

**ADD VALUE TO YOUR  
BUSINESS**

# MADEIRA IBC

# MADEIRA'S IBC

Offers special tax advantages to corporations, under a tax regime that is approved by the European Union, until 2027, with negotiations in progress to extend the regime.

Operating for more than 30 years, Madeira Fiducia Management Ltd. offers corporate advice and full management services to entities intending to locate to Madeira, operating under the Valor Solutions Brand.

## HIGHLIGHTS

- **Rate of 5% on Corporate Income Tax (CIT)**
- **No Withholding Tax on Dividends**
- Low operational costs;
- Special Personal Income Tax (PIT) Regimes;
- Duly regulated subject to national and EU supervision;
- Credibility and Stability of the Tax Regime;
- Non harmful transparent jurisdiction;
- Qualified workforce found locally;
- Fully benefits from the Portuguese network of Double Taxation and Investment Protection Agreements.



# IBCM TAX REGIME

## INCOME TAX RATES

The tax regime applicable to Madeira companies is straightforward being the reduced rates of 5% applicable only to taxable income arising from operations with non Portuguese resident entities or entities also licensed to operate within the IBCM.

PERIOD	NON PORTUGUESE SOURCE INCOME	PORTUGUESE SOURCE INCOME
until 2027	5% <sup>1</sup>	14,7% <sup>1&amp;2</sup>

<sup>1</sup> Plus the applicable Surtax Rate

<sup>2</sup> If the company is a Small/Medium enterprise, the first € 25.000 of taxable income originated from Portuguese Sources is taxed at the reduced 11,9% CIT rate.

## WITHHOLDING TAX

WHT exemption on all operations with non Portuguese resident entities that are not domiciled in a tax haven.

	NON RESIDENT SHAREHOLDERS	THIRD PARTIES
DIVIDENDS	0%	N/A
INTEREST	0%	0%
ROYALTIES	0%	0%
SERVICES	0%	0%

# LOCAL SUBSTANCE REQUIREMENTS

<b>JOBS CREATED</b>	<b>LIMIT OF TAXABLE INCOME BENEFITING FROM REDUCED CIT RATE OF 5%</b>
1*	€ 2.73 M
3*	€ 3.55 M
6	€ 21.87 M
31	€ 35.54 M
51	€ 54.68 M
100	€ 205.50 M

Companies in the IBCM tax regime must hire a full time worker, resident or exercising his activity in Madeira, in the first 6 months of activity.

We can provide a solution for the compliance of job requirements.

\*Additionally, please note that the first two thresholds require an investment in either fixed tangible or intangible assets in the amount of € 75.000,00, in the first 2 years from incorporation.

The above limits are not applicable to Holding Companies.



# PARTICIPATION EXEMPTION TAX REGIME

## INBOUND DIVIDENDS 0% TAXATION

### REQUIREMENTS

1. Minimum 10% participation;
2. Minimum 1 year holding (or intention to hold) period;
3. Subsidiary must be subject to CIT;
4. Subsidiary cannot be based in tax haven.

## OUTBOUND DIVIDENDS 0% WITHHOLDING TAX

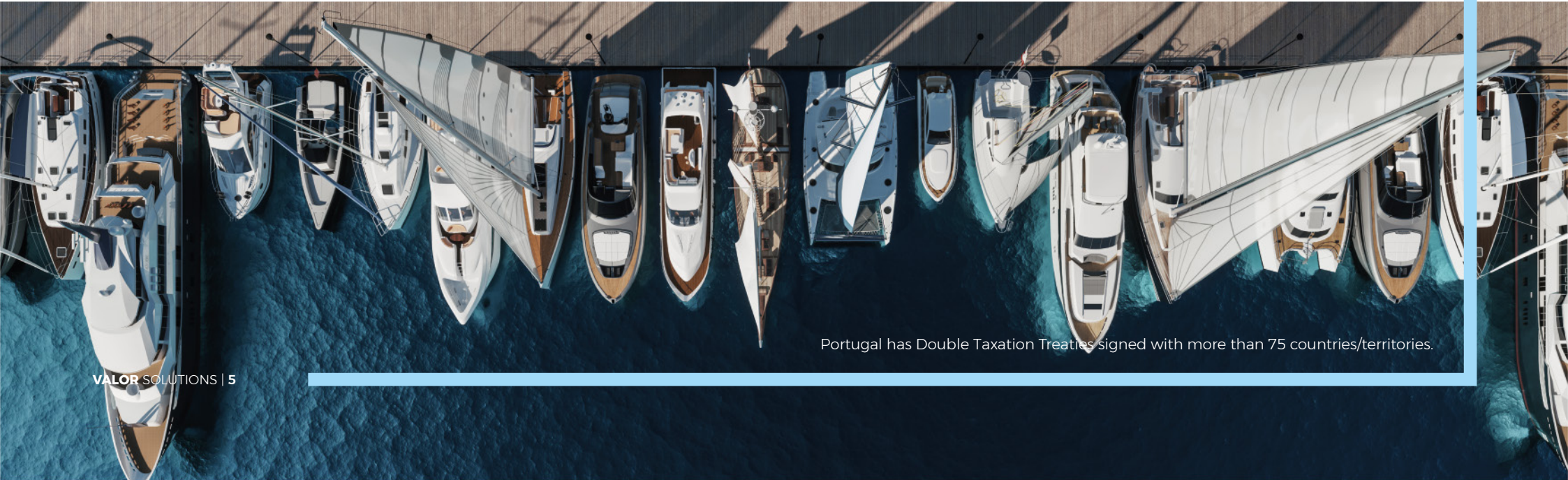
### REQUIREMENTS

1. More than 10% participation in Portugal;
2. Holding period of more than 1 year;
3. Holding company registered in EU, or country with which Portugal has a double Taxation Treaty (DTT) signed;
4. Holding company must be subject to CIT.

## CAPITAL GAINS 0% TAXATION

### REQUIREMENTS

1. Minimum 10% participation;
2. Minimum 1 year holding period;
3. Subsidiary must be subject to CIT;
4. Subsidiary cannot be based in tax haven.



Portugal has Double Taxation Treaties signed with more than 75 countries/territories.

# OUR COMPANY

Operating in Madeira's IBC for more than 30 years, Madeira Fidúcia Management is duly licensed and authorized by the Regional Government to provide services within the IBCM.

Our team of dedicated professionals has extensive experience and is in an excellent position to provide all the assistance you may need in your dealings with the IBCM.

Our services comprise the incorporation and maintenance of companies, tax consultancy, fiduciary services, accountancy services, acting as local agents for ship owners, and also giving professional advice in all related matters.

We look forward to assist you in planning and structuring your international operations with Madeira's International Business Centre.



# ADD VALUE TO YOUR BUSINESS

[www.valorsolutions.org](http://www.valorsolutions.org)

We remain at your entire disposal for further details and clarifications!

## VALOR SOLUTIONS

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