



EXCEPTIONAL MEASURES WITH TAX IMPACT, FOLLOWING THE PROPOSAL OF THE STATE BUDGET FOR 2012.

Subject	Present regime	Proposal of new rule for 2012
Tax regime for external loans	Art. 137.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011).	Maintaining of the same regime in 2012 for the exemption, regarding Individual Income Tax (IRS) or Corporate Income Tax (IRC) , from capital interest originating from abroad under a <i>Schuldscheindarlehen</i> loan agreement celebrated by the IGCP, IP, so long as the creditor is not a Portuguese resident without a permanent establishment in Portugal. This exemption is however subject to verification by the IGCP, IP with regards to the non-residency and non-permanent establishment in Portugal.
Special taxation regime for securities representative of debt which were emitted by non-resident entities	Art. 138.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011).	Maintaining of the same regime in 2012 for the exemption from IRS and IRC for the effective beneficiaries of income from securities representing public and non-public debt emitted by non-resident entities (when considered obtained in Portuguese territory under the terms of the CIRS and CIRC), whenever that are paid by the State of Portugal as guarantees for obligations taken by companies of which it is a shareholder together with other Member States of the EU. For this purpose, the effective beneficiary of the income must: a) be a non-resident without a permanent establishment in Portugal; b) not be a legal entity held, directly or indirectly, in more than 20% by resident entities; c) nor be a resident in a country, territory or region with a favorable tax regime. This exemption also applies to central banks and agencies of a governmental nature in the countries, territories or regions with favorable tax regimes.
Repo transactions	Art. 139.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011).	Maintaining of the same regime for 2012 for the exemption, regarding the Stamp Duty Tax, of sale and repurchase transactions of securities (or equivalent rights) made on the stock-market by financial institutions, particularly when they are credit institutions and financial companies, with the involvement of central counterparties.
Repo transactions with non-resident financial institutions	Art. 140.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011).	Maintaining of the same regime in 2012 for the exemption, regarding IRC, of gains obtained from non-resident financial institutions, with no permanent establishment in Portugal, in the carrying out of sale and repurchase transactions of securities made with resident credit institutions.

(continues on page 2)



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Tax Regime for promotion of Investment - Regime Fiscal de Apoio ao Investimento (RFAI)	Art. 134.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011). The RFAI 2009 ends on December 31 of 2011.	Extension of the RFAI until December 31 of 2012.
Tax Incentive System for Research and Business Development II - Sistema de Incentivos de Fiscais em Investigação e Desenvolvimento Empresarial II (SIFIDE II)	Art. 133.º, of Law n.º 55-A/2010, of December 31 (State Budget for 2011). The current regime provides for: a) the possibility to deduct expenses incurred from the operation with personnel directly involved in tasks related to Research and Development; b) the expenses incurred from the acquisition of patents predominantly destined to the carrying out of R&D activities and expenses for an audit in relation to R&D can be deducted by any company; c) the expenses for the operation of personal directly involved in R&D tasks can be deducted in their totality whichever the legal nature of the entity.	The following amendments should be underlined: a) Limitation of the possibility to deduct, up to a maximum of 55%, from the operating expenses of personnel directly involved in R&D tasks; b) the expenses incurred from the acquisition of patents predominantly destined to the carrying out of R&D activities and expenses for an audit in relation to R&D can be deducted only by micro, small and medium companies; c) the expenses for the operation of personal directly involved in R&D tasks can only be deducted up to 90% of the respective amount, except when dealing with micro, small or medium entities.
Regime for Tax Regularization - Regime de Regularização Tributária (RERT III)	The State Budgets for 2005 (RERT) and 2010 (RERT II, approved by Law n.º 3-B/2010, of April 28, which approved the State Budget for 2010), also approved special regimes for tax regularization in identical models to those proposed today.	The RERT III provides for the regularization of patrimonial elements (deposits, deposit certifications, capital shares, securities and other financial instruments including "life" type insurance policies linked to investment funds and capitalization operations in the "life" branch) which are not located on Portuguese territory on December 31 of 2010. Contrarily to the provisions of RERT II, this special regime, RERT III, is also applicable to the patrimonial elements located in countries or territories considered as non-cooperative by the <i>Grupo de Acção Financeira</i> (GAFI). Also in relation to the RERT II, the RERT III provides for an increase in the rate to pay for the regularization of the referred elements from 5% to 7,5%, and the repatriation of regularized elements to Portugal is no longer necessary. The taxpayers which proceed to the regularization in the proposed terms, until June 30 of 2012, will see their enforceable tax obligations extinguish, as well as the responsibilities for tax infringements excluded, in what regards regularized patrimonial elements.
Contribution in the banking sector	Art. 141.º of Law n.º 55-A/2010, of December 31 (State Budget for 2011), approved an extraordinary contribution in the banking sector.	Extension of the contribution in the banking sector for 2012 and amendment to article 3.º, which now also provides for the deduction of deposits within the scope of the Fundo de Garantia do Crédito Agrícola Mútuo.

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