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# Buying as Individual vs Through a Company

Buyers considering corporate ownership structures for Portuguese property

## TL;DR

- Personal ownership wins for roughly 95% of foreign buyers. The Portuguese tax code is built around the individual; nearly every relief disappears the moment you wrap a property in a Lda.
- A company starts to earn its keep when aggregated VPT crosses roughly EUR 2 million, or when you are running an actual operating business (hospitality, development, multi-unit AL).
- Blacklisted jurisdictions (BVI, Cayman, Gibraltar, Jersey, Guernsey, UAE, etc.) trigger 10% IMT at acquisition and 7.5% IMI every year on full VPT. Do not go there.

**Key 2026 stat:** On a EUR 750,000 villa held ten years and sold for EUR 1.1 million, total cost of ownership (acquisition tax + carrying + exit tax) comes to roughly **EUR 124,500 individually vs EUR 288,000 through a Lda**. The gap is what this guide is about.

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# Introduction: A Question Most Buyers Should Answer "No" To

If you have spent any time on expat forums or sat through a relocation pitch in Lisbon or Cascais, someone has probably suggested you "buy through a company." It sounds sophisticated. For the overwhelming majority of buyers in Portugal in 2026, it is also the wrong answer.

This guide is built around a single premise: **most foreign buyers should hold Portuguese property personally, as natural persons (pessoas singulares)**. That is the default the tax code is designed around, and it delivers the best after-tax outcome on a primary residence, a secondary home, or even a modest one- or two-unit rental portfolio.

A minority of buyers genuinely benefit from a corporate structure: developers, hospitality operators, multi-investor partnerships, families building generational compounds, and investors with portfolios above roughly EUR 2 million in aggregate tax base. For them, the corporate route is a legitimate operational choice for capital recycling, governance, succession, and limited liability.

The trick is knowing which side of that line you sit on. This guide walks through the 2026 Portuguese tax architecture for both options, the Madeira IBC regime, the punitive treatment of blacklisted jurisdictions under Portaria 150/2004 (amended by Ordinance 292/2025/1), AIMI, and the practical economics over a ten-year horizon. Scope is acquisition and holding structures only — not residency choices, IFICI/NHR 2.0, or visas. Always combine the analysis here with personal advice from a Portuguese-qualified lawyer and accountant.

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## The Default: Individual Ownership

For buyers acquiring a single property, a primary or holiday home, or a small rental portfolio (say, one to three units), individual ownership is almost always the right answer. Here is why.

## Setup Cost and Friction

There is no setup. You sign a deed (escritura), pay IMT and stamp duty, and the property goes onto your NIF. No annual accounts, no SAF-T files, no IRC return, no UBO filings. The avoided compliance cost vs a Lda is EUR 2,000 to EUR 7,000 per year, plus deadlines in a language you may not speak.

## Primary-Residence IMT Relief

Individuals buying their own habitual residence (habitação própria permanente) benefit from a progressive IMT scale that exempts the first tranche (EUR 106,346 in 2026) and then climbs to a top marginal rate of 7.5% on the part of the price above EUR 1,150,853. Buyers under 35 acquiring a first home benefit from a total IMT and stamp duty exemption up to EUR 330,539, and partial exemption from EUR 330,539 to EUR 660,982 (only the excess taxed at the 8% marginal rate). None of these reliefs are available to a company. A Portuguese Lda buying the same property pays IMT on the full secondary-home scale on the entire value with no exemption tranches.

## The 2026 Non-Resident Flat 7.5% — Read the Fine Print

Lei n.º 9-A/2026, de 6 de março — the housing fiscal package promulgated 12 May 2026 — introduces a **flat 7.5% IMT** on residential acquisitions by **non-resident individuals**, replacing the progressive scale they would otherwise face on a secondary residence. There are five carve-outs: (i) buyer is already a Portuguese tax resident; (ii) buyer becomes Portuguese tax resident within 2 years (with IMT refund); (iii) buyer is a Portuguese emigrant; (iv) property is let at moderate rent ( $\leq$  EUR 2,300/month) within 6 months and held under such a lease for at least 36 of the first 60 months; (v) buyer in official Portuguese state service abroad.

Operationally important: the rule applies to **non-resident natural persons**. A Portuguese Lda is a Portuguese tax resident entity and is taxed under the normal secondary-residence IMT scale (topping at 7.5% above EUR 1,150,853), not under the new flat rule. A **non-resident foreign company** holding Portuguese residential property is taxed on the standard non-HPP scale unless it is controlled from a blacklisted jurisdiction, in which case the aggravated 10% IMT applies (see below). Note also that as of mid-May 2026 the *decreto-lei autorizado* implementing the operational mechanics had been promulgated but DR publication was still pending; until publication, the 7.5% flat rate is approved-but-not-yet-operational. Confirm at signing.

## Capital Gains Relief on Reinvestment

Resident individuals who sell their primary residence and reinvest the proceeds into another EU/EEA primary residence within the statutory window can defer or eliminate the gain. Lei 9-A/2026 extends the same roll-over to reinvestment in residential property destined to moderate-rent letting. This relief is unavailable to companies — a Lda that sells real estate pays IRC on the full gain with no shelter.

## 50 Percent Inclusion Rate

Individuals selling Portuguese real estate that is not their primary residence include only 50% of the net gain in their taxable base, then taxed at progressive IRS. On a EUR 200,000 nominal gain, only EUR 100,000 enters the base. Combined with inflation correction (coeficiente de desvalorização da

moeda) for properties held more than two years, the effective rate often lands well below the headline IRS marginal rate.

Since the 2023 reform — following the *Hollmann* line of EU jurisprudence — **non-resident individuals are taxed on the same basis as residents**: 50% inclusion at progressive rates, worldwide income counted only for rate determination. The old flat 28% on 100% of the gain has been gone since 1 January 2023. Anyone still quoting "non-residents pay 28% flat on capital gains" in 2026 has not updated their tax notes. Non-resident *companies* get neither the 50% inclusion nor the inflation correction.

### No AIMI Below EUR 600,000

The Adicional ao IMI (AIMI) is a wealth-tax-like surcharge on aggregated residential VPT. Individuals get a EUR 600,000 allowance (EUR 1.2 million joint for married couples); above the threshold, 0.7% on the next tranche, then 1.0% above EUR 2M and 1.5% above EUR 4M (joint). For a typical foreign buyer holding one Portuguese property with VPT below EUR 600,000, AIMI is simply not a cost. For a company, that allowance does not exist.

### The Bottom Line on Individual Ownership

For one property held by one or two natural persons, individual ownership is cheaper to set up, cheaper to run, eligible for reliefs that are unavailable to companies, and easier to unwind. Unless you have a clear, specific, advised reason to use a corporate structure, do not.

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## When a Company Actually Makes Sense

A corporate structure starts to earn its keep when one or more of the following are true. The more boxes you tick, the stronger the case.

- **Large portfolio.** When aggregated VPT across multiple Portuguese residential properties exceeds roughly EUR 2 million, the AIMI calculus shifts. Above that level a company can be cheaper on AIMI alone, though the calculation is sensitive to occupancy and other costs.
- **Active business.** Development, construction, flipping, hospitality, or AL at scale are operating businesses. They produce VAT recoverability, deductible operating expenses, employee structures, and liability exposure that sit naturally inside a company.
- **Multiple unrelated co-investors.** Friends, partners, or a small investor pool are governed far better by a shareholder agreement and share transfers than by undivided co-ownership (compropriedade).
- **Multi-jurisdiction, multi-heir inheritance.** Transferring shares of a company is mechanically simpler than partitioning real estate among heirs in multiple countries with different forced-heirship rules.
- **Long-term hold with reinvested cash flow.** Profits retained inside the entity benefit from deferral until distribution — an option a high-IRS-bracket individual does not have.

- **Liability exposure.** Hospitality and AL operators face guest liability that makes a corporate veil meaningful. A passive holder of one apartment generally does not need it.

If none apply, the company is a solution looking for a problem.

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## The Portuguese Lda (Sociedade por Quotas)

The Lda is the workhorse: a private limited liability company with a minimum share capital of EUR 1 (lawyers usually recommend EUR 1,000–5,000), one or more quota-holders, and a manager (gerente). Around 90% of Portuguese real-estate-holding companies are Ldas.

### Setup and Ongoing Cost

Setup costs EUR 500–1,500 via "Empresa na Hora" (same-day, off-the-shelf bylaws), or EUR 2,500–4,000 via a lawyer with bespoke articles and opening accountant engagement. Annual cost runs EUR 1,500–5,000 in certified accountant (TOC) fees, with mandatory monthly SAF-T (PT) submissions. Statutory audit only above size thresholds.

### Corporate Income Tax (IRC) in 2026

Standard mainland IRC is 19% in 2026. SMEs pay 15% on the first EUR 50,000 of taxable income, 19% above. Madeira and Azores regional rates: 13.3%. On top sit the **derrama municipal** (up to 1.5% — Lisbon and most Algarve municipalities at or near the cap) and the **derrama estadual** (progressive on profits above EUR 1.5M).

Effective combined rate for a typical real-estate-holding Lda earning rental income: **20.5–22.5%** for SMEs at modest profit; **22.5–31.5%** at higher profit once the state surcharge bites.

### Tax Treatment of Rental Income

Rental income earned by an Lda is ordinary business income subject to IRC. Operating expenses, depreciation (typically 2% per year on the building component, excluding land), interest, repairs, AIMI, IMI, and management costs are all deductible — one of the few mechanical advantages over individual ownership. Note that the new 10% IRS rate on moderate-rent long-term letting introduced by Lei 9-A/2026 is a **personal** rate; an Lda doing the same letting is still on the full IRC scale.

### Capital Gains Inside the Lda

When the Lda sells real estate, the gain is included in ordinary taxable profit and taxed at IRC plus surcharges. Crucially, **there is no inflation correction inside the corporate base** (companies cannot apply the *coeficiente de desvalorização da moeda* that individuals use), and there is no 50% inclusion rule. The full nominal gain is taxable. This is one of the most under-appreciated drawbacks of corporate ownership: long-term holds with significant inflation exposure are taxed worse inside a company than in personal hands.

## Distributions to Shareholders

Once IRC is paid, distributing profits to an individual shareholder triggers a 28% withholding on the dividend (or interest, if structured as shareholder-loan repayment). The "second layer" of the classic corporate double tax. On EUR 100 of corporate profit: IRC + surcharges ~22.5% → EUR 77.50; 28% withholding → EUR 21.70; net to shareholder ~EUR 55.80, **combined effective rate ~44%**. The same gain received personally with the 50% inclusion rule often lands much lower.

## Sale of the Shares Instead of the Property

Selling the Lda's quotas instead of the underlying property is a recurring optimisation idea. Under EU jurisprudence, gains on shares of a Portuguese company sold by a non-resident are generally exempt in Portugal — *except* where the company is a "predominantly real estate company" (more than 50% of assets are Portuguese real estate). Then the gain is taxable in Portugal at 28%. The exemption window is narrower than salesmen imply.

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# The Portuguese SA (Sociedade Anónima)

The SA is the bigger sibling: minimum share capital EUR 50,000, at least five shareholders (or one in the unipessoal version), a board, and a statutory auditor (revisor oficial de contas). It is the natural vehicle when capital exceeds Lda-comfortable levels, when multiple unrelated investors want nominative-share flexibility, or when a future capital raise, IPO, or significant equity sale is contemplated.

For IRC, AIMI, and IMI purposes the SA is treated identically to the Lda. There is no tax arbitrage — the choice is governance and capital, not tax. For most family or single-owner real estate holdings, an SA is overkill.

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# Madeira IBC (CINM) in 2026

The Centro Internacional de Negócios da Madeira (CINM, "Madeira IBC") is a special tax zone approved by the European Commission as a legal State aid Regime, supported by Madeira's EU outermost-region status. Headline benefit: reduced IRC of 5% on certain qualifying income up to fixed caps, plus exemptions or reductions on dividends and other flows for non-resident shareholders.

**Licensing window:** the regime has been extended for newly licensed entities through **31 December 2026**, with benefits running through **2033** provided substance, employment, and qualifying-activity requirements continue to be met. The substance rules (minimum jobs, minimum investment) are real and audited. If you are seriously considering the IBC route, you have until end-2026 to obtain a licence.

**Why it is usually not the answer for real estate:** the regime was designed for international services, IP holding, shipping, and certain industrial activities. Pure passive holding of mainland Portuguese real

estate is **not a qualifying activity**. Real-estate development inside Madeira can qualify in narrow circumstances. Holding shares in a SGPS that holds mainland real estate triggers the same look-through anti-abuse rules. For the typical buyer of a Lisbon apartment, Algarve villa, or Cascais townhouse, Madeira IBC is not a viable shelter — despite being aggressively pitched by some advisers.

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## Foreign Holding Companies

Buyers sometimes ask whether they should hold their Portuguese property through a foreign company. The honest answer in 2026: rarely, and never through a blacklisted jurisdiction.

### Sensible EU Holdings

A Spanish SL, Luxembourg SARL, Netherlands BV, or UK Ltd holding Portuguese real estate is taxed by Portugal on Portuguese-source income at rates similar to a Lda, with treaty and EU directive benefits on outbound flows. The structure can make sense where the foreign holding already exists, where cross-border heirs are anticipated, or where the foreign inheritance regime is materially better than Portugal's.

For AIMI and IMI, the foreign company is treated as a Portuguese taxpayer on the property. For capital gains on share sales, look-through rules increasingly treat predominantly-real-estate foreign holdings as transparent, so a non-resident's share sale can still trigger Portuguese tax on the underlying gain. The 2026 rule set largely closes the historical share-sale loophole. Foreign EU holdings work where there is a non-tax reason.

### Blacklisted Jurisdictions: Avoid

Portugal maintains a formal blacklist under Portaria 150/2004, most recently updated by Ordinance 292/2025/1 (in force from 1 January 2026). The 2026 list still includes BVI, Cayman, Gibraltar, Jersey, Guernsey, Isle of Man (for certain regimes), UAE, Bermuda, Anguilla, Bahamas, Belize, Panama, and a long list of others. **Hong Kong, Liechtenstein, and Uruguay were removed effective 1 January 2026** — but if your structure pre-dates that change, audit the chain anyway.

If a Portuguese property is held — directly or indirectly — by an entity controlled from a blacklisted jurisdiction:

- **IMT at the aggravated 10%** on the entire purchase price.
- **IMI at the aggravated flat 7.5%** of VPT every year (vs the standard 0.3–0.45%).
- **Withholding 28–35%** on rents, dividends, interest, and other Portuguese-source flows.
- **AIMI** still applies on top at the offshore corporate rate of **7.5% flat** with no allowance.

A EUR 1 million villa held by a BVI company costs EUR 100,000 in IMT (vs ~EUR 67,000 individually) and EUR 75,000/year in IMI (vs ~EUR 4,000). The blacklist regime is not a marginal handicap — it is confiscatory by design. Anyone selling you a BVI, Cayman, Gibraltar, Jersey, Guernsey, or UAE structure for residential Portuguese real estate is either uninformed or hoping you are.

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## AIMI for Companies

AIMI is the single most material recurring cost differential between individual and corporate ownership in 2026.

Holder	Allowance	Rate
Individual (single)	EUR 600,000 VPT exempt	0.7% on EUR 600k–1M, 1.0% on 1M–2M, 1.5% above 2M
Individual (joint, married)	EUR 1,200,000 exempt	0.7% on 1.2M–2M, 1.0% on 2M–4M, 1.5% above 4M
Portuguese company	None	0.4% on first EUR 1M, 1.0% above
Blacklisted entity	None	7.5% flat

When a company holds residential property used as the **personal dwelling of a shareholder/director**, a 1.5% surcharge layer applies on that property — an anti-abuse rule designed to discourage "wrap your villa in a Lda" structures.

Worked examples:

- VPT EUR 500,000 held individually: zero AIMI. Same villa in a Lda used by shareholder: EUR 2,000 base + 1.5% surcharge layer.
- Portfolio VPT EUR 3,000,000 held individually (single): ~EUR 24,500/year (0.7% / 1.0% / 1.5% tranches above EUR 600k).
- Same portfolio in a Lda (not shareholder-occupied): EUR 4,000 + EUR 20,000 = EUR 24,000/year.

At EUR 3M the two structures roughly converge; the company pulls ahead only above that, and only if shareholder-occupancy is avoided. Meaningful corporate AIMI advantage starts in the EUR 4M+ range for a single holder.

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## Capital Gains: Individual vs Company

This is where the structure choice has the biggest dollar impact on a long-term hold. Consider a EUR 750,000 villa sold ten years later for EUR 1.1 million — a EUR 350,000 nominal gain.

Item	Resident Individual	Non-Resident Individual	Portuguese Lda
Inflation correction	Yes (after 2 yrs)	Yes	No
Inclusion rate	50%	50% (since 2023)	100%
Headline rate	Progressive IRS (up to ~48%)	Progressive IRS, worldwide-income basis	IRC ~20.5–22.5% (SME)
Reinvestment relief	Yes (HPP + 2026 moderate-rent)	Yes (conditions)	No

After inflation correction and the 50% inclusion, a resident individual on a EUR 350,000 nominal gain ends up with EUR 130,000–150,000 of taxable base at marginal IRS. A non-resident individual is taxed on the same basis since 1 January 2023.

A Lda includes the full EUR 350,000 (no correction, no inclusion) in IRC, paying roughly 22.5% → EUR 78,750 of corporate tax. To get the cash to the shareholder, distribute as dividend: EUR 271,250 × 28% = EUR 75,950 of withholding. **Combined: EUR 154,700, or 44.2% of the gross gain** — versus 18–25% in resident-individual hands. Corporate ownership is materially worse for long-term passive holds, especially in inflationary periods.

## Privacy: The Company Is Not a Privacy Vehicle

A common (and incorrect) reason for using a company is privacy. In 2026 Portugal this is essentially false.

Every Portuguese company is publicly registered with the Conservatória do Registo Comercial — quota-holders, directors, and articles are all visible. On top, the Registo Central do Beneficiário Efetivo (RCBE) requires every Portuguese entity (and every foreign entity owning Portuguese real estate) to declare ultimate beneficial owners. Initial filing within 30 days; annual reconfirmation by 31 December. After the EU's 2024 reforms following the C-37/20 ECJ ruling, public RCBE access is restricted to "legitimate interest" claimants — but tax authorities, banks, notaries, lawyers, and foreign authorities (via automatic exchange) all have full access.

A company offers **operational privacy** (your name is not on the property registry — the company's is), but **not legal privacy**. If anonymity is your goal, a Portuguese structure does not deliver it.

## Inheritance Planning Through a Company

Portugal has no inheritance or gift tax between spouses, ascendants (parents), and descendants (children); transfers to other parties carry a 10% stamp duty. Real estate held individually that passes

to children is therefore stamp-duty-free at death — for single-property estates with one or two heirs, individual ownership is cleaner.

Where the company shines is in **multi-property, multi-jurisdiction, multi-heir** estates. Imagine a family with a primary villa in Cascais, a holiday apartment in Lagos, two rental flats in Porto, and three children spread across California, Switzerland, and Portugal. Probating four properties across three jurisdictions, partitioning each into three undivided fractions, and then administering them collectively for years is a logistical nightmare. Putting all four into a Lda and bequeathing quotas in defined proportions handles the entire estate as a single share transfer. Cross-border tax planning is still essential — the foreign heirs may face inheritance tax on the shares in their country of residence — but the *Portuguese* mechanics are dramatically simpler.

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## Worked Comparison: EUR 750,000 Villa Over Ten Years

Assumptions: EUR 750,000 purchase price; VPT roughly EUR 600,000; held ten years; sold for EUR 1,100,000; resident individual buyer for the personal column; mainland mid-municipality with 1.5% derrama. Rounded throughout.

### Acquisition Costs

Cost	Individual (non-primary residence)	Lda
IMT	~EUR 41,000 (progressive top scale)	~EUR 48,750 (non-HPP scale)
Stamp duty	EUR 6,000	EUR 6,000
Notary, registration, legal	EUR 3,500	EUR 6,500 (incl. company setup)
<b>Total acquisition</b>	<b>~EUR 50,500</b>	<b>~EUR 61,250</b>

*Non-resident individual buying under the 7.5% flat rate (Lei 9-A/2026, once operational): IMT ~EUR 56,250 — higher than the resident-individual progressive scale at this price point, but still well below the BVI/Cayman 10% aggravated rate of EUR 75,000.*

## Annual Carrying Costs (steady state)

Cost	Individual	Lda
IMI (~0.35% of VPT)	EUR 2,100	EUR 2,100
AIMI (assuming single owner)	EUR 0 (under EUR 600k allowance)	EUR 2,400 (0.4% on full VPT) plus 1.5% surcharge if shareholder occupies
Accountant / SAF-T	EUR 0	EUR 2,500
RCBE / corporate filings	EUR 0	EUR 200
<b>Annual carrying delta</b>	<b>~EUR 2,100</b>	<b>~EUR 7,200</b>
<b>10-year carrying total</b>	<b>~EUR 21,000</b>	<b>~EUR 72,000</b>

## Sale Tax (gain of EUR 350,000 nominal)

Item	Resident Individual	Lda
Tax base after correction & inclusion	~EUR 140,000	EUR 350,000
Tax rate	Progressive IRS (avg ~38% at this band)	~22.5% IRC + surcharges
Tax at sale	~EUR 53,000	EUR 78,750
Withholding to extract cash	n/a	EUR 75,950 (28% on net)
<b>Total tax on exit</b>	<b>~EUR 53,000</b>	<b>~EUR 154,700</b>

## Ten-Year All-In Comparison

	Individual	Lda
Acquisition	EUR 50,500	EUR 61,250
10 years carrying	EUR 21,000	EUR 72,000
Exit tax	EUR 53,000	EUR 154,700
<b>Total cost of ownership over 10 years</b>	<b>~EUR 124,500</b>	<b>~EUR 288,000</b>

The Lda costs the buyer roughly EUR 163,000 more over the ten-year cycle on this single-property scenario. The differential narrows as the portfolio grows — at EUR 3 to 4 million of aggregated VPT with reinvested cash flow, the corporate vehicle starts to overtake — but for a single villa, the math is brutally clear.

# When to Restructure (You Already Own Personally)

"I already own my villa personally. Should I drop it into a Lda now?" In almost every case, no. Transferring real estate from individual to company is a taxable event: the company pays IMT (no relief), stamp duty applies again, and the individual transferor realises a capital gain at fair market value (deemed disposal) under the 50%-inclusion progressive scale.

For a EUR 750,000 villa transferred from individual to newly-formed Lda, the round-trip cost is easily EUR 70,000 to EUR 110,000 in immediate tax — to gain a structure that, as the worked example shows, is worse for a single property anyway.

Realistic exceptions: (a) genuine business combination (a hotel operation professionalising); (b) contribution to a SGPS or holding being readied for institutional investment; (c) divorce or inheritance has already partitioned ownership and consolidation has value.

**Plan structure before you buy. Restructuring afterwards is almost always a tax-loss exercise.**

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## Special Cases

**Hotels, aparthotels, and large AL portfolios.** Hospitality at scale is a business, not passive real estate. VAT recoverability, expense deductibility, employee structures, and licensing all benefit from a corporate vehicle. Below five AL units a competent individual can still operate under the simplified regime; above ten units the scales tip strongly toward incorporation.

**Family compounds across generations.** Where multiple branches of a family will share a property over decades, a Lda (or, for French families, a Lda with bylaws mirroring SCI mechanics) provides the governance and exit mechanics that undivided ownership cannot. Bylaws codify use rights, capital calls, and exit pricing.

**Single-family office structures.** For UHNW families with EUR 20 million plus of Portuguese real estate alongside mobile financial assets, multi-tier structures (Lda owned by an EU holding, owned by a trust or foundation) are sometimes used. Bespoke, expensive (EUR 30,000+/year in advisors), only justify themselves above a scale most readers will not reach.

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## Lawyer and Accountant Engagement

Doing the analysis right requires meaningful upfront spend. Budget: EUR 1,500–4,000 for a tax-structuring memo (lawyer + accountant on your case), EUR 1,000–2,500 for scenario modelling, EUR 1,500–3,500 for incorporation plus EUR 1,500–5,000 first-year accounting setup if you proceed, then EUR 150–400/month ongoing.

Total first-year cost of doing it right with a corporate structure: EUR 5,000 to EUR 12,000. If your facts do not produce at least EUR 15,000 to EUR 20,000 of present-value savings or operational benefits over a reasonable hold, do not bother.

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## Common Mistakes

1. **Setting up a company for a single primary residence.** You lose IMT relief, the 50% inclusion rule, reinvestment relief, the AIMI EUR 600k allowance, and pay annual accounting forever. Worst decision in this whole space.
2. **Using BVI, Cayman, Gibraltar, Jersey, Guernsey, or UAE.** Catastrophic for residential real estate: 10% IMT at acquisition and 7.5% IMI flat per year is a slow-motion property transfer to the Portuguese state.
3. **Underestimating compliance cost.** "A few hundred euros for the accountant" becomes EUR 3,000 to EUR 5,000 every year.
4. **Forgetting AIMI.** Corporate holders pay 0.4% of VPT up to EUR 1M (and 1.0% above) with no allowance, plus a 1.5% surcharge layer if a shareholder occupies the property.
5. **Believing the company gives privacy.** RCBE captures everything; banks, authorities, and legitimate-interest claimants all see the beneficial owners.
6. **Confusing the Madeira IBC pitch with reality.** The 5% rate requires qualifying activities with substance. Passive residential holding does not qualify. Licensing window closes end-2026.
7. **Forgetting the second tax layer on distributions.** IRC plus 28% withholding on dividends destroys the apparent rate advantage.
8. **No inflation correction inside the company.** The longer the hold, the worse a corporate structure performs on capital gains.
9. **Restructuring after the fact.** Dropping a personally-owned property into a Lda triggers IMT, stamp duty, and a deemed gain.
10. **Off-the-shelf bylaws.** A Lda without bespoke bylaws causes problems on co-investor exits, distributions, and inheritance.
11. **Assuming "non-residents pay 28% flat on capital gains."** Since 2023, non-residents are on the same 50%-inclusion progressive regime as residents.

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## FAQs

**Non-resident buying a EUR 600,000 holiday home. Company?** No. Hold personally. AIMI does not apply (under threshold), and on sale you get 50% inclusion at progressive rates. You absorb the new flat 7.5% IMT under Lei 9-A/2026 (once operational), but that is still cheaper than the BVI/Cayman aggravated 10%, and you keep every other relief.

**EUR 1.5 million villa as primary residence. Lda for asset protection?** Almost certainly not. You lose primary-residence IMT relief, lose reinvestment shelter, and pay AIMI plus the 1.5% personal-use surcharge layer. Liability is better handled by insurance.

**Four AL apartments in Porto for EUR 1.8 million total. Lda?** Probably yes — this is a small operating business. VAT recovery, expense deductibility, AIMI at 0.4% (under the EUR 1M corporate band), and

clean books for an eventual share sale.

**Can I avoid the non-resident 7.5% IMT by buying through a company?** Not in a way that helps. A Portuguese Lda pays the standard non-HPP scale (which tops at 7.5% above EUR 1.15M anyway). A non-resident foreign company in a non-blacklisted jurisdiction pays the same scale. A blacklisted entity pays 10%. The flat 7.5% targets non-resident *individuals* — moving to a company does not save tax and adds compliance forever.

**Can I avoid AIMI through Madeira IBC?** No. AIMI applies to all Portuguese real estate regardless of holder's regime.

**Buy through a UK Ltd I already have?** Maybe. Treaty benefits and existing structure can help, but predominantly-real-estate look-through rules tax share-sale gains in Portugal anyway, and you carry UK-side compliance on top.

**BVI is fine because my BVI company is owned by a UK company, right?** No. Blacklist rules look through to the controlling jurisdiction in the chain.

**Does a Portuguese Lda protect me from Portuguese inheritance issues?** Stamp duty on inheritance is 0% for spouses, parents, and children — there is no Portuguese "inheritance issue" to protect against in those cases.

**Do I need a Portuguese-resident director?** Not legally for a Lda. But many banks ask for one, and tax substance considerations favour at least one Portuguese-resident manager.

**If I sell the company instead of the property, do I dodge IMT for the buyer?** Stamp duty on share transfer applies and the buyer inherits all the company's prior tax history. Professional buyers discount heavily for that risk.

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## Final Thought

The right structure is the simplest one that solves your actual problem. For most foreign buyers, the problem is "I want a home or rental in Portugal, owned cleanly, taxed predictably, easy to sell." Individual ownership solves that at lowest cost.

If your problem is bigger — a portfolio, an operation, a multi-family compound, a generational vehicle — pay a Portuguese tax lawyer and accountant to model your case before you buy. Decide structure first, choose the property second, and never let a real-estate agent pick your tax structure for you.

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## Related Reading

- **Taxes and Costs of Buying Property in Portugal** — the canonical IMT, stamp duty, AIMI and notary reference. Read this before you model any structure.
- **Luxury Real Estate in the Algarve** — where the structuring question actually comes up at scale, and where the CPCV-deposit-to-seller warning lives.

- **Invest in the Algarve** — the investor's view: sub-region yields, AL micro-markets, and where multi-unit portfolios start to push you toward corporate.
  - **First Home in Portugal** — for the IMT Jovem detail and the resident-individual tax architecture you will probably actually use.
  - **Hands-Off Property Ownership and Management** — if "absentee owner with a Lda" is your operating model, read this before deciding the legal structure.
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## How 2nd Haus Can Help

We do not sell company structures or off-the-shelf "buy through this Lda" packages. We are buyer-side advisors. What we do, on this topic:

- **Structuring advisory for HNW and multi-property buyers.** Independent scenario modelling before you sign anything — individual vs Lda vs SA vs EU holding, costed across acquisition, ten-year carry, and exit, on your actual numbers.
- **Coordination with a Portuguese-qualified lawyer and accountant.** We do not provide tax advice ourselves; we run the buyer-side process and make sure the right specialists are in the room before the structure is locked in.
- **Audit of existing structures.** If you already own through a Lda or foreign holding and want a second opinion before your next acquisition or before sale, we will model the alternative paths honestly.

If your facts do not produce a clear corporate case, we will say so. That is the point of buyer-side.

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## Sources

### Primary

- [Lei n.º 9-A/2026, de 6 de março](#) — [Diário da República](#) (housing fiscal package, including the non-resident flat 7.5% IMT regime)
- [Portaria 150/2004 and Ordinance 292/2025/1](#) — [Diário da República](#) (blacklist of jurisdictions with clearly more favourable regimes; 2026 update removed Hong Kong, Liechtenstein, Uruguay)
- [Decreto-Lei n.º 76/2024, de 23 de outubro](#) — DR (AL framework — relevant for hospitality structures)

### Tax practitioner references

- [Portugal — Corporate Taxes on corporate income, PwC Tax Summaries](#)
- [Portugal — Corporate — Income determination, PwC Tax Summaries](#)
- [Corporate Tax 2026 — Portugal, Chambers Practice Guides](#)
- [Property Tax and Additional to Property Tax — Tax Guide, PwC Portugal](#)
- [Corporate Income Tax \(IRC\) in Portugal, gov.pt](#)

## Madeira IBC

- Madeira's IBC Regime Extended Until 2033, IBC Madeira

## Blacklist and look-through rules

- The new Portuguese list of tax havens, RFF Lawyers
- Portuguese Tax Haven List Updated: 3 Countries Removed, LVP Advogados
- Portugal Blacklisted Jurisdictions, GFDL Advogados
- Increased taxation of Portuguese real estate assets, International Tax Review

## Capital gains, RCBE

- Capital Gains Tax in Portugal: Expat Guide to Property Sales (2026), Portutax
- OCC — IRS mais-valias não residentes
- The RCBE: Understanding Portugal's Beneficial Ownership Register, LVP Advogados
- EU UBO Registry Access for Obligated Entities (2026), Kyckr

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*Last updated: 15 May 2026. Verified against CANONICAL\_FACTS.md 2026-05-15. The 7.5% non-resident IMT flat rate is approved under Lei 9-A/2026 but the operational decreto-lei was still pending DR publication at the date of this guide; confirm at signing.*

## Want a buyer-side advisor on your specific case?

2nd Haus is a buyer-side real-estate consultancy specialised in the Algarve. We will tell you not to buy if that is the honest answer.

[Talk to 2nd Haus](#)

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