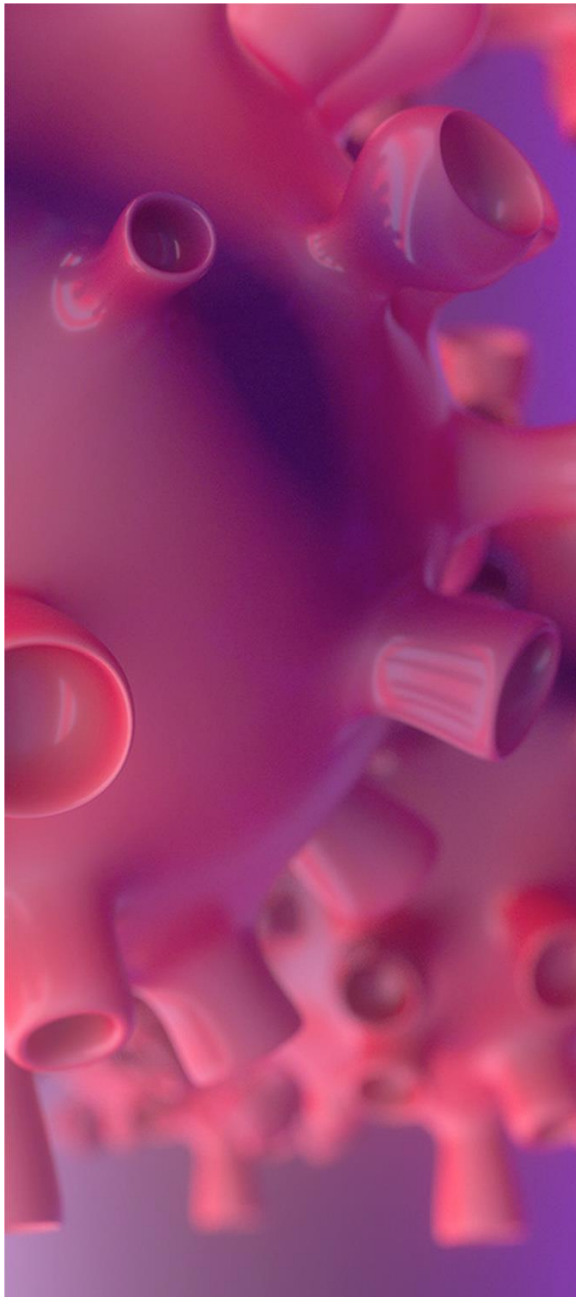

COVID-19 (No. 47)

Legal Flash | Portugal

March 22, 2021



- > **Exceptional measures for submitting Monthly Stamp Duty Declarations (DMIS) – Order 42/2021-XXII, of February 12**
- > **Extended deadline to accept PDF invoices - Order 72/2021-XXII, of March 10**
- > **Flexibility for paying VAT and personal income tax (*IRS*) and corporate income tax (*IRC*) withheld at source - Order 90/2021-XXII, of March 16**



Exceptional measures for submitting the Monthly Stamp Duty Declaration (*DMIS*)

Following the measures approved by the Portuguese government to deal with the effects of COVID-19 on economic activity, Order 42/2021-XXII, of the Secretary of State for Fiscal Affairs, of February 12, 2021, ruled that Monthly Stamp Duty Declarations filed with “minor errors” could be resubmitted before the end of the first half of 2021, without any penalties (fines and interest).

This Order is issued due to the drastic change in reporting formalities for paying Stamp Duty, and considers oversights to be “minor errors” when they do not amount to negligence, including situations in which taxpayers justifiably could not access computer equipment, operational or otherwise, for submitting Monthly Stamp Duty Declarations (DMIS) without errors.

Finally, the Order clarifies that situations exceeding this level of culpability, which have been identified in tax inspection proceedings, must be processed normally.

Extended deadline to accept PDF invoices

Following the previous Orders that allowed for PDF invoices to be accepted as electronic invoices for tax purposes by March 31, 2021, Order 72/2021-XXII, of March 10, 2021, of the Secretary of State for Fiscal Affairs extends this deadline to June 30, 2021.

Flexibility in payment of VAT and personal income tax and corporate tax withheld at source

As a supplement to Order 52/2021-XXII, of February 25, and in advance of the entry into force of the new rules on flexibility, Order 90/2021-XXII, of March 16, introduces new rules on flexibility in VAT payments, concerning the periodic declaration for January 2021 under the monthly regime, as well as payments of withheld personal income tax and corporate income tax for February.

Taxpayers with a turnover under the threshold for classification as a micro, small and medium company, or whose main economic activity is classified as hospitality, restaurant and similar activities, or a cultural activity, or who started or resumed their operations on or after January 1, 2020, may fulfill their payment obligations on the following terms:

- By the end of the voluntary payment period; or
- In three- or six-monthly installments, equal to or greater than EUR 25, without interest.

Additionally, the Order states that taxpayers covered by the turnover requirement must cumulatively declare and show a reduction in invoicing of at least 25% of the monthly average of the



complete calendar year 2020 compared to the same period of the previous year as reported through e-invoicing (“*e-fatura*”).

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