

# Portugal

## Transfer Pricing Country Profile

Updated February 2018

|                                   |  | SUMMARY   | REFERENCE  |
|-----------------------------------|--|---|--|
| <b>The Arm's Length Principle</b> |  |   |  |
| 1                                 | <b>Does your domestic legislation or regulation make reference to the Arm's Length Principle?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | Article 63 of the Corporate Income Tax Code<br><br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx</a>   |
| 2                                 | <b>What is the role of the OECD Transfer Pricing Guidelines under your domestic legislation?</b>   | The OECD Transfer Pricing Guidelines are referred in the Portuguese legislation as a source of guidance in the application of the arm's length principle. The preamble of the Ministerial Order (Portaria) n.º 1446-C/2001, of the 21st of December, refers that the OECD Transfer Pricing Guidelines should be followed in a supplementary way, particularly in what concerns complex technical issues or in case of omissions in the domestic transfer pricing regime.  | Ministerial Order n.º 1446-C/2001, 21 <sup>st</sup> of December<br><br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a> |
| 3                                 | <b>Does your domestic legislation or regulation provide a definition of related parties? If so, please provide the definition contained under your domestic law or regulation.</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>There shall be deemed to be a special relationship between two entities where one of them has the power to exert, directly or indirectly, a significant impact on the management decisions of the other; this shall be deemed to occur, namely, between: <ul style="list-style-type: none"> <li>a) An entity and the owners of its equity, or the spouses, ascendants or descendants thereof, holding, directly or indirectly, a participation not lower than 20 per cent of the equity or voting rights;</li> <li>b) Entities in which the same equity owners, respective spouses, ascendants or descendants hold, directly or indirectly, a participation not lower than 20 per cent of the equity or voting rights;</li> <li>c) An entity and the members of its corporate bodies, or any administration, direction, management or supervising boards, as well as their spouses, ascendants or descendants;</li> </ul> | Article 63 paragraph 4, of the Corporate Income Tax Code<br><br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx</a>  |

d) Entities the majority of whose members of the corporate boards or of the administration, direction, management or supervising boards are the same persons or, in case of different persons, are related with each other by marriage, common law marriage or direct parentage;

e) Entities related under a subordination agreement, a parity group or any other agreement of a similar nature;

f) Enterprises with a control or group relationship, as defined in article 486.º of the Commercial companies Code;

g) Entities which legal relation allows, by its terms and conditions, that one entity conditions the management decisions of the other, due to facts or circumstances beyond or outside the commercial or professional relation;

h) A resident entity or a non-resident entity with a permanent establishment situated in the Portuguese territory and an entity subject to a more favorable tax regime, resident in a country, territory or region listed in the Ministerial Order approved by the Minister of State and Finance.

The arm's length principle is also applicable to any transaction between:

a) a Portuguese company and its permanent establishments abroad, or between these permanent establishments;

b) A non-resident entity and its permanent establishment in Portugal, or between these and other permanent establishments of that non-resident entity.

### Transfer Pricing Methods

4

**Does your domestic legislation provide for transfer pricing methods to be used in respect of transactions between related parties?**

**Yes**

**No**

If affirmative, please check those provided for in your legislation:

| CUP                                 | Resale Price                        | Cost Plus                           | TNMM                                | Profit Split                        | Other (If so, please describe)      |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Paragraph 3 of article 63 of Corporate Income Tax Code states that the methods to be used are as follows:

- a) The Comparable Uncontrolled Price (CUP) method, the Resale Price method or the Cost Plus method;
- b) Whenever those methods as mentioned in the previous sub-paragraph cannot be applied or, otherwise they shall not allow for the most reliable measure of terms and conditions which would usually be agreed upon, accepted or used by independent entities, there shall apply the Profit Split method, the Transactional Net Margin method or any other.

Article 63 paragraph 3, of the Corporate Income Tax Code

[http://info.portaldasfinancas.gov.pt/pt/informacao\\_fiscal/codigos\\_tributarios/CIRC\\_2R/Pages/irc63.aspx](http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx)

|   |  |  |   |
|---|--|--|---|
| 5 | <p><b>Which criterion is used in your jurisdiction for the application of transfer pricing methods?</b></p>  | <p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <hr/> <p>Paragraph 3 of article 63 of Corporate Income Tax Code states that “the methods to be used are as follows:</p> <p>a) The Comparable Uncontrolled Price (CUP) method, the Resale Price method or the Cost Plus method;</p> <p>b) <u>Whenever those methods as mentioned in the previous sub-paragraph cannot be applied or, otherwise they shall not allow for the most reliable measure of terms and conditions which would usually be agreed upon, accepted or used by independent entities, there shall apply the Profit Split method, the Transactional Net Margin method or any other”.</u></p> <p>According to article 4 of Ministerial Order 1446-C/2001, of 21st of December, <u>the taxpayer shall adopt the most appropriate method</u>, which is defined as the method which is likely to provide the highest degree of comparability.</p> | <p>Article 63 paragraph 3, of the Corporate Income Tax Code</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx</a></p> <p>Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |
| 6 | <p><b>If your domestic legislation or regulations contain specific guidance on commodity transactions, indicate which of the following approaches is followed.</b></p> | <p><input checked="" type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic legislation mandates the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <hr/> <p>As the domestic legislation does not contain specific guidance on commodity transactions, paragraphs 2.18-2.22 of the TPG would be a source of guidance in the application of the arm’s length principle in these cases.</p>  |   |

## Comparability Analysis

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| 7  | <p><b>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</b></p>                  | <p><input checked="" type="checkbox"/> <b>Yes</b><br/><input type="checkbox"/> <b>No</b></p> <p>Article 5 of the Ministerial Order n.º 1446-C/2001, identifies the comparability factors to consider in the analysis of controlled transactions under the arm's length principle.</p> <p>As the domestic legislation does not contain any other specific guidance on comparability analysis, Chapter III of the TPG would be a source of guidance in the application of the arm's length principle in these cases.</p> | <p>Article 5 of the Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p>             |
| 8  | <p><b>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</b></p>   | <p><input type="checkbox"/> <b>Yes</b><br/><input checked="" type="checkbox"/> <b>No</b></p> <p>There would be a preference for domestic comparables only on those cases where the controlled transactions under evaluation would involve terms and conditions significantly connected with specific/exclusive characteristics of the domestic market.</p>   |   |
| 9  | <p><b>Does your tax administration use secret comparables for transfer pricing assessment purposes?</b></p>   | <p><input type="checkbox"/> <b>Yes</b><br/><input checked="" type="checkbox"/> <b>No</b></p>   |   |
| 10 | <p><b>Does your legislation allow or require the use of an arm's length range and/or statistical measure for determining arm's length remuneration?</b></p> | <p><input checked="" type="checkbox"/> <b>Yes</b><br/><input type="checkbox"/> <b>No</b></p> <p>The domestic legislation allows the use of an arm's length range and of statistical measures for determining an arm's length remuneration, provided that the analytical process underlying the determination of the range or the statistical measure is in alignment with the arm's length principle.</p>  | <p>Article 4 paragraph 5 of the Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |
| 11 | <p><b>Are comparability adjustments required under your domestic legislation or regulations?</b></p>  | <p><input checked="" type="checkbox"/> <b>Yes</b><br/><input type="checkbox"/> <b>No</b></p> <p>When applying a transfer pricing method, and if the terms and conditions of the tested transactions or companies are not fully comparable in any of the relevant aspects required for an arm's length test, comparability adjustments must be performed in order to eliminate the effect of the existing differences.</p>  | <p>Article 4 paragraph 3 of the Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |

## Intangible Property

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|---|--|--|--|
| 12  | <b>Does your domestic legislation or regulations contain guidance specific to the pricing of controlled transactions involving intangibles?</b>        | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |  |
| Controlled transactions involving intangibles follow the general transfer pricing rules prescribed in the Portuguese legislation, and as the domestic legislation does not contain specific guidance on intangibles, the TPG would be a source of guidance in the application of the arm's length principle in these cases. |  |  |  |
| 13  | <b>Does your domestic legislation or regulation provide for transfer pricing rules or special measures regarding hard to value intangibles (HTVI)?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |  |
| 14  | <b>Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving intangibles?</b>         | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |  |

## Intra-group Services

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| 15   | <b>Does your domestic legislation or regulations provide guidance specific to intra-group services transactions?</b>                        | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No | <p>Article 12 of Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |
| Article 12 of Ministerial Order n.º 1446-C/2001 gives generic guidance on the application of the Arm's Length Principle to intra-group services transactions, in alignment with the guidance of OECD TPG.                          |   |  |  |
| 16   | <b>Do you have any simplified approach for low value-adding intra-group services?</b>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |  |
| Portugal did not yet change its legal framework as a result of BEPS Actions 8-10, and is evaluating the need to perform changes to the actual transfer pricing regulations in order to reflect the simplified approach for LVAIGS. |   |  |  |
| 17   | <b>Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving services?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |  |

## Cost Contribution Agreements

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| 18 | <p><b>Does your jurisdiction have legislation or regulations on cost contribution agreements?</b></p> | <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>   | <p>Article 11 of Ministerial Order n.º 1446-C/2001, 21<sup>st</sup> of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |
|    |   | <p>Article 11 of Ministerial Order n.º 1446-C/2001 gives generic guidance on the application of the Arm's Length Principle to cost contribution agreements, in alignment with the guidance of OECD TPG.</p> |  |

## Transfer Pricing Documentation

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|----|--|--|---|
| 19 | <p><b>Does your legislation or regulations require the taxpayer to prepare transfer pricing documentation?</b></p> | <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p> <p><i>If affirmative, please check all that apply:</i></p> <p><input type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input checked="" type="checkbox"/> Other (specify):</p>   | <p>Articles 13 to 16 of Ministerial Order 1446-C/2001, of 21st of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> |
|    |  | <p>Portugal's TP legal framework was changed in order to adopt country-by-country reporting. The need to perform additional changes to the current transfer pricing regulations in order to expressly reflect the other aspects of the three tiered approach described in the final report on BEPS Action 13 is under evaluation.</p> <p>Although local file and master file are not expressly required by the legislation in force, the current domestic legislation requires the preparation of a transfer pricing documentation file, that covers the information to be included both in master file and local file, and include, namely, the description of the special relationship situation; the description of the economic activity exercised by the taxable person and by the related entities; detailed identification of the goods, rights and services which are the object of the controlled transactions as well as the terms and conditions settled; the description of the duties performed, assets used and risks assumed by the intervenient entities; technical studies focusing on the core business areas; the internal guidelines concerning the transfer pricing policy; the contracts and other legal acts settled with related and independent entities; the explanation of the adopted method or methods, as well as of the reasons that justifies the choice; information on the comparable data used and on</p> |   |

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|    |  | the analysis carried out in order to evaluate the degree of comparability with the transactions carried out by independent entities; strategies and business policies, which may affect the transfer pricing determination or the imputation of transactions profits or losses; any other information, data or documents considered relevant for the determination of the arm's length price, for the comparability of transactions or for the adjustments carried out. In what concerns Cost Contribution Arrangements and Intra-group Services, specific information and documentation are required.   |   |
| 20 | <b>Please briefly explain the relevant requirements related to filing of transfer pricing documentation (i.e. timing for preparation or submission, languages, etc.)</b> | <p>Transfer pricing documentation must be prepared until the 15<sup>th</sup> day of the 7<sup>th</sup> month after the end of a taxation period. The documentation should be prepared in Portuguese, but other working languages may be accepted, such as English and Spanish.</p> <p>The same deadline applies to the filing of the TP return.</p> <p>CbCR must be submitted until the end of the 12<sup>th</sup> month after the end of the fiscal year it refers to. Each constituent entity of a MNE group must identify by filing the adequate form, the reporting entity of the MNE group, until the end of the 5<sup>th</sup> month after the end of the fiscal year the inherent CbCR refers to.</p> | <p>TP Documentation: article 63 paragraph 6 and article 130 of the Corporate Income Tax Code<br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx</a></p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc130.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc130.aspx</a></p> <p>TP Return: article 121 of the of the Corporate Income Tax Code<br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc121.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc121.aspx</a></p> <p>CbCR: article 121-A, paragraphs 3 and 4<br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc121a.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc121a.aspx</a></p> |
| 21 | <b>Does your legislation provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</b>                      | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The failure to present the transfer pricing documentation or CbCR, is punished with a penalty of (euro) 500 to (euro) 10 000, with an additional of 5% for each day of delay.</p> <p>The failure to present the transfer pricing return is punished with a penalty of (euro) 500 to (euro) 10 000.</p> <p>Any inaccuracies in the information provided in the TP documentation, in the TP returns or in CbCR are punished with a penalty of (euro) 375 to (euro) 22 500.</p>  | <p>Article 116 and article 117 of the Portuguese Taxation Infringements General Law<br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit116.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit116.aspx</a><br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit117.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit117.aspx</a></p> <p>Article 119 of the Portuguese Taxation Infringements General Law<br/> <a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit119.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/rgit/Pages/rgit119.aspx</a></p>  |

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| 22  | <b>If your legislation provides for exemption from transfer pricing documentation obligations, please explain.</b>                                | The obligation to prepare the transfer pricing documentation file does not comprise any taxable person with net sales and other income in the previous fiscal year which is less than 3 million euro. This threshold is not applicable to CbCR or the transfer pricing return.  | Article 13, paragraph 3 of Ministerial Order 1446-C/2001, of 21st of December<br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a>  |
| <b>Administrative Approaches to Avoiding and Resolving Disputes</b> |   |   |   |
| 23  | <b>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</b>                                   | Please check those that apply:<br><input type="checkbox"/> Rulings<br><input type="checkbox"/> Enhanced engagement programs<br><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)<br><input checked="" type="checkbox"/> Unilateral APAs<br><input checked="" type="checkbox"/> Bilateral APAs<br><input checked="" type="checkbox"/> Multilateral APAs<br><input checked="" type="checkbox"/> Mutual Agreement Procedures<br><input type="checkbox"/> Other ( <i>please specify</i> ): | Article 138.º of the Corporate Income Tax Code and Ministerial Order n.º 620-A/2008, of 16 July regulate the process for entering into an Advance Pricing Agreement<br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc138.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc138.aspx</a><br><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/Portaria_620-A-2008.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/Portaria_620-A-2008.pdf</a> |
| <b>Safe Harbours and Other Simplification Measures</b>              |   |   |   |
| 24  | <b>Does your jurisdiction have rules on safe harbours in respect of certain industries, types of taxpayers, or types of transactions?</b>         | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |   |
| 25  | <b>Does your jurisdiction have any other simplification measures not listed in this questionnaire? If so, please provide a brief explanation.</b> | No.   |   |



### Other Legislative Aspects or Administrative Procedures

|    |   |   |  |
|----|---|---|--|
| 26 | <b>Does your jurisdiction allow/require taxpayers to make year-end adjustments?</b> | <input checked="" type="checkbox"/> <b>Yes</b><br><input type="checkbox"/> <b>No</b>  | <p>Article 4, paragraph 5 of Ministerial Order 1446-C/2001, of 21st of December</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/diplomas_legislativos/Documents/portaria_1446-c-2001_de_21_de_dezembro_i_serie_b.pdf</a></p> <p>Article 63 paragraphs 11 and 12, of the Corporate Income Tax Code</p> <p><a href="http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx">http://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/irc63.aspx</a></p> |
|    |   | <p>Year-end accounting adjustments are allowed/required in those circumstances where the companies use an arm's length range and, at the end of the year, need to adjust a profit level indicator in order to comply with that arm's length range.</p> <p>Companies are not allowed to perform corresponding adjustments.</p> |  |
| 27 | <b>Does your jurisdiction make secondary adjustments?</b>                           | <input type="checkbox"/> <b>Yes</b><br><input checked="" type="checkbox"/> <b>No</b>  |  |

### Other Relevant Information

|    |   |   |  |
|----|---|---|--|
| 28 | <b>Other legislative aspects or administrative procedures regarding transfer pricing</b>  | N/A   |  |
| 29 | <b>Other relevant information</b> (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i> ) | <p>Portugal's TP legal framework was changed in order to adopt country-by-country reporting. The need to perform additional changes to the current transfer pricing regulations in order to expressly reflect the other aspects of the three tiered approach described in the final report on BEPS Action 13, and the guidance of BEPS Actions 8-10 final Report is under evaluation as the TPG are referred in the Portuguese legislation as a source of supplementary guidance in the application of the arm's length principle. A simplified approach for LVAIGS is also under evaluation.</p> |  |