

April 2018

João Afonso Fialho | jaf@vda.pt José Miguel Oliveira | jmo@vda.pt Miguel Soares Branco | mib@vda.pt

PROJECTS – INFRASTRUCTURES, ENERGY & NATURAL RESOURCES

NEW TONNAGE TAX AND SEAFARER SCHEMES

On 6 April 2018 the European Commission has approved under the EU State aid rules a Portuguese tonnage tax scheme which, together with a scheme to support seafarers, will encourage ship registration in Europe and contribute to the competitiveness of maritime transport while preserving employment in the sector and promoting high environmental standards.

I - Tonnage Tax Scheme

Under the newly introduced tax scheme, shipping companies will pay taxes on the basis of the net tonnage (i.e. the size of the shipping fleet) operated in maritime transport activities rather than on the basis of their taxable profits. Tonnage taxation will apply to shipping companies':

- a) core revenues from maritime transport activities, e.g. as cargo and transport of passengers;
- b) certain ancillary revenues that are closely related to shipping activities (capped at a maximum of 50% of a ship's operating revenues); and
- revenues from towage and dredging subject to certain conditions. c)

Moreover, a reduction of 10% to 20% of the tax base under the tonnage tax scheme is further available for companies employing environmental-friendly ships.

The new tax scheme only applies to shipping companies with a significant part of their fleet flying the flag of a European Economic Area (EEA) state.

II - Seafarer Scheme

The new newly introduced seafarer scheme (a) exempts seafarers employed on vessels that are eligible under the tonnage tax scheme from paying personal income tax and (b) allows them to pay reduced contribution rates for social insurance.

The Portuguese tonnage tax and seafarer schemes are the first specific schemes for maritime transport activities throughout Portugal and will remain in force for a period of ten years.

www.vda.pt

Esta informação é de distribuição reservada e não deve ser entendida como qualquer forma de publicidade, pelo que se encontra vedada a sua cópia ou circulação. A informação proporcionada e as opiniões expressas são de caráter geral, não substituindo o recurso a aconselhamento jurídico adequado para a resolução de casos concretos VdA Legal Partners é uma rede internacional de prestação de serviços jurídicos que integra advogados autorizados a exercer advocacia nas jurisdições envolvidas, em conformidade com as regras legais e deontológicas aplicáveis em cada

ıma das jurisdiçõe This is a limited distribution and should not be considered to constitute any kind of advertising. The reproduction or circulation thereof is prohibited. All information contained herein and all opinions expressed are of a general nature and are not intended to substitute recourse to expert legal advice for the resolution of real cases. VdA Legal Partners is an international legal network comprising attorneys admitted in all the jurisdictions covered in accordance with the legal and statutory provisions applicable in each jurisdiction.