

Portugal

Effective date is 1 July 2003 for B2C supplies of e-services to consumers in Portugal from suppliers established in a non-EU country and 1 January 2015 for B2C supplies of e-services to consumers in Portugal from suppliers established in another EU member state.

VAT Standard rate

23%

VAT Reduced rate

6% (e-books)

Threshold

No threshold established.

Pieces of evidence

To identify customer location merchant has to collect at least two items on non-contradictory evidence. And if two of them are in Portugal, the customer may be determined as Portuguese:

- Customer's permanent address
- Billing address (bank or electronic payment operator)
- IP address
- Telephone number
- The location of the customer's fixed land line through which the service is supplied to him
- Other commercially relevant information

E-services list

As defined by EU law, a digital product is any product that's stored, delivered, and used in an electronic format. These are goods or services that the customer receives via email, by downloading them from the Internet, or through logging into a website, in particular:

- E-books, images, movies, and videos, whether buying a copy from Shopify or using a service like Netflix. In tax language, these products are in a category usually called, «Audio, visual, or audio-visual products»
- Downloadable and streaming music, whether buying an MP3 or using a service like SoundCloud or Spotify. Of course, these products also fall into the audio category
- Cloud-based software and as-a-Service products, such as Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS)

- Websites, site hosting services, and internet service providers
- Online ads and affiliate marketing

Registration procedure

If a company not established in Portugal is providing 'taxable supplies' digital services in Portugal, it may have to obtain a non-resident VAT registration with AT – autoridade tributaria e aduaneira.

A business established in a country outside the EU must appoint a tax representative to register for VAT in Portugal.

The MOSS is also available. The Mini One Stop Shop (MOSS) is a special scheme that aims to facilitate the compliance of all obligations relating to telecommunications services, broadcasting and television and electronically supplied services to non-taxable persons in the EU in which they do not have an establishment to account for the VAT. If the supplier is established outside the European Union and does not have a fixed establishment in Portugal (nor in any Member State), and is not registered nor is legally required to register for VAT purposes in any Member State, it may choose Portugal as the Member State of Identification for MOSS purposes.

VAT returns filing date

VAT returns filing is up to the 20th of the month following the quarter to which the services were provided. For instance:

- 20 April, for Q1 ending 31 March
- 20 July, for Q2 ending 30 June
- 20 October, for Q3 ending 30 September
- 20 January, for Q4 ending 31 December

VAT payment date

The same date as for filling (see above).

Penalties

Failure or late filing of VAT return can arise a penalty from €300 to €3750 as well as lack or delay in payment of the tax due – up to 30% to 100% of the tax due.

Keeping records

All records and supporting documents should be kept for 10 years.