

Portugal

Summary of CbC Reporting and Transfer Pricing Documentation Rules

Country-by-Country Report ([Declaration of financial and tax information by country website](#))

- *Effective Date*: Fiscal years beginning on or after January 1, 2016.
- *Filing Threshold*: Portuguese MNEs with annual consolidated group revenue equal to or exceeding €750 million in the prior year.
- *Local Filing*: For fiscal years beginning on or after January 1, 2017, a Portuguese subsidiary of an MNE is required to file a CbC report if certain conditions are met.
- *Information Reported*: Consistent with OECD guidance.
- *Language*: Portuguese.
- *Forms/Filing Instructions*:
 - CbC Notification – [Form 54](#) filed electronically via the tax authority's web portal.
 - CbC Report – [Form 55](#) filed electronically via the tax authority's web portal.
- *Deadline for Filing Notification of Reporting Entity*: By the last day of the fifth month following the end of the reporting year.
- *Deadline for Filing CbC Report*: Within 12 months after the end of the fiscal year covered.
- *Penalties*: Penalties may apply for non-compliance.
- *Exchange of Information*
 - MCAA CbC: signed.
 - EU Directive 2016/881: enacted.
 - U.S. CAA CbC: signed.

For a schedule of CbC report and CbC notification deadlines (by country), please see [CbC Reporting Deadlines](#).

Public Country-by-Country Report ([Decree-Law No. 73/2023](#))

- *Effective Date*: Tax periods beginning on or after June 22, 2024.
- *Reporting Threshold*:
 - Portuguese MNEs (or a Portuguese stand-alone company) with consolidated revenue equal to or exceeding €750 million in each of the last two consecutive tax periods (and active in more than one jurisdiction).
 - Non-EU MNEs with a “medium-sized” or “large” subsidiary in Portugal with consolidated revenue equal to or exceeding €750 million in each of the last two consecutive tax periods (or a non-EU corporation with a qualifying branch in Portugal).
 - Portuguese subsidiaries or branches established for the sole purpose of circumventing the EU public CbC reporting requirements.

Consistent with the EU directive, companies established in Portugal that are already subject to separate reporting under EU Directive 2013/36 are exempt from this reporting obligation.

- *Information Reported and Presentation of Information*: The information reported, as well as the presentation of the information, is consistent with the EU directive. A common template and electronic reporting format will be provided.

Consistent with the EU directive, the information reported includes the name of the company, reporting period in question and currency used; a brief description of the nature of the business activities; number of full-time employees; net revenue; profit or loss before income tax; income tax accrued; income tax paid; and accumulated earnings. Under the Portuguese rule, the reasons for any material discrepancy between the amount of income tax accrued and income tax paid may be presented in the report. An entity may report the information reported in the CbC report (under EU directive 2016/881) instead.

In addition, the data will be disclosed (i) separately for each EU member state; (ii) separately for each country listed on the EU list of non-cooperative jurisdictions (i.e., “blacklist”) on March 1 of the relevant reporting period or listed on the “grey list” on March 1 of the relevant reporting period and on March 1 of the previous reporting period; and (iii) aggregated for the rest of the world.

- **Publication and Accessibility:** In general, the report must be published on the company’s website (in the language in which the financial statements are presented and in at least one of the official EU languages) and accessible to the public, free of charge (and in machine-readable electronic format) for at least five consecutive years.
- **Publication Deadline:** The report must be published within 12 months after the balance sheet date of the relevant reporting period.
- **Deferral:** MNEs can temporarily omit the disclosure of certain information if its disclosure could seriously harm the commercial position of the companies to which the information relates. The omitted information must be included in a report within 5 years from the date of omission. The omission does not apply to information related to tax jurisdictions included in the EU list of non-cooperative jurisdictions (i.e., blacklist or grey list). Any omission must be clearly stated in the report with a duly reasoned explanation of why the omission is necessary.
- **Audit Requirement:** If an audit report of the financial statements of the reporting entity is required, it must include a statement of whether a CbC report was required to be published (for the preceding period) and, if so, if the report was published in accordance with the rules.
- **Penalties:** Penalties of €1,500 to €30,000 may apply for noncompliance.

Master File ([Ministerial Order No. 268/2021](#), Articles 17-18)

- **Effective Date:** Tax periods beginning on or after January 1, 2021.
- **Filing Threshold:** Taxpayers with total annual income equal to or exceeding €10 million.
- **Materiality Threshold:** Controlled transactions whose market value in the period does not exceed €100,000 (per counter party), and in aggregate €500,000, are exempt.
- **Information Reported:** Generally consistent with OECD guidance, with supporting documents and specific information related to cost sharing arrangements and intra group services, as well as a Declaration of Responsibility issued by any 3rd party who prepares technical studies used by the taxpayer.
- **Language:** Portuguese (unless waived by tax authority).
- **Deadline for Preparation/Submission:** Prepared by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end) and submitted upon request. Taxpayers in the Large Taxpayers Unit must prepare and submit the documentation by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end).

Local File ([Ministerial Order No. 268/2021](#), Articles 17-18)

- *Effective Date*: Tax periods beginning on or after January 1, 2021.
- *Filing Threshold*: Taxpayers with total annual income equal to or exceeding €10 million.
- *Materiality Threshold*: Controlled transactions whose market value in the period does not exceed €100,000 (per counter party), and in aggregate €500,000, are exempt.
- *Information Reported*: Generally consistent with OECD guidance, with supporting documents and specific information related to cost sharing arrangements and intra group services, as well as a Declaration of Responsibility issued by any 3rd party who prepares technical studies used by the taxpayer.
- *Language*: Portuguese (unless waived by tax authority).
- *Deadline for Preparation/Submission*: Prepared by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end) and submitted upon request. Taxpayers in the Large Taxpayers Unit must prepare and submit the documentation by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end).

Simplified Documentation ([Ministerial Order No. 268/2021](#), Article 19)

Effective from the tax period beginning January 1, 2021, taxpayers qualified as small or medium-sized companies (under Decree Law No. 372/2007) and not covered by the exemptions noted above, must prepare simplified documentation regarding the policy adopted in determining its transfer prices. In general, the simplified documentation includes the following elements: (i) identification of entities involved in the controlled transactions; (ii) description of the type, characteristics, and value of the controlled transactions; (iii) identification of the method used to assess transfer prices; and (iv) the comparables selected and the range of values resulting from the application of the transfer pricing method. The documentation must be prepared (in Portuguese) by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end) and submitted upon request. Taxpayers in the Large Taxpayers Unit must prepare and submit the documentation by the submission deadline for the annual tax information return (i.e., the 15th day of the seventh month after year-end). According to a July 2022 tax authority announcement, the 2022 deadline was extended to September 15, 2022.

Transfer Pricing Documentation

Effective until the tax period beginning January 1, 2020, taxpayers with turnover equal to or exceeding €3 million in the previous year must prepare contemporaneous transfer pricing documentation supporting the arm's length nature of the related party transactions. The documentation must be prepared in Portuguese and submitted to the tax authorities upon request. Taxpayers in the Large Taxpayers Unit must prepare and submit transfer pricing documentation to the tax authorities by the 15th day of the seventh month following the end of the tax year.

For more detailed guidance, please see the [Country Portfolio: Portugal, Business Operations in Portugal, XIII. Intra-group Pricing, 3. Documentation Requirements](#).

Transfer Pricing Disclosure

Certain transfer pricing information is disclosed in the transfer pricing annexes of the Annual Accounting and Tax Return (IES).

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For more detailed guidance, please see the [Country Portfolio: Portugal, Business Operations in Portugal, XIII. Intra-group Pricing, 3. Documentation Requirements.](#)