

TIPS FOR
STARTING A
BUSINESS

This is an interactive document



1. I received a working proposal in which the payment is made after issuing an invoice. What do I have to do?

Before starting to work you must file one declaration for starting activities on the website *Portal das Finanças* on: [Serviços > atividade > início de atividade > entregar declaração](#).

If you are not a registered user you must request a password on: www.portaldasfinancas.gov.pt



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As an alternative, you may go to any [local tax office](#) or [citizen's service](#) center to file the mentioned declaration for starting activities.

With the declaration for starting activities you will automatically be registered both for tax purposes and for social security purposes.

2. What is the information needed on the procedure of starting an activity?

- The kind of work you're going to perform
- The date when you'll start the activity
- How much do you expect to earn until the end of the year
- The IBAN

3. What about the VAT regime?

When starting an activity, the VAT regime is set according to the amount you believe you will earn until the end of the current year. If the time frame is inferior to the calendar year, the amount will be converted into the corresponding annual amount. Examples:

Situation 1: A taxpayer who starts activity in October of year X foresees to earn 3.000 € in the three months left of year X.

Annualisation: $[(3.000 \text{ €} * 12) / 3] = 12.000 \text{ €}/\text{calendar year}$, converted amount
VAT framework: Normal regime ($> 10.000 \text{ €}/\text{calendar year}$)

Situation 2: A taxpayer who starts activity in October of year X foresees to earn 1.500 € in the three months left of year X.

Annualisation: $[(1.500 \text{ €} \times 12) / 3] = 6.000 \text{ €}/\text{calendar year}$, converted amount

VAT framework: Exemption regime predicted in article 53 ($< 10.000 \text{ €}/\text{calendar year}$)

Provided that you don't have organized accounts and are not required to have, according to Code of Personal Income Tax and Code of Corporate Income Tax, and that you do not accomplish import or export operations or connected activities. Additionally, you must not carry out an activity of transmission of goods or supply of services mentioned in annex E.

Therefore, depending on the annual amount determined you may be framed in one of the following regimes:



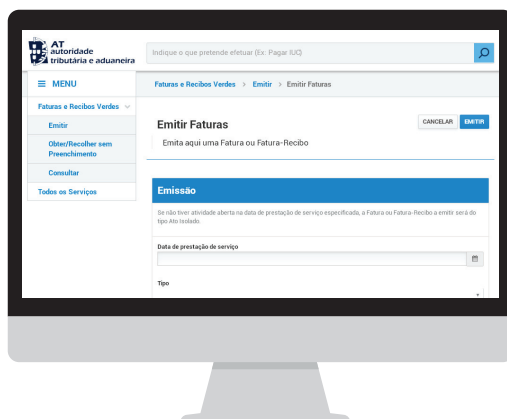
If you only carry out the activities provided in article 9 of the VAT Code you will always be exempted, regardless the amount received.

4. How do I issue the invoice or an invoice/receipt?

You must issue an invoice or an invoice/receipt. It can be issued by one of the following means:

On <i>Portal das Finanças</i> (invoices and invoices/receipt)	
Using an invoice book ordered in a printer approved by AT	You must make a monthly communication of the invoices issued by 15th of the month following that (<i>E-fatura</i>)
Using software certified by AT	You must make a monthly communication of the invoices issued by 15th of the month following that (<i>E-fatura</i>)

If you have chosen to do it through the website *Portal das Finanças* follow this link: [Serviços > Faturas e Recibos Verdes > Emitir > Emitir Faturas](#).

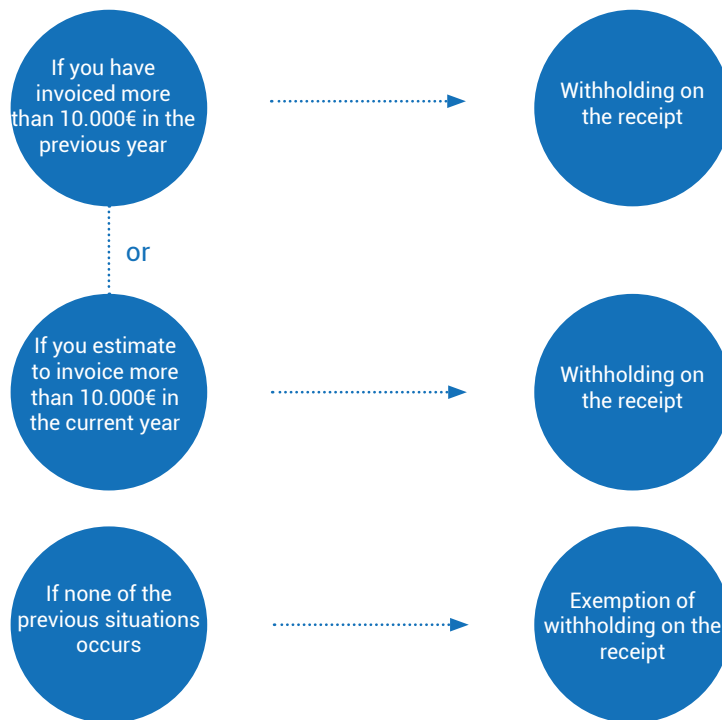


5. How do you fill the VAT field on the invoice?

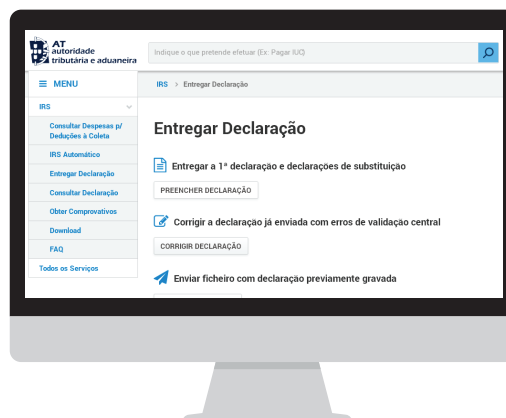
1. If you are exempted under article 53	You don't assess VAT. Just write on the invoices the expression "IVA – regime de isenção (artigo 53.º)"	If you invoiced more than 10.000 € (value per year or annualized). In January of the following year you must report it to AT. (file a declaration of amendment).
2. If you are exempted under article 9	You don't assess VAT. Just write on the invoice "IVA – isenção do artigo 9.º"	—
3. If you have been integrated in the normal regime	You must assess VAT and reflect it on the invoices	You must deliver the tax assessed, through <i>Portal das Finanças</i> , up to day 15 of the second month after each quarter (regime normal trimestral) or up to day 10 of the second month after the month when you carried out the operations (regime normal mensal).

6. How do you fill the tax withholding field on the invoice or invoice/receipt?

If the customer has organized accounts, the invoice or invoice/receipt must specify the base value for the withholding, the rate applied or the mention "exempt of withholding". For instance:



Between April and June of the following year you must submit your income tax return *modelo 3 de IRS* with an Annex B (self-employed work).



7. May I change any information of the declaration for starting activities?

Yes, you may change the fields except for the date of beginning of activity. You must communicate any other change verified (*declaração de alterações*) within 15 days after the fact.

8. And if I cease the activity, what do I have to do to cancel my registration for tax matters?

You must fill a return ceasing the activity (*declaração de cessação de atividade*) within 30 days.

9. Where may I consult the code of the activity I'll carry out?

You may consult and chose the code that best fits your activity on:

- [List of activities](#) published in annex to the Code of Personal Income Tax; or
- [List of activities organized](#) by activity branches, according to the Portuguese Classification of Economic Activities (*Classificação das Atividades Exconómicas – CAE*), by *Instituto Nacional de Estatística*, Revision 3, approved by [Decree-Law n.º 381/2007, of 24/11](#).

10. Is it necessary to declare how much income I earned during the year to the Social Security Services?

Learn more about obligations and exemptions connected with Social Security [here](#) (www.seg-social.pt)

11. Am I required to accede to the electronic mailbox (Via CTT)?

For natural persons the acceding is mandatory, namely for all resident taxpayers framed in the normal regime of VAT.

If that's your case, you must accede to the electronic mailbox within 30 days after the date of beginning of activity or the date when you were framed in the VAT normal regime, when it occurs by amendment. Do it through *Portal das Finanças*, selecting the option: [Serviços Tributários > Notificações Eletrónicas](#)

This service allows the reception of notifications and other communications electronically.



FOR FURTHER INFORMATION

Read more at *Portal das Finanças* (www.portaldasfinancas.gov.pt):

- The [tax calendar](#);
- The [Information leaflets](#);
- The [Frequently asked questions \(FAQ\)](#);
- The [Tax System in Portugal](#) page.

CONTACT

- Tax and Customs [Call Center \(CAT\)](#) may be contacted, through no. 217 206 707, every working day from 9:00 a.m. to 7:00 p.m..
- The electronic attendance service [e-balcão](#), at *Portal das Finanças*.
- Go to a local [tax office](#) (choose by [appointment service](#) is the best option).