



SOVEREIGN™

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Sovereign – Consultoria Lda

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Sovereign first established an office in Portugal in 1998 and later acquired the interests of Beckett and Co., a firm of accountants and tax advisors based in Lagoa, a town in the Algarve region on Portugal's south coast. Since that time Sovereign Lda has developed a large client base comprising foreign individuals and companies with interests in Portugal.

With our full complement of qualified accountants and bilingual administrative staff, we are able to deliver rapid and accurate advice and assistance to our clients and to keep up to date with the ever-changing fiscal demands placed on them.

Frequent newsletters and reminders to our clients enable them to keep up to date with any changes that may affect them or their property.

Our regular contact with local Tax Departments and our reputation for prompt, quality service has enabled us to establish good relationships with lawyers all over Portugal, who trust Sovereign to resolve fiscal matters for their clients. We ensure that confidentiality is applied to all our work and that our fees remain competitive.

As part of the worldwide Sovereign Group we are also able to offer consultancy on international tax planning structures using companies and trusts.

Client Profile

Our client base includes both individuals and companies that are resident and non-resident in Portugal, but typically our clients are foreign non-residents with property interests in Portugal who need to ensure that their fiscal obligations are met - with the minimum of fuss and at a reasonable cost. Many of our clients have decided to make Portugal their home on retirement.

Sovereign can assist in such cases by advising on the tax issues affecting non-residents in respect of income from property rental, any capital gains upon sale as well as on inheritance matters or the gifting of the property to family members.

In respect of foreign residents we can also advise on, and assist in, the declaration of both Portuguese and foreign-source income – pensions, interest, royalties and dividends – and, if necessary, liaise with the home tax authority to avoid any duplication of taxation through the use of tax treaties.

Many properties in the Algarve are still held in the names of companies – either Portuguese or non-resident (“offshore”). This may be an unfamiliar structure but Sovereign can clearly explain the concept and advise on the pros and cons of such an acquisition, including arranging searches on the company concerned to establish its good standing. We can then liaise with the client's lawyer to ensure a trouble free transfer and also offer ongoing services to ensure that the structure remains in good order.

Fiscal Representative

Any non-resident individual or company, resident outside the EU, who owns property, holds a bank account or has any other commercial activity or interest in Portugal must by law appoint a Fiscal Representative that is registered with the Tax Department.

Sovereign can provide this service at reasonable cost, ensuring that any correspondence or other communication from the Tax Department (Autoridade Tributária e Aduaneira) is received and dealt with swiftly and efficiently. This can include payment of Municipal Taxes on behalf of the client by arrangement.

Representation before the tax authorities

Situations can arise when even the most prudent people face an inquiry from the Tax Department: perhaps some income earned abroad has not been declared or maybe an income declaration has revealed an anomaly that causes the tax authority to take a closer look. In these times of ever-increasing exchange of information between countries' tax authorities, it has never been more important to ensure your tax affairs are all in order. As a foreigner, it can at best be unnerving to receive a communication from the Tax Department announcing an inspection of your accounts or requesting an appointment to answer further questions. Apart from anything else, there may be language difficulties.

Sovereign can assist, on a one-off consultancy basis, by researching the likely causes of the problem with the client and then approaching the relevant department, either alone

or with the client, to resolve the matter. In many cases what might appear to be a difficult and potentially expensive problem can be resolved amicably.

Business Start-Up Assistance

Many foreigners seek to start some kind of business activity in Portugal. It is vital that any commercial activity is correctly established and structured from the start.

A mistake at the outset may prove very costly later. Sovereign will sit down with a client, explore and discuss the issues involved in simple practical terms and then advise on the best way forward. Through our established relationships with Portuguese lawyers, Sovereign can assist with the establishment of a variety of business entities, including domestic limited companies or branch registration of foreign companies. Such assistance can either be provided on a one-off consultancy basis or as part of an ongoing accounting relationship.

International Tax Planning Services

As part of the worldwide Sovereign Group, we are also able to offer consultancy services in international tax planning. Established in 1987, The Sovereign Group provides a full range of wealth management services from a strategically located network of offices worldwide. In addition to the Group's core services, the establishment and management of companies, trusts and other structures, it offers tax planning, accounting, insurance, asset management, fund formation, pensions advice and transfers, as well as yacht and aircraft registration services.

General Enquiries

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