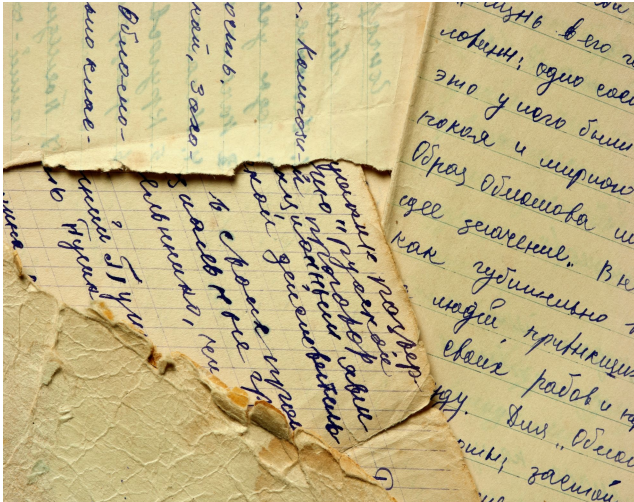




The Death of Offshore Properties in Portugal?



A new and well unreported law was introduced within the European Union (EU), which has serious implications to owners, officers and shareholders of entity companies which have a Portuguese tax number attaching, especially those companies holding property situated in Portugal. An EU wide directive further enhances the Common Reporting Standards introduced at the start of this year.

Portugal implemented Law 89/2017 of the EU wide directive on 21st August 2017 approving the Legal Regime of the Beneficial Ownership Central Register (BOCR). This law will enter into force on 19 November 2017.

This new regulation is a reporting procedure requesting a declaration of company beneficial ownership information. Undoubtedly, such information will be shared between jurisdictions. The new law applies to all companies, whether onshore or offshore, irrespective of the jurisdiction formation of

the company. Therefore, the reporting will be far reaching and will include companies holding property in jurisdictions such as Malta and Delaware.

The reporting will consist of the entity subject to the BOCR, information on all shareholders, the identification of managers, directors and officers responsible for the management and administration of the company, beneficial owners information and the declaration entity or individual. Such reporting will be online.

Shareholders must keep the company information up to date, and amend as and when a change to the company has arisen. Such amendments need to be informed within 15 days of the change and failure to do so will enable the company to "amortise" the defaulting shareholder.

The failure to comply with this new regulation will qualify as administrative offence punishable by a fine ranging from €1,000.00 to € 50,000.00. Furthermore, any person who makes false statements in the beneficial owner declaration shall be held criminally and civilly liable for any damage caused.

The BOCR is a database containing information about the natural persons who ultimately own or control legal entities or companies, directly, indirectly or through third parties. The Instituto de Registos e Notariado (IRN) is responsible for maintaining the database and the register.

If your Portuguese fiscal representative, lawyer, or accountant has not contacted you about the new regulation by January 2018, we would recommend that you contact them.

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

Information valid at 14 November 2017.

Tax regimes, bases and reliefs may change in the future.

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