

# **Contractual Tax Benefits for Productive Investment Regime**

## **RECIPIENTS**

SMEs and Non-SMEs, as defined in Commission Recommendation 2003/361/EC, of 6 May, considered to be subject to corporate tax and falling within the following economic activities:

- Accommodation - 55;
- Restaurants and similar - 56;
- Activities of interest to tourism - 77210, 90040, 91041, 91042, 93110, 93210, 93292, 93293 and 96040.

## **TYPES OF OPERATION**

Investment projects which relevant applications (\*) are equal or higher than €3 million.

(\*) Relevant applications consist of investments in tangible fixed assets, acquired new and assigned to the implementation of the investment project, and in intangible assets, consisting of expenses with technology transfer, provided that they are assigned to the operation of the company.

In the case of Non-SMEs, intangible assets may not exceed 50% of total relevant applications.

## **MAIN CONDITIONS FOR ACCESS**

### **COMPANIES**

- Not being a debtor to the State and Social Security;
- Taxable profit cannot be determined by indirect methods;
- To demonstrate a financial autonomy ratio equal or superior to 0.2;
- To present equity capital or external funding that is free of any public support, corresponding to, at least, 25% of the eligible costs.

### **PROJECTS**

- To translate into a project related to the setting-up of a new establishment, the increase of the capacity of an existing establishment, the diversification of the output of an establishment into products not previously produced in that establishment or a fundamental change in the overall production process of an existing establishment;

- Not have started prior to the submission of the application;
- To demonstrate technical, economic and financial viability;
- To create or maintain jobs;
- To demonstrate compliance with at least one of the following conditions (i) being relevant for the strategic development of the national economy; (ii) being relevant for the reduction of regional asymmetries or (iii) contributing to boost technological innovation and national scientific research, to improve the environment, or to reinforce competitiveness and productive efficiency;
- Non-SMEs located in the Algarve, Greater Lisbon and Setúbal Peninsula regions can only access the tax benefit if the investments in tangible fixed and intangible assets are related to the creation of a new establishment or the diversification of the activity of an establishment, on condition that the new activity is not the same or a similar activity to that previously exercised in the establishment.

## **CONDITIONS OF THE TAX BENEFIT**

- Tax credit, between 10% and 25% of the relevant investments of the investment project actually made, to be deducted from the amount of the corporate tax collection;
- Exemption or reduction of IMI, during the term of the contract, in respect of the buildings used by the promoter within the scope of the investment project;
- Exemption or reduction of IMT, regarding the acquisition of buildings included in the investment plan and carried out during the investment period;
- Stamp Duty exemption, relative to all acts or contracts necessary for the implementation of the investment project.

## **APPLICATIONS**

The application for the tax benefit should be made to one of the following entities:

- a) AICEP, E. P. E., when the investment projects fall under the contractual investment regime set out in Decree-Law 203/2003, of 10 September;
- b) IAPMEI, I. P., in the remaining cases.

**The consultation of this information does not waiver the reading of the [Investment Tax Code](#) and the [informative leaflet](#).**