Portuguese Residency after Brexit

10 Steps to PORTUGAL

March 2020

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ACCOUNTANTS AND ASSOCIATES

Brexit
Do you still have the right to stay in Portugal?

Do you want to ensure that you can remain resident and continue living in Portugal for the foreseeable future?

If so, please **contact us** and together we can create your own personalised plan to secure your future in Portugal.

- In a breakthrough announcement in December 2017, the UK and the EU27 committed to maintain existing residency rights for Britons and EU nationals 'lawfully residing' within either area, providing a deal is secured between the UK and EU and ratified by the UK parliament.

- The announcement confirmed that citizens on both sides can continue 'to live, work or study as they currently do under the same conditions as under Union law'. So if you are settled in an EU member state such as Portugal before Britain's withdrawal date (now confirmed to be the end of the transition period – 31 December 2020) you keep the right to stay there for as long as you remain resident in that country.

But what does lawful residency mean and how do you demonstrate that in time for the end of the transition period?

In this guide we set out the 10 key steps you can take to secure your residency – but with the clock ticking we would recommend you start the process immediately.

- Prioritise each step given your specific current position – different people will be at different stages and not all the steps will be relevant. You need to know what you need to do and what you can ignore.

- Work with our team to help ensure that you speak to the right people in relation to each step. We can guide you on how your financial affairs should be structured before embarking on any of the steps, to avoid unintended consequences, and what you need to do after establishing residency.

Each individual has their own unique circumstances and we are short of time – the clock really is ticking and some of these steps can take considerable time to arrange.

Start by talking to us now to establish which steps you need to take, when, and how to go about doing so.

10 Key Steps to take
to secure your Portuguese residency

1. Complete and file your tax returns in Portugal (i.e. income tax, wealth tax)
You can register your residency status in Portugal by submitting your self-assessment tax return for the year that you become resident there (and for any subsequent year of tax residency). Paper returns are generally due by the end of May. A new online system is in place and is being introduced to cover all taxes.

2. Apply for initial residence then later permanent residence status
This is only available after five years of continuous residence in Portugal. You should apply initially for the **cartão de residéncia** which allows you to live and work in Portugal with the same rights to benefits and healthcare as Portuguese citizens. It is valid for five years. After five years you can apply for a permanent residency via the offices of the **Serviço de Estrangeiros e Fronteiras (SEF).**

3. Register in the Portuguese healthcare system
To be treated on the same basis as any Portuguese national, resident British expatriates should apply for a Portuguese national health card (cartão do utente) from the local health centre (centro do saude).

4. Introduce yourself to the local authorities
You will need to ensure that you have registered as a resident of the local municipality (Junta de Freguesia) and with the local câmara municipal for civil residence purposes, i.e. to ensure that you are registered for and paying the correct local property taxes, ensuring your refuse is collected etc.

5. Days in Portugal
Under the Portuguese rules, you are considered tax resident if your main home is in Portugal, i.e. it is your 'habitual residence'. The alternative way to be a resident is by spending 183 days in Portugal per calendar year.

6. Keep evidence of when you arrive and depart on different journeys
Boarding passes from flights to and from Portugal provide practical evidence of journeys. In addition, retaining copies of utility bills that support electricity use during those periods when you are occupying your home in Portugal will help.

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7. Apply for Portuguese nationality
You can become a Portuguese citizen (not mandatory) through either naturalisation, marriage or birth (whether born in Portugal or born to a Portuguese parent while abroad). You must be over 18 and living in Portugal. As Portugal allows dual nationality, you do not have to give up your original nationality when you become a Portuguese citizen.

Naturalisation - You can apply to become a naturalised Portuguese citizen if:

- You have been living in Portugal for six continuous years (the required period may be less under certain circumstances, such as marrying a Portuguese national)
- You can speak basic Portuguese
- You have not been convicted of any criminal offence giving rise to three or more years in prison

Portuguese citizenship applications take varying times to process. If your application is dismissed at the outset, however, you will be informed within 20 days.

8. Financial indicators
Informing your UK financial adviser, tax accountant and banks that you will be relocating to Portugal and setting up a Portuguese bank account for day-to-day needs, utility bills etc. will make it clear that from a given point in time you moved permanently to Portugal.

9. Apply for a Portuguese driving licence
If you relocate to Portugal and you hold a driving licence issued by a country within the European Economic Area (EEA) you are not required to change it for a Portuguese cartão de condução. You will only need to change your existing licence if:

- You have an old licence with an expiry date that has passed
- You lose or deface your licence
- You commit an endorsable driving offence in Portugal.

10. Ensure all other affairs are in order in Portugal (wills etc.)
While this last point is not directly linked to Brexit, it is relevant to make sure you have your other relevant affairs in order in Portugal. We recommend you prepare a separate will in each country where your assets are located. The wills should all cross-refer and should not override or conflict with each other. Please bear in mind that Portuguese succession law decrees how your assets should devolve upon your death, passing within your bloodline rather than as you choose following the forced heirship rules. However, there is an EU regulation in force since 17 August 2015 (‘Brussels IV’) that allows an individual to elect, via his will, for the succession laws of his country of nationality to apply on his death.

So that we can help determine which key actions you need to take ahead of the potential Brexit deadline - contact an advisor today.

BOOK A CALL

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