INCENTIVES & GRANTS
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Incentive instruments were revised, simplified and reinforced.

NEW ADDED VALUE PROPOSAL

PRODUCTIVE INVESTMENT
- Financial incentives (Portugal 2020)
- Tax incentives (Investment Tax Code)

R&D INVESTMENT
- Financial incentives (Portugal 2020)
- Tax incentives (SIFIDE II)

OTHER INCENTIVES

JOB CREATION INCENTIVES

NON-HABITUAL RESIDENTS
Flat rate for qualified expatriates

Source: Portuguese Government.
PRODUCTIVE INVESTMENT

FINANCIAL INCENTIVES

New products or services;
New production methods or processes;
Innovation must be at least nationwide (non SME).

Tangible Fixed Assets: machine, equipment and buildings;
Intangible Fixed Assets: software, technology transfer;
Training expenses.

Loan: 30% of eligible expenses as an interest-free loan; 8-years reimbursement period;
Cash Grant: Loan conversion of up to 60% of the incentive depending on the performance of the project.

TAX INCENTIVES

Investment projects with positive impact on innovation and jobs creation.

Tangible Fixed Assets: machine, equipment and buildings;
Intangible Fixed Assets: software, technology transfer.

Corporate Income Tax Credit from 10% up to 25% of eligible investment;
Tax benefits up to a 10-year period after the conclusion of the investment.
Exemption from Municipal Property Tax, Municipal Tax and Stamp Tax Transactions.

Source: Portuguese Government.
## R&D INVESTMENT

### Source: Portuguese Government.

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>FINANCIAL INCENTIVES</th>
<th>TAX INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in R&amp;D activities to develop new products/services or new production methods or processes.</td>
<td>Costs with technical staff dedicated to R&amp;D activities; Acquisition of services from third parties, including technical and scientific assistance and consulting; Purchase of scientific and technical instruments and equipment (deprecations during project); Costs associated with patents registration and acquisition.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ELIGIBLE EXPENSES</th>
<th>NATURE OF SUPPORT</th>
<th>MAXIMUM SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate: 25% of eligible expenses; Bonuses: up to +60 pp according to project scope and company size; Cash Grant: up to €1.000.000 of incentive; For incentive amount that exceeds €1.000.000, 25% as an interest-free loan and 75% as cash grant.</td>
<td>Corporate Income Tax Credit: Base rate: 32.5%; Incremental Rate: 50% of the increase in expenses incurred during that period compared to the average from the previous two fiscal years, up to €1.500.000.</td>
<td>Financial grants combined with tax incentives, applied to the same expenses may not exceed: 80% of Gross Grant Equivalent for Industrial Research Projects; 60% of Gross Grant Equivalent for Experimental Projects.</td>
</tr>
</tbody>
</table>

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TARGET
Unemployed aged between 18 and 30 (inclusive), with a qualification level ≥ 3.
Unemployed aged over 30 and under 45, if registered for at least 12 months at employment center.

FINANCIAL GRANT

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Meal Allowance</th>
<th>Work Insurance</th>
<th>Salary Support*</th>
<th>Total Monthly Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-school Graduate (Level 3)</td>
<td></td>
<td>94,17</td>
<td>328,63</td>
<td>436,69</td>
</tr>
<tr>
<td>Vocational High-school Graduate (Level 4)</td>
<td></td>
<td></td>
<td>356,02</td>
<td>464,08</td>
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<tr>
<td>Post High-School Education (Level 5)</td>
<td>13,89</td>
<td></td>
<td>383,40</td>
<td>491,46</td>
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<tr>
<td>Bachelor Degree (Level 6)</td>
<td></td>
<td></td>
<td>451,87</td>
<td>559,93</td>
</tr>
<tr>
<td>Master Degree (Level 7)</td>
<td></td>
<td></td>
<td>465,56</td>
<td>573,62</td>
</tr>
<tr>
<td>PhD (Level 8)</td>
<td></td>
<td></td>
<td>479,25</td>
<td>587,31</td>
</tr>
</tbody>
</table>

* General rule.
Source: Portuguese Government.

CONDITIONS
Monthly support for Total Salary. Duration: 9 Months*

ENTITY IN CHARGE
Public Employment Service (IEFP).
JOB CREATION INCENTIVES

Exemption of social contributions.

**TARGET**

Young people looking for first job, aged under 30 years.
Long-term unemployed (registered at employment center for more than 12 months).

**TAX EXEMPTION**

50% Exemption from payment of Social Security Contributions [23.75%]:

- **Young people looking for first job:** 5 years support
- **Long-term unemployed:** 3 years support

**CONDITIONS**

Exemption only applies to permanent contracts.
This measure is not cumulative with the “Contrato Emprego” Programme.

**ENTITY IN CHARGE**

Social Security.

Source: Portuguese Government.
JOB CREATION INCENTIVES
“Contrato Emprego” Programme

TARGET
Unemployed people (registered at employment center for 6 months).
Unemployed people aged under 29 or over 45, if registered for at least 2 months at employment center.

FINANCIAL GRANT
One time support* depending on contract type:

Permanent contract**  € 3,791,88
Fixed-term contract (minimum of 12 months)  € 1,263,96

CONDITIONS
This measure is not cumulative with the Exemption of Social Contributions.
There are three calls during the year: February, May and October.

ENTITY IN CHARGE
Public Employment Service (IEFP).

* Three payments
** Obligation to maintain the contract for 24 months
Source: Portuguese Government.
EXPATS TAX REGIME
+ World Class Talent in Portugal

TARGET
Qualified Expatriates in (i) high added-value activities, (ii) scientific, artistic or technical activities, and (iii) upper management positions.

INCENTIVES FOR EMPLOYEES
Flat rate for Income tax of 20% (plus 3.5%) for 10 years.

ENTITY IN CHARGE
Tax Authority.

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1. LOCATION
   To help you finding the site that suits your project, AICEP will introduce you multiple location alternatives and will bridge you with utility suppliers.

2. HUMAN RESOURCES
   AICEP will be at your side in the search of human resources and professional training, bridging contacts with Portugal’s employment authorities and schools.

3. BUSINESS PARTNERS
   AICEP will promote contacts with local suppliers and business partners that add value to your project.

4. INCENTIVES
   AICEP will analyse your eligibility to innovation, R&D, production and employment incentives.

AICEP was recognized as top investment promotion agency in Western Europe in the Best to Invest Top IPA Awards.

Source: Site Selection Magazine.
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