
IFICI - Regulations

Ordinance 352/2024/1 of December 23, 2024, regulates the tax incentive regime for scientific research and innovation, as established in article 58-A of the Tax Benefits Statute.

Portugal - Legal Flash

December 26, 2024



Key aspects

- Main features of Ordinance 352/2024/1 of December 23, 2024:
 - Regulates the tax incentive regime for scientific research and innovation (“IFICI”): The IFICI aims to **reduce the tax burden on Category A and B income** derived from **scientific research and innovation activities** and qualified jobs. To promote competitiveness and attract talent, it applies a special 20% personal income tax (“PIT”) rate.
 - **Outlines the registration procedures for IFICI beneficiaries and verification** of the eligibility requirements and establishes the obligations for record-keeping and proof.
 - Approves the **list of highly qualified professions and the industrial and service activities** established in article 58-A.1.c) of the Tax Benefits Statute (“EBF”).



Framework

The long-awaited [Ordinance 352/2024/1](#) was published on December 23, 2024, regulating the IFICI regime, as established in article 58-A of the EBF. Ordinance 352/2024/1 entered into force on December 24, 2024, and applies to **taxpayers who become tax residents in Portugal from January 1, 2024**.

The IFICI regime, established by the State Budget for 2024 and effective from January 1, 2024, targets highly qualified workers who move to Portugal to live and work locally. Specifically, it offers a special PIT rate of 20% on employment and self-employment income derived from scientific research, innovation activities, and qualified jobs. This benefit is valid for 10 consecutive years and is non-renewable.

IFICI regime registration

Eligible persons: Tax residents in Portugal who carry out qualified activities in the fields of scientific research and innovation.

Registration deadline: Eligible taxpayers must register for the IFICI regime by January 15 of the year following the year they become tax residents in Portugal. For example, if they obtain residency in 2025, they must complete their registration by January 15, 2026.

Entities responsible for registration: IFICI regime applications must be submitted to the following entities:

- **Fundação para a Ciência e a Tecnologia, I.P. (FCT):** For teaching and scientific research activities.
- **Agência para o Investimento e Comércio Externo de Portugal, E.P.E. (“AICEP”):** For qualified jobs and members of corporate bodies with contractual benefits linked to productive investment.
- **Autoridade Tributária e Aduaneira—Tax and Customs Authority (“AT”):**
 - For highly qualified professions listed in annex I of Ordinance 352/2024/1, exercised in companies with relevant applications, either at the year the work starts or within the past five financial years, benefitting or having benefited from the investment support tax regime.
 - For professions exercised in industrial and service companies, the main activity of which corresponds to one of the Portuguese Classification of Economic Activities (“CAE”) codes listed in annex II of

Ordinance 352/2024/1, and that export at least 50% of their turnover, at the year the work starts or in either of the two past financial years.

- **AICEP or IAPMEI - Agência para a Competitividade e Inovação, I.P.:** For qualified jobs and members of corporate bodies in entities that carry out economic activities recognized by these entities as important to the national economy.
- **Agência Nacional de Inovação, S.A.:** For personnel research and development activities whose costs are eligible for the tax incentive regime for business research and development.
- **Startup Portugal - Associação Portuguesa para a Promoção do Empreendedorismo:** For jobs and members of corporate bodies in entities certified as startups under Law 21/2023 of May 25, as amended.

These entities are responsible for receiving and verifying registration applications, as well as ensuring compliance with the specific requirements for the IFICI regime.

Applying for registration or communicating changes

Taxpayers must submit the following documents as applicable:

- If the activity is a job: Copy of employment contract
- If the activity involves being a member of a corporate body: Up-to-date permanent commercial certificate
- If the activity involves scientific research: Copy of grant contract
- Proof of applicable academic qualifications (e.g., for highly qualified professions)
- Declaration from the competent authorities certifying compliance with the requirements related to the activity, in accordance with paragraphs b), c), d), and e) of article 58-A.1 of the EBF
- Any other requested documents.

The company where the activity is carried out must prove compliance with the requirements established in article 58-A.1.c) of the EBF. Specifically, by March 15, the company must verify, on the respective area of the tax office website, that (a) it meets the conditions established in subparagraphs i) and ii), and (b) the taxpayer works in a highly qualified profession. By the end of February 2025, the AT will provide the specific information that must be confirmed.

Note I: Taxpayers are required to submit a new registration application if there is a change in the entity to which the registration application should be submitted or in the company that must verify the requirements for highly qualified professions.

Note II: Taxpayers are required to notify the pertinent authority **if they no longer meet the requirements to benefit from the IFICI regime or if there is a change in their registration details**. Taxpayers must submit this notification by January 15 of the year following the year these circumstances arose, specifying—where applicable—the date the previous activity ended.

Note III: The official form for registration applications and notifications of changes will be approved by an ordinance from the Ministry of Finance.

Verification of requirements

Responsibility: The above entities are responsible for verifying that taxpayers meet the requirements for the IFICI regime.

Requirements: As explained, these include the activity carried out, professional qualifications, and other specific criteria outlined in Ordinance 352/2024/1.

Note: Additional legal requirements for applying the IFICI regime are verified by the AT. These include ensuring that taxpayers (i) were not tax residents in Portugal in the five years before moving their tax residence to the country, and (ii) have not benefited from the Non-Habitual Resident (“NHR”) regime or the Return Program.

Highly qualified professions and industrial and service companies

List of professions

The following professions are considered highly qualified:

- Directors (general managers and executive managers of companies)
- Directors of administrative and commercial services
- Directors of production and specialized services (except directors of other specialized services and professions with command, direction or leadership in the security forces and services—code 1349)
- Specialists in physical sciences, mathematics, engineering, and related technical fields (excluding architects, urban planners, surveyors, and designers)
- Industrial product or equipment designers
- Doctors
- University and higher education professors
- Specialists in information and communication technologies (ICT).

Qualification levels: Workers in the above fields must have at least (i) level 8 of the European Qualifications Framework (“EQF”) (Doctorate); or (ii) level 6 of the EQF (Bachelor’s degree), plus three years of verified professional experience.

Note I: Directors, managers and managing directors of companies with relevant applications at the year their duties start or in the past five financial years, benefitting or having benefited from the investment support tax regime, are also considered highly qualified professions under article 58-A.1.c.i) of the EBF.

Note II: The scope of highly qualified activities and professions must be interpreted in accordance with the Portuguese Classification of Professions (“CPP”) and its explanatory notes.

Industrial and service companies: Ordinance 352/2024/1 approves a list of codes from the CAE for industrial and service companies—which must export at least 50% of their turnover—that can benefit from the IFICI regime:

- Extractive industries: divisions 05 to 09
- Manufacturing industries: divisions 10 to 33
- Information and communication activities: divisions 58 to 63
- Research and development in the physical and natural sciences: group 721
- Higher education: subclass 85420
- Human health activities: subclasses 86100 to 86904

Note I: The scope of the activities listed in the CAE codes must be interpreted in accordance with CAE, revision 3, and the respective explanatory notes.

Record-keeping and proof obligations

Competent entities and companies are required to maintain and provide documentation that proves compliance with the IFICI regime requirements.

Taxpayers are required to keep a record of their activities and income earned during any of the years the IFICI regime is applied. They must present this documentation whenever the AT requests them to do so.

Transitional regime

Ordinance 352/2024/1 establishes a **transitional regime for income earned in 2024**:

- Taxpayers who become tax residents in Portugal in 2024 can submit their registration request and notify changes **until March 15, 2025**.
- Competent entities can notify the AT about the registration of applications, notifications of changes, and compliance with requirements related to the activities carried out **until April 15, 2025**.

Approval of registration applications for the IFICI regime under Ordinance 352/2024/1 terminates ongoing registration procedures under (i) the NHR regime, if submitted under the transitional provision approved by the State Budget for 2024; and (ii) the IFICI regime, if submitted under article 58-A.9 of the EBF.

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