

**DID YOU  
MISS OUT ON  
THE NHR?  
YOU MAY  
STILL BE  
ELIGIBLE**

**ALL FINANCE MATTERS**

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The Non-Habitual Residency tax regime ended in 2024 and some expats that were eligible didn't apply, because they weren't aware of the program, or received incorrect advice or even in some cases, their visa application got delayed, making it impossible to apply to the NHR before 31st March 2025.

If you are in one of these cases, we have some good news, it is still possible to apply to the old NHR regime, under certain circumstances.

### **What is the old NHR regime?**

It's a tax benefit that lasts for 10 years and offers:

- No tax on foreign capital income (such as interest and dividends)
- No tax on capital gains from foreign real estate assets
- 10% tax on foreign pensions (1.5% if SPPs)
- 20% tax on employment or self-employment income, from eligible occupations

These benefits make the NHR regime one of the most attractive tax regimes in Europe, especially if you are retiring in Portugal.

### **Who can apply to the old NHR regime?**

The old NHR regime, was only available for those taxpayers that were not resident in Portugal in the previous 5 tax years, preceding their arrival and application to the NHR. The application to the old NHR regime needed to be submitted until 31st March 2025.

### **I missed the deadline can I still apply?**

Although the deadline was 31st March 2025, the tax authorities allow taxpayers to change their tax address retrospectively by submitting one of the documents permitted by the tax authorities, as long as the taxpayer meets the criteria of the transitional regime, such as having started the visa application process for Portugal before 31st December 2023, amongst others.

For EU citizens this means providing supporting evidence such one of the documents listed below:

- The CRUE (EU Residency Certificate issued in 2024
- An official rental agreement and registered at the tax office in Portugal, dated 2024

- Work contract in Portugal, started in 2024
- Deed of purchase in Portugal from 2024.

If the taxpayer is a Non-Eu citizen, is always required evidence that the Visa application started before 31-12-2023 and one of the supporting documents listed above.

**I was already in Portugal in 2024 but only have received my residency permit now. What should I do now?**

In this case, your tax residency can be retroactively set to 2024, allowing you to qualify for the NHR regime. This means your NHR status would be effective from 2025 to 2033, giving you 9 years of benefits instead of the usual 10.

**We have started our residency process in 2024 and are waiting for our appointment. What can we do? We already emigrated from Canada.**

If you have already begun your residency process in 2024 and are awaiting your AIMA appointment, it is generally possible to retroactively establish your residency as of 2024. This can be supported by documents such as your rental contract or proof from the Canadian tax authorities confirming your emigration. Once this is done, we can proceed with your NHR application, enabling you to benefit from the regime for 9 tax years, from 2025 to 2033.

**I have bought a property in Portugal in 2024, but was not aware of this NHR scheme, did I miss the opportunity?**

If you can demonstrate that you purchased your property in 2024 with the intention of moving to Portugal and you have EU citizenship, you may still qualify for the NHR regime for the period from 2025 (the year of application for NHR) to 2033. This eligibility depends on your ability to change your tax residence retroactively to 2024 and to meet the criteria of the transitional regime (e.g. having signed the promissory contract before 10th October 2023).

**I am American citizen and was considering moving to Portugal in 2024, but I did not start my residency process, do I have any alternative route? I will only retire in 2036.**

As you are not an EU citizen and have not started your VISA application, it will not be possible to apply to the NHR. However, please note that the old NHR scheme was designed to attract retirees and high skilled individuals to work from Portugal. As you are not retiring yet this will not be an issue, as you can

still apply for the NHR 2.0 (also known as IFICI or TISRI).

The NHR 2.0 is a new tax incentive for scientific research and innovation, designed to attract individuals to work from Portugal. If you meet the criteria, your income arising from employment or self-employment will be taxed at a flat rate of 20% and no tax will be levied on foreign source income, except pension income, or income arising from blacklisted jurisdictions.

### **What are the other tax advantages that make Portugal such an attractive destination?**

Always remember that Portugal is still one of the best places to live, with no wealth or inheritance tax. Portugal has signed DTAs (Double Tax Agreements) with more than 70 countries and jurisdictions that provide tax relief from international double taxation. If you are considering living in Portugal, tax should not be the driving reason behind it, but if you speak with a tax advisor prior to your move, you will be surprised by the tax breaks available and ways to minimize your tax liability.

### **Conclusion**

Although the Non-Habitual Resident regime formally ended, this does not necessarily mean that all opportunities have been lost. As outlined above, Portugal's transitional rules and the possibility of retroactively establishing tax residency mean that, in certain situations, it may still be possible to access the former NHR regime. Each case depends heavily on timing, documentation and individual circumstances, particularly regarding residency status, visa applications and proof of intent to relocate.

At the same time, for those who are no longer eligible for the former NHR regime, Portugal continues to offer alternative tax incentive frameworks, such as the IFICI (also known as TISRI), as well as a generally favourable tax environment supported by an extensive network of double tax treaties.

Given the complexity of these rules and the potential financial impact, professional advice is essential before taking any steps. At AFM, we assist individuals and families in assessing their eligibility, reviewing their documentation and structuring their tax position in a compliant and efficient manner.





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**"YOU MUST PAY TAXES, BUT THERE'S NO LAW  
THAT SAYS YOU NEED TO LEAVE A TIP."**