

# TAXATION OF GOLD SALES IN PORTUGAL: WHAT INVESTORS NEED TO KNOW

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At All Finance Matters, we are frequently asked about the tax implications of selling investment assets in Portugal. One recurring question concerns the sale of gold, particularly in the form of investment-grade gold bars.

This article outlines the applicable tax framework and clarifies when such transactions may, or may not, be subject to taxation.

## **Investment Scenario**

Consider a taxpayer who acquires gold bars, for example in standard 100g units, with the intention of holding them as an investment. A key question arises: is the sale of such gold subject to capital gains tax in Portugal?

## **Capital Gains Framework in Portugal**

Under Article 10 of the Portuguese Personal Income Tax Code, capital gains are defined as gains derived from specific transactions, provided they are not classified as business income, investment income, or rental income.

These include, among others:

- The sale of real estate rights
- The sale of shares and other securities
- The transfer of intellectual or industrial property (where the seller is not the original owner)
- The assignment of contractual rights related to immovable property

Importantly, the law provides an exhaustive list of transactions that fall within the scope of capital gains taxation.

## **Is the Sale of Gold Taxable?**

The sale of physical gold is not expressly included in the list set out under Article 10. As such, and in principle, gains arising from the sale of gold held as a private investment do not fall within the scope of capital gains taxation (Category G).

This means that occasional sales of investment gold, where no business activity is involved, are generally not subject to personal income tax in Portugal.

## **When Can Taxation Apply?**

The situation changes if the activity is no longer considered occasional.

Under Category B of the Portuguese Personal Income Tax Code, income is taxed based on the existence of an economic activity, regardless of the nature or origin of that income.

An activity is considered to exist when it is carried out:

- On a regular or habitual basis
- With the intention of generating profit

If a taxpayer engages in the frequent buying and selling of gold, this may be regarded as a business activity.

In such cases:

- The taxpayer must register the activity with the Portuguese tax authorities
- The income generated will be taxed under Category B
- The taxpayer will be subject to the corresponding reporting and compliance obligations

## **Conclusion**

In summary, the tax treatment of gold sales in Portugal depends on the nature of the activity:

- Occasional sale of gold held as a private investment: generally not subject to capital gains tax
- Regular trading activity with profit intent: taxed as business income under Category B

Given the potential complexity and the importance of correctly assessing each individual situation, we strongly recommend seeking professional advice before undertaking such transactions.

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