



FedEx Regulatory Alerts & Updates

Regulatory Alert: Portugal Simplifies the Import VAT Processing for VAT-Registered Entities

February 6, 2018

As of March 1, 2018 Portuguese importers are allowed to defer the import Value Added Tax (VAT) to their monthly or quarterly VAT reporting. It existed since September 2017 for a limited number of commodities.

This means the duty is paid upon importation making use of the FedEx deferment account and the VAT is dealt with at a later stage by the importer via his VAT accounts.

This benefit is not valid for private individuals and non-VAT registered entities.

The VAT registered businesses have first to apply to the Portuguese Tax Authorities (PTA) for authorization. This should be done electronically via the Portuguese tax authority website (Portal das Finanças) by the 15th of the month previous to which they intend to start using the method. The PTA should validate the request within 5 days.

The changes will bring a significant cash-flow advantage to businesses importing goods in Portugal.

Portugal follows the example of Sweden, Norway, Finland and France who introduced this system recently as a reaction to the Dutch success story.

Legal basis:

The Portuguese budget law for 2017 introduced this new system (Law No 42/2016 of December 28 2016).

The procedure to follow for the application is established in Ordinance 215/2017 of July 20 2017.

More information can be found on the website the Portuguese Finance Authorities in [Portuguese](#).

Date of Implementation: March 1, 2018

Reference:

Portuguese Finance Authorities (in Portuguese language only)

<https://www.portaldasfinancas.gov.pt/at/html/index.html>