

UPDATE | PORTUGAL | COVID-19 | TAX RELIEF & SOCIAL CONTRIBUTIONS | [DECREE-LAW 10-F/2020](#)

UPDATE COVID-19 DEFERRAL OF PAYMENT OF TAXES AND SOCIAL CONTRIBUTIONS IN THE 2 ND QUARTER OF 2020		
Tax Contribution	Deferral of Payment	Procedures for deferral of payment
VAT Monthly or Quarterly + CIT and PIT Withholding Taxes	<p>Possibility to deferral the payment which would be due, in normal circumstances, in the months of April, May and June 2020 ⁽¹⁾ for:</p> <p>1. Taxable persons (including self-employed): (i) with business turnover up to € 10M in 2018, or (ii) carrying out activity in the sectors closed by the State of Emergency declaration⁽²⁾, or (iii) with start of activity/reopening of activity from 1.01.2019 onwards (no turnover in 2018) which have 3 payment options:</p> <ul style="list-style-type: none"> • Normal payment; or, • 3 instalments with no interest nor penalties; or • 6 instalments with no interest nor penalties. <p>2. Remaining taxable persons: may request the same benefit in case there is a decrease of their billing (communicated through e-fatura (SAFT-PT)) of, at least, 20%, in the average of 3 month prior to the month in which the payment of taxes should be made, with reference to the comparable period of 2019. The decrease in billing must be certified by the statutory auditor or certified accountant.</p> <p>You still need to submit your tax returns on time.⁽³⁾</p>	<p>Deferral should be requested in the Tax Authorities Portal (automatic validation in cases listed in 1; needs validation by the Authorities in cases listed in 2 – Remaining taxable persons).</p> <p>The 1st instalment must be paid within the general deadline of payment; The remaining instalments must be paid, in the subsequent months, up to the same date of payment of the 1st instalment.</p> <p>Please find an example with VAT: A taxable payer opts to pay the VAT of the 1st Quarter 2020 return (quarterly returns), due until 20.05.2020, in 3 instalments:</p> <ul style="list-style-type: none"> • 1/3 is paid on 20.05.2020; • 1/3 must be paid until 20.06.2020; • 1/3 must be paid until 20.07.2020.
Social Security Contributions	<p>Possibility to deferral payment of 2/3 of the employer's social contributions in March, April and May 2020, for employers with:⁽⁴⁾</p> <ol style="list-style-type: none"> 1. Up to 49 employees, automatically; 2. Between 50 to 249 employees, in the conditions below; 3. More than 250 employees in case of charities, tourism and aviation entities and entities carrying out activity in the sectors closed by the State of Emergency declaration⁽²⁾, in the conditions below. <p>The number of employees is the one of the statement of remunerations presented in February 2020.</p> <p>Cases indicated in 2 and 3 above need to face a decrease of, at least, 20% of the billing communicated through e-fatura (SAFT-PT) in the months of March, April and May 2020, with reference to the comparable period of 2019 (or, for entities which started activity in less than 12 months, in the average of the ongoing period of activity). The decrease in billing must be certified by certified accountant.</p> <p>Deferral of payment of 2/3 of the social contributions due by self-employed in April, May and June 2020, automatically.</p>	<ul style="list-style-type: none"> • No special request needs to be presented; • The option is made directly in the Social Security Portal by means of payment of 1/3 of the employer's/self-employed contributions in the month in which they would be due in normal circumstances; • Payment of the remaining amount is made in 3 or 6 equal and successive instalments with no interest, due July 2020 onwards (maximum until December 2020); • The employer/self-employed must indicate, in July 2020, in the Social Security Portal, if the deferred payment will be made in 3 or 6 instalments. • Deadline for payment of March contributions is extended from 20.03.2020 to 31.03.2020; *the entities which had already paid in full the March contributions, can defer the payment of the employer's social contributions due in April, May and June 2020. <p>Default of payment of instalments or benefit of this regime without verification of its legal conditions ceases the benefit and triggers interest.</p> <p>Contributions due by the employee are to be paid in general terms.</p>
Foreclosure Procedures		Suspended until 30.06.2020 for tax and social contributions procedures (ongoing and future); this includes undergoing foreclosure procedures payment plans.

(1) Covers taxes assessed during the 1st Quarter 2020 which payment to State is due in the 2nd Quarter 2020 . E.g.: Monthly VAT of February 2020 due to be paid until 15.04.2020.

(2) Article 7 of [Decree no. 2-A/2020](#), of 20 March.

(3) Justification for non-compliance of reporting obligations is still possible if taxpayer or certified accountant are infected or in prophylactic isolation declared or ordered by the health authorities. There are also some relief measures for incorrect reporting of February 2020 VAT period, admitted by the government [here](#).

(4) There are a number of other transitional **social security measures** (lay off) to mitigate the impact of COVID-1, which can be verified [here](#).

VAT – Value Added Tax; CIT – Corporate Income Tax; PIT – Personal Income Tax

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