



TAX INCENTIVES FOR SCIENTIFIC RESEARCH AND INNOVATION

DEFINITION OF HIGHLY QUALIFIED PROFESSIONS

With the end of the regime for non-habitual residents, the State Budget for 2024 **created a tax regime to incentivise scientific research and innovation.**

This tax incentive regime, provided for in Article 58-A of the Tax Benefits Statute, **aims to attract new professionals linked to the area of scientific research and innovation to Portugal by taxing them, in IRS terms, at a special rate** of 20% on Category A income - income from dependent work - and Category B income - business and professional income - from scientific research and innovation activities and qualified jobs.

When this tax regime was created, it was envisaged that it would apply, among other things, to highly qualified professions, to be defined in an ordinance by the members of the government responsible for the areas of finance and the economy developed in:

- i. Companies with relevant applications, in the financial year in which they began their functions or in the previous five financial years, which benefit or have benefited from the tax regime to support investment, under the terms of chapter iii of the Investment Tax Code;

- ii. Industrial and service companies whose main activity corresponds to a CAE code defined in a decree issued by the members of the Government responsible for the areas of finance and the economy, and which export at least 50 per cent of their turnover in the financial year in which they began operating or in any of the two previous financial years.

MINISTERIAL ORDER 352/2024

Ministerial Order 352/2024, of 23 December, now **regulates the tax incentive scheme for scientific research and innovation**, provided for in article 58-A of the Tax Benefits Statute, establishing:

- a) The procedures for registering in this tax regime applicable to taxable persons resident in Portuguese territory, who carry out the activities eligible for the application of this tax regime; and
- b) The highly qualified professions and industrial and service activities to which this regime applies.

DEADLINE FOR APPLICATIONS

Taxpayers who wish to apply for the scheme and who became tax residents in Portugal in 2024 have until 15 March 2025 to apply for the scheme.

Subsequently, taxpayers wishing to take advantage of the scheme have until 15 January of the year following that in which they become tax residents in Portuguese territory to apply for the scheme.

WHERE TO APPLY

Applications must be submitted to the following organisations:

- a) **Foundation for Science and Technology**, in the case of teaching activities in higher education and scientific research, including scientific employment in entities, structures and networks dedicated to the production, dissemination and transmission of knowledge, integrated into the national science and technology system, as well as in the case of jobs and members of governing bodies in entities recognized as technology and innovation centers;
- b) **AICEP - Portuguese Trade & Investment Agency**, in the case of qualified jobs and members of corporate bodies within the scope of contractual benefits for productive investment;
- c) **The Tax and Customs Authority**, in the case of highly qualified professions, as identified in the ordinance in question;
- d) **AICEP or IAPMEI - Agency for Competitiveness and Innovation**, in the case of qualified jobs and members of corporate bodies, in entities that carry out economic activities recognized by AICEP or IAPMEI as relevant to the national economy;
- e) **National Innovation Agency**, in the case of personnel research and development activities whose costs are eligible for the purposes of the tax incentive system for business research and development;

- f) **Startup Portugal** - Portuguese Association for the Promotion of Entrepreneurship, in the case of jobs and members of governing bodies in organisations certified as start-ups.

HIGHLY QUALIFIED PROFESSIONS

This Ministerial Order approves the list of highly qualified professions to which this regime applies:

- 112 — CEO and executive manager of companies - (Diretor-geral e gestor executivo, de empresas);
- 12 — Directors of administrative and commercial services - (Diretores de serviços administrativos e comerciais);
- 13 — Directors of production and specialised services - (Diretores de produção e de serviços especializados (exceto, 1349));
- 21 — Specialists in the physical sciences, mathematics, engineering and related techniques (Especialistas das ciências físicas, matemáticas, engenharias e técnicas afins (exceto, 216));

2163.1 — Industrial product or equipment designer - (Designer de produto industrial ou de equipamento);

221 — Medical - (Médicos);

231 — University and college lecturer (Professor dos ensinos universitário e superior);

25 — Information and communication technology specialists - (Especialistas em tecnologias de informação e comunicação (TIC)).

At this point, it should also be clarified that the workers referred to above must have at least: (I) Level 8 of the European Qualifications Framework, or Level 8 of the International Standard Classification of Education (ISCED); or (II) Level 6 of the European Qualifications Framework, or Level 6 of the International Standard Classification of Education (ISCED), and have three years' duly proven professional experience.

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