non-performing assets). Further public and private debt deleveraging is desirable. Low potential growth, fuelled essentially by low productivity – remains a major obstacle. Addressing these challenges, through higher physical and human capital investment remain a key challenge for the country in the coming years.

Summary

BNP Paribas presence

BNP Paribas first established a presence in Portugal in 1985, the first foreign bank to do so, with a business centre based in Lisbon. Since then, the bank has continued to invest heavily in the country across all business lines, including Corporate and Investment Banking. BNP Paribas has more than 1,800 employees in Portugal supporting nearly 1.8m clients.

Currency

Currency

- Portugal uses the euro (EUR).

Exchange rates

	2016	2017	2018	2019	2020
Exchange rate: EUR per USD	0.9040	0.8873	0.847	0.893	0.88

Source: IMF, International Financial Statistics, July 2021.

Central Bank

- The Portuguese central bank is Banco de Portugal (www.bportugal.pt).
- The Banco de Portugal is a member of the European System of Central Banks (ESCB) and operates certain activities, such as issuing currency, under the authority of the European Central Bank (ECB – www.ecb.europa.eu).

Bank supervision

- In November 2014, the ECB, via the Single Supervisory Mechanism (SSM), assumed responsibility for supervising the financial stability of banks operating within the euro zone. However, while the ECB has final supervisory authority over all banks operating within the euro zone, it will only directly supervise those banks classified as ‘significant’ under the terms of the SSM (115 significant banking groups have been recognized to date). ‘Less significant’ banks will continue to be supervised by the national supervisory authority, i.e. the Banco de Portugal.
- The National Council of Financial Supervisors (CNSF) promotes cross-sector financial supervision and cooperation with overseas regulators.

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Portugal if has a registered office or its place of effective management is located there.

Bank accounts for resident entities

	Within PORTUGAL	Outside PORTUGAL
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

Bank accounts for non-resident entities

	Within PORTUGAL	Outside PORTUGAL
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

Lifting fees

- [Lifting fees](#) are applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓
Domestic incoming transfers	✓
Virtual IBAN	✓

Virtual accounts	<input type="radio"/>
International incoming transfers	<input checked="" type="checkbox"/>
Card acquiring	<input checked="" type="checkbox"/>

Payments

Cash withdrawals	<input checked="" type="checkbox"/>
Cheque payments	<input checked="" type="checkbox"/>
Direct debit payments	<input checked="" type="checkbox"/>
Domestic outgoing transfers	<input checked="" type="checkbox"/>
Commercial cards	<input type="radio"/>
Virtual cards	<input checked="" type="checkbox"/>
International outgoing transfers	<input checked="" type="checkbox"/>
SWIFT gpi	<input checked="" type="checkbox"/>
Real-time international payments through BNP Paribas' network	<input type="radio"/>
Card issuing	<input checked="" type="checkbox"/>

Channels

Local e-Banking	<input type="radio"/>
Global e-Banking - Connexis	<input checked="" type="checkbox"/>
SWIFT/ host to host	<input checked="" type="checkbox"/>

Market overview

Credit transfers are the instrument most commonly used by companies to make supplier payments. The majority of credit transfers are initiated electronically, with a falling proportion initiated via a paper form. The use of payment cards is increasing rapidly in Portugal; the overwhelming number of card transactions are made using a debit card. Contactless payments are also on the increase. In 2020, contactless payments increased by 163% in volume and 271% in value. Digital wallets are available but to date the adoption of mobile wallets has been low.

In November 2020, the central bank published its National Strategy for Retail Payments 2022. The strategy aims to: promote greater coverage of the network of contactless point-of-sale (POS) terminals and payment cards; foster the widespread use of instant transfers; to identify and propose the revision of legislative acts and other regulation that impose/favour the use of paper-based payment instruments, in particular cheques; and to assess the feasibility of making a legislative amendment requiring firms to accept, together with cash, at least one electronic payment instrument.

Electronic banking services are available from all large banks. Portugal has adopted the ISO 20022 XML financial messaging standard. Online and mobile banking services are provided by the country's leading banks.

Payment Systems

TARGET 2-PT	TYPE	<ul style="list-style-type: none">• Real-time gross settlement.• Portuguese component of the pan-European TARGET2 system.
	PARTICIPANTS	<ul style="list-style-type: none">• 59.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none">• High-value and urgent Eur-denominated domestic and cross-border credit transfers.• All card-based payments and bills of exchange with a value greater than EUR 100,000 and credit transfers, direct debits and cheques with a value greater than EUR 500,000 are settled via TARGET2-PT.
	OPERATING HOURS	<ul style="list-style-type: none">• 06:00-17:00 GMT, Monday to Friday.

	CLEARING CYCLE DETAILS (eg cut-off times)	<ul style="list-style-type: none"> • Payments are cleared and settled in real time. • Customer payment cut-off time = 16:00 GMT. • Interbank payment cut-off time = 17:00 GMT.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • TARGET2-PT is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May and 25 and 26 December.
SICOI	TYPE	<ul style="list-style-type: none"> • Automated interbank settlement and exchange system.SICOI has six subsystems: • Multibanco. • Cheque subsystem. • Electronic funds transfer subsystem (SEPA and non-SEPA). • Direct debit subsystem (<i>Subsistema de Débitos Diretos – SDD SEPA Core and SDD SEPA B2B</i>). • Instant transfer subsystem. • Bill of exchange subsystem.
	PARTICIPANTS	<ul style="list-style-type: none"> • Multibanco: 25 direct, 13 indirect. • Cheque: 40 direct, 9 indirect. • SEPA Credit Transfers: 30 direct, 17 indirect. • Non-SEPA Credit Transfers: 25 direct, 7 indirect. • Instant Transfers: 14 direct, 3 indirect. • SDD SEPA CORE: 26 direct, 13 indirect. • SDD SEPA B2B: 12 direct, 4 indirect. • Bill of exchange: 16 direct, 3 indirect.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • Multibanco: card transactions at ATM or EFTPOS terminals. • Cheque: cheques with a value below EUR 10,000. • SEPA Credit Transfers: SEPA credit transfers. • Non-SEPA Credit Transfers: non-SEPA credit transfers. • SDD SEPA: pre-authorised SEPA direct debits. • Instant Transfers: Instant credit transfers with a value of up to EUR 100,000. • Bill of exchange: commercial bills of exchange.
	OPERATING HOURS	<ul style="list-style-type: none"> • 24 hours a day, Monday to Friday.

	<p>CLEARING CYCLE DETAILS (eg cut-off times)</p>	<ul style="list-style-type: none"> • Payments are processed in batches in all subsystems except the Instant Transfer subsystem, which processes payments in real time. • Cut-off time for overnight settlement of SCTs by 09:00 GMT = 23:30 GMT. • Cut-off time for same-day settlement of SCTs by 09:30 GMT = 06:45 GMT. • Cut-off time for same-day settlement of SCTs by 12:30 GMT = 11:15 GMT. • Cut-off time for same-day settlement of SCTs by 15:00 GMT = 13:45 GMT. • Cut-off time for same-day settlement of SCTs by 16:30 GMT = 16:00 GMT. • Cut-off time for overnight settlement of Non-SEPA credit transfers by 09:30 GMT = 21:00 GMT. • Cut-off time for same-day settlement of Non-SEPA credit transfers by 15:00 GMT = 13:45 GMT. • Cut-off time for overnight settlement of Card-based payments by 09:00 GMT = 20:00 GMT. • Cut-off time for overnight settlement of bills of exchange by 09:00 GMT = 21:30 GMT. • Cut-off time for same-day settlement of cheques by 09:30 GMT = 03:30 GMT. • Cut-off time for same-day settlement of Consumer (CORE) SDDs by 14:00 GMT = 12:00 GMT. • Cut-off time for same-day settlement of B2B SDDs by 14:00 GMT = 12:00 GMT.
	<p>SYSTEM HOLIDAYS</p>	<ul style="list-style-type: none"> • SICOI is closed at weekends and on all Portuguese bank holidays. • Portugal's bank holidays are: <ul style="list-style-type: none"> ◦ 2nd half 2021: 15 August, 5 October, 1 November, 1, 8, 24, 25 December. • 2021: 1 January, 1 March, 15, 25 April, 1 May, 10, 13, 16 June, 15 August, 5 October, 1 November, 1, 8, 24, 25 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- The use of credit transfers increased 8% in volume and 3.5% in value in 2020. Instant transfers increased by 81.3% in volume and 50.4% in value.
- SEPA credit transfers can be settled via SICOI's SEPA Credit Transfers subsystem or STEP2.
- Approximately 36 banks in Portugal participate in the SEPA credit transfer scheme.

- Low-value, non-SEPA credit transfers are settled via SICOI on a next-day basis.
- High-value and urgent domestic and cross-border (within the euro zone) credit transfers with a value greater than EUR 100,000 are settled in real time via TARGET2.
- High-value and urgent cross-border credit transfers can also be settled with end-of-day value via the Euro Banking Association's EURO1 system. Five banks in Portugal participate directly in EURO1.
- High-value, cross-border credit transfers in domestic and other currencies can be processed via SWIFT and settled through correspondent banking and bank branch networks.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds. There are 16 participants.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

- Direct debits are used for regular payments, such as utility bills.
- SEPA CORE and B2B direct debit schemes can be settled on a same-day basis via SICOI's SDD SEPA subsystem or STEP2. There are 29 participants in the Core SDD scheme and 12 on the B2B SDD scheme.

Cheques

- The cheque is an important cashless payment instrument used by both consumers and companies. In 2020, cheque volume and value declined 27.9% and 27.8% respectively.
- Low-value cheques (with a value of EUR 10,000 or less) are truncated into electronic items before being settled via SICOI on a next-day basis.
- High-value cheques (with a value greater than EUR 10,000) are processed via the CIIC, the interbank cheque image exchange system. There are 40 participants in the CIIC.
- Cheques with a value greater than EUR 500,000 are processed via TARGET2-PT.

Card payments

- Card payments are increasingly popular, especially for retail transactions. In 2020, card payments accounted for 85% of the volume of total cleared transactions.
- There were 24.7 million debit cards and 8.65 million credit and charge cards in circulation at the end of 2020.
- Visa Electron, Maestro and Cirrus-branded debit cards are the most widely issued.
- Visa and MasterCard-branded credit cards are the most widely issued. UNIBANCO, a national credit card, is issued by UNICRE.
- Card payments are cleared via Multibanco.
- Contactless card technology is available in Portugal. In 2020, contactless payments accounted for 23.6% of total card payments in terms of volume and for 12.9% in terms of value.
- The majority of cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 14,300 ATMs in Portugal at the end of 2020.
- There were 393,600 EFTPOS terminals in Portugal at the end of 2019.
- All payments are cleared via Multibanco.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Electronic wallet schemes are becoming increasingly popular in Portugal.
- Pre-paid cards are issued by some retailers, phone companies and universities.
- Mobile payment schemes such as paysafecard and Google Pay are available but adoption to date has been slow.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents.

Demand deposits

- Interest-bearing [demand deposit](#) accounts are available for residents and non-residents.

Time deposits

- Time deposits are available in EUR or major foreign currencies for terms ranging from one week to one year.

Certificates of deposit

- Domestic banks and the Banco de Portugal offer certificates of deposit.

Treasury (government) bills

- The Portuguese Government Debt Agency (IGCP) issues Treasury bills with maturities of three, six or 12 months.
- The IGCP, issues fixed-rate government bonds with terms ranging from one to 50 years.

[Commercial paper](#)

- Domestic and international [commercial paper](#) is issued in Portugal.

Money market funds

- Money market funds are available in Portugal.

Repurchase agreements

- Repurchase agreements (repos) are available in Portugal.

Banker's acceptances

- Banker's acceptances are not used in Portugal.

Trade payments

Documentary credits	<input checked="" type="checkbox"/>
Documentary collections	<input checked="" type="checkbox"/>

Guarantees

Bank guarantees	<input checked="" type="checkbox"/>
Standby letters of credit	<input checked="" type="checkbox"/>

Supply chain management

Receivables	<input checked="" type="checkbox"/>
Payables	<input checked="" type="checkbox"/>
Inventory	<input checked="" type="checkbox"/>

Trade channels

Connexis Trade	<input checked="" type="checkbox"/>
Connexis Supply Chain	<input type="checkbox"/>
SWIFTNet Trade for Corporates	<input checked="" type="checkbox"/>
Connexis Connect	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

- BNP Paribas' Global Trade Solutions (GTS) team in Portugal offers a comprehensive range of trade finance products and solutions to corporates headquartered in, and operating in Portugal. The local GTS team comprises a senior trade manager based in Lisbon, with the support of the GTS team in Spain for advisory services. In addition, a team of 3 senior trade officers is dedicated to letters of credit, guarantees and documentary collections. As a result of the strength of this expertise, BNP Paribas is able to offer customised solutions, advisory and training to support clients' diverse needs.

International trade

General trade rules

- As a member of the EU, Portugal follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.

Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA.
- The EU-UK Trade and Cooperation Agreement came into force on 1 May 2021.

Imports / exports

Imports	Cars and vehicle parts	Crude petroleum	Aircraft	Packaged medicines	Refined petroleum	Natural gas
Primary Import sources	Spain (29.0%)	Germany (13.0%)	France (9.0%)	Italy (5.0%)	Netherlands (5.0%)	
Exports	Cars and vehicle parts	Refined petroleum	Leather footwear	Paper products	Tyres	

Export markets	Spain (23.0%)	France (13.0%)	Germany (12.0%)	UK (6.0%)	USA (5.0%)	Netherlands (4%)
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Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	54,324	60,227	66,410	64,886	59,697
	- services USD m	29,582	35,111	39,351	39,884	25,584
Imports	- goods USD m	64,980	75,329	84,824	83,114	73,559
	- services USD m	14,294	16,601	18,768	19,938	15,753
Current account as % GDP		+ 0.6	+ 1.4	+ 0.6	+ 0.4	- 2.0

Sources: IMF, International Financial Statistics, July 2021.

Trade finance - Imports

Documentation

- Documentation is not required for imports from within the EU, although a commercial invoice should be supplied.
- The following documentation is required in order to import goods into Portugal from outside the EU:
 - customs declaration
 - commercial invoice
 - bill of lading
 - packing list
 - certificate of origin (in certain cases).

Import licences

- Import licences are required for items with quantitative restrictions from outside the EU and for items from within the EU that are deemed to be of national interest or of a strategic nature.

Import taxes and tariffs

- Tariffs are set according to the EU customs code for all imports from outside the EU, with higher tariffs for agricultural imports.

Financing requirements

- None

Risk mitigation

- None

Prohibited imports

- Portugal prohibits the import of certain items in line with EU regulations and UN Security Council resolutions.
- Specific imports are prohibited in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.

Trade finance - Exports

Documentation

- Documentation is not required for exports from within the EU, although a commercial invoice should be supplied.

- The following documentation is required in order to export goods from Portugal outside the EU:
 - customs declaration
 - commercial invoice
 - bill of lading
 - packing list
 - certificate of origin (in certain cases).

Export licences

- Licences are required when exporting goods subject to international controls.
- Licences are also required when exporting items subject to strategic controls, dual-use goods, precursor chemicals; and agricultural goods subject to the Common Agricultural Policy (CAP).

Export taxes and tariffs

- None

Financing requirements

- None

Risk mitigation

- Portugal has implemented the EU directive on export credit insurance.
- Companhia de Seguros de Créditos (COSEC), Portugal's national export credit agency, provides state-supported export credit insurance.
- Export credit insurance is also available from private insurance companies.
- Export financing is available from commercial banks.

Prohibited exports

- Portugal prohibits the export of certain items in line with EU regulations and UN Security Council resolutions.

Regulatory requirements

Reporting regulations

- All transactions with an aggregate value greater than EUR 100,000 into and out of accounts held overseas by residents with external operations must be reported to the Banco de Portugal on a monthly basis.

Exchange controls

- Portugal does not apply [exchange controls](#).

Taxation

Resident / non-resident

- A company is considered resident in Portugal if its head office or place of effective management is located in a Portuguese territory (mainland Portugal and the autonomous regions of Madeira and the Azores).

Financial instruments

- Tax rules follow accounting rules with regard to financial instruments. Revaluations registered in the profit and loss account are recognised for tax purposes unless they represent more than 5% of the share capital of the company or assets not registered on the stock market (in this event, the revaluations are taxed on the disposal of the assets). Revaluations recognised against equity are only relevant at the point of disposal of financial instruments.

Interest and financing costs

- Interest and financing costs considered indispensable to the company's activity are accepted as costs for tax purposes, except for pure holding companies (*sociedades gestoras de participações sociais*) when related to the acquisition of shares that lead to exempt capital gains or losses.

Foreign exchange

- Foreign exchange gains or losses are taxed when registered in the profit and loss account of financial statements, except for those related to assets that generate capital gains for tax purposes. The income subject to taxation is always assessed in EUR.

Advance tax ruling availability

- Three types of rulings are available to taxpayers: general, advance and advance pricing agreements (APAs).
- A general ruling provides the tax authorities' general interpretation of the law.
- An advance ruling provides the taxpayer with the tax authorities' position on a specific transaction.
- In an APA, the taxpayer obtains an agreement on the transfer pricing policies that will be adopted in transactions between related entities.

Capital gains tax

- Realised capital gains are included in taxable profits for corporate tax purposes, but gains on the disposal of shares may be exempt from tax under the participation exemption regime.
- The acquisition cost of capital assets disposed of after a minimum ownership period of two years may be adjusted for inflation, using official indices.
- Fifty per cent of gains derived from the disposal of tangible fixed assets and financial assets held for at least one year may be excluded from taxation if the total disposal proceeds are re-invested within a prescribed period. The reinvestment regime is not applicable to gains assessed in the context of mergers, demergers or asset-for-share deals, nor will it apply when assets are transferred with purposes other than the business carried out by the taxpayer.
- Capital gains derived from the indirect disposal of certain immovable property located in Portugal are subject to corporate income tax. This includes the disposal by a non-resident company of the shares (or similar rights) held in another non-resident company, if, during the 365 days preceding the disposal, more than 50% of the value of those shares (or rights) is related, directly or indirectly, to immovable property in Portugal (subject to certain conditions).

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	0%/25%	0%/25%	0%/25%	None
Non-resident entities	0%/25%/35%	0%/25%/ 35%	0% - 25%/35%	25%

- Interest paid to a non-resident company is subject to withholding tax at 25% is applicable (35% if paid to a listed tax haven) unless reduced under a tax treaty. Under the EU Interest and Royalties Directive, payments to qualifying EU recipients are exempt.
- Dividends paid to a non-resident company are subject to withholding tax at 25% (35% if paid to a resident of a listed tax haven). The rate may be reduced to 0% where the conditions for the domestic participation exemption regime are met and the recipient of dividends is resident in the EU/EEA or a tax treaty jurisdiction. If the participation exemption does not apply, the rate may be reduced under a tax treaty.
- Royalty payments made to a non-resident company are subject to withholding tax at 25% (35% if paid to a resident of a listed tax haven) unless the rate is reduced under a tax treaty. Under the EU Interest and Royalties Directive, payments to qualifying EU recipients are exempt.
- Technical service fees paid to a non-resident company are subject to withholding tax at 25% unless that rate is reduced or eliminated under a tax treaty.

Tax treaties / tax information exchange agreements (TIEAs)

- Portugal has 80 tax treaties, of which 78 are in force.
 - The OECD MLI entered into force on 1 June 2020.
 - Portugal, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, has signed a multilateral co-operation agreement with 30 other countries ('the MCAA'). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).
 - With country-by-country reporting, tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of information supported by such agreements as the MCAA. First exchanges under the MCAA started in 2017–18 on 2016 information.
- Thin capitalisation

Thin capitalisation

- Specific limitations apply to the tax deductibility of interest expense. Net financial costs are deductible only up to the greater of the following thresholds: EUR 1 million or 30% of the EBITDA as adjusted for tax purposes. Companies reporting under a tax group regime may apply the relevant thresholds at group level. The amount exceeding the threshold in a given year may be carried forward to the following five years up to the 30% threshold.

Transfer pricing

- Portugal's transfer pricing rules generally follow OECD transfer pricing guidelines. The tax authorities may make pricing adjustments if special relations exist between the parties. Companies must prepare documentation to support their transfer pricing policies.
- Taxpayers can request from the Portuguese tax authorities an APA, which sets out the transfer pricing methods and will ensure compliance with the arm's-length principle in transactions entered into between related parties. The agreement will be binding on the Portuguese tax authorities, once concluded.

Stamp duty

- Subject to exemptions, stamp duty is levied on various types of agreements, deeds and documents, as well as certain transactions not subject to VAT, such as the acquisition of real estate, leases and subleases, financial transactions, insurance premiums and certain bets.

Cash pooling

- There are no specific tax rules that apply to [cash pooling](#) arrangements.

Financial transactions / Banking services tax

- Please see [Stamp duty](#) above.

All information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 (see www.deloitte.com).



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