

## VIEIRA DE ALMEIDA

# SIGI PORTUGUESE REITS



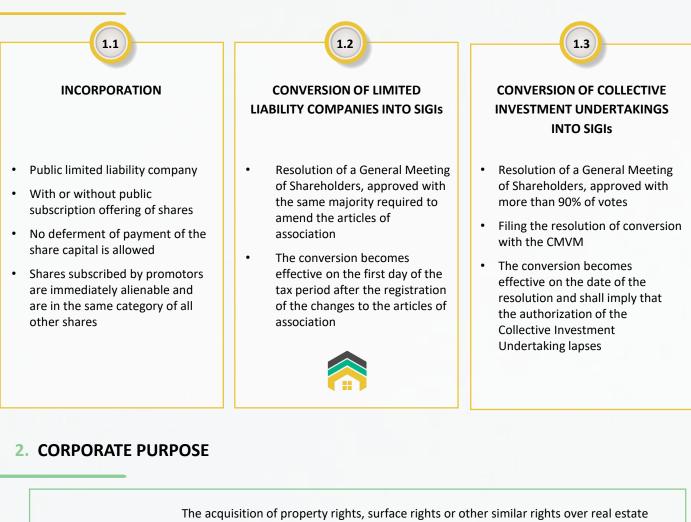
This document does not replace consultation of the legal statutes published in the Official Gazette.

#### THE PORTUGUESE REITS REGIME

On January 2019, the Decree-Law no. 19/2019 was enacted, approving the Portuguese REITs regime, which comprised some inconsistencies that were then identified by the market. Law no. 97/2019, enacted on September 4, 2019, introduced a set of significant changes to Decree-Law no. 19/2019, and Portugal has now a more transparent and competitive REITS regime, which will help to attract local and foreign Investment to be applied in real estate assets and projects for leasing purposes



#### **1. INCORPORATION / CONVERSION**



REAL ESTATE ASSETS

SHARES AND

UNITS

2.1

The acquisition of property rights, surface rights or other similar rights over real estate assets for leasing purposes, including non-typical contracts comprising additional services related to the use of the real estate assets, notably:

- a) the development of construction and rehabilitation projects and
- b) the contracts for the use of a store or a space in a shopping center or the use of space in offices

The acquisition of shares in:

- a) other SIGIs or
- b) companies with registered offices in the European Union or in the European Economic, complying with the following requirements applicable for SIGIs: corporate purpose, portfolio composition limits, capital stock and shares and profit distribution regime

Acquisition of shares or units in:

- a) Real Estate Collective Undertaking Investments or
- Real Estate Funds or Companies for Residential Leases (FIIAH or SIIAH)

2.2

#### 3. ASSET COMPOSITION AND INDEBTEDNESS CAPS



#### 4. TRADING AND DISPERSION

Within 1 year of being incorporated or converted, as applicable, shares of SIGIs must be admitted to trading on a regulated market or selected for trading in a multilateral trading facility.

TRADING ON A REGULATED MARKET OR SELECTED FOR TRADING IN A MULTILATERAL TRADING FACILITY

Shares of SIGIs must comply with the public capital dispersion requirements applicable to their respective trading facility and also the following minimum limits of dispersion for investors that own participations corresponding to less than 2% of voting rights:

- at least 20% of shares must be dispersed as of the third full year after the admission or selection for trading
- at least 25% of shares must be dispersed by the end of the fifth full year after the admission or selection for trading



#### 5. TAX REGIME



#### COMPUTATION OF THE TAXABLE INCOME

The following items are disregarded for computation of the taxable income:

- investment income, property income and capital gains (in this case, the tax exemption will only be applicable when the real estate assets have been held for leasing, including other non-typical contracts comprising additional services related to the use of the real estate assets, for at least three years)
- costs related with the non-taxable income

### 5.2

TAXATION

The taxation of income received from distributions to the shareholders operates in this way:

- for resident investors, individuals and companies, taxation by means of withholding tax, at a rate of 28% for Personal Income Tax (IRS) and of 25% for Corporate Income Tax (IRC), respectively, as well as the taxation for capital gains resulting from selling participations, at a rate of 28% for IRS and in the general terms for IRC
- for non-resident investors without permanent establishment in Portugal, taxation is, as a rule, by means of withholding tax at a rate of 10%

Stamp Duty – Stamp duty applies on a quarterly basis on the global net value of the SIGI, at a rate of 0.0125%



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