



23 JULY 2019

## WHY PORTUGAL? ANSWERS FROM AN INVESTOR'S POINT OF VIEW

### MV Conversation with António de Macedo Vitorino

**In the latest version of their investment Guide 'Why Portugal', Macedo Vitorino gives an insight into the realities and legalities of investing in Portugal, answering the key questions any potential investors need to know.**

Since the 90s, Macedo Vitorino has made it a priority to impart pertinent information to potential investors in Portugal. Initially this began as a paper covering business forms, employment and tax issues, but since 2013 this has morphed into the 'Why Portugal' Guide. This go-to online platform for foreign investors into Portugal answers key questions and addresses fundamental issues investors need to take next steps in their decision-making process.

What started as an informative paper sowed the seeds for an idea that came into fruition in 2013, explains António Vitorino. "There were a myriad of investment guides out there, usually compiled by investment agencies and law firms, but we wanted to create something that took this to the next step, not just information on the law or stereotypical 'attractive qualities' of Portugal itself, but something practical and objective that investors could act on."

Macedo Vitorino took the initiative to create something that looks at things from the investor's point of view, tackling the actual realities of setting up or investing in Portugal, what investors can and can't do, and their options and limitations. "For example, if you're looking to start a business here you need to know how long it takes to create a company, how rigid the employment rules are, what your tax obligations will be and what are the practical steps to buying real estate in Portugal. These are just the basics."

But when the «Why Portugal Guide» began in 2013, it was a time when all bets were on as to whether Portugal would remain a part of the Eurozone or even in the EU, says António Vitorino, and people said it was one of the worst places to invest in Europe. "So, it was logical for us to also touch on the actualities behind the country's legal, political, social and economic systems as well as how Portugal compares against the rest of the EU. Investors need a full informed picture to be able to make their investment strategy."

This comparison is a key part of the decision-making process for investors and it's important to have this information from the start. Aside from the legalities, you need to know the type of country you are looking to invest in, he explains, especially if you are looking for the best route into the EU or you are coming in from a country outside the EU and maybe not familiar with the landscape and legal system.

"How does the judicial system actually work? How does Portugal compare to the rest of the EU for red tape and bureaucracy? These are crucial questions that need substantiated answers," says António Vitorino. "That's why we looked for credible international sources, such as the World Bank' Doing Business Report, the World Economic Forum's Global Competitiveness Report and relevant EU rankings, so investors can see Portugal's historic position from objective sources with the statistics to match."



They also help the investor by interpreting that data into practical points that they can use to build a realistic picture of where Portugal stands. For example, in 2012 Portugal was number one in Europe for starting a business and a pioneer in the world for online incorporation of companies. "Of course, some 10 or more countries have now caught up, and now we're not number one but still high in the rankings. But what the investor really needs to take from this is that it's quick and easy to incorporate in Portugal," says António Vitorino. Another example relates to resolving disputes. "We alert investors that realistically it can take up to two years to resolve a dispute in the judicial courts, which puts Portugal somewhere in the middle of the EU ranking tables, lower than the benchmark countries. While this is not ideal, it is something we're working to improve, and investors just need to be aware to avoid any surprises."

The key takeaway to highlight for any investor, however, is the openness of the Portuguese economy to foreign investment, with the country ranked in the top three in Europe according to a study published by the European Central Bank, which states that Portugal has "virtually" no barriers to foreign investment. "We don't have barriers to foreign investors as other countries, political or economic, and no barriers derived from nationality or any policy of protecting or favouring local companies," says António Vitorino. "This is key, because it distinguishes Portugal from the rest of the EU in what is otherwise a pretty level playing field for investors."

'Why Portugal 2019' is available in [PDF](#) and online at [www.macedovitorino.com/why-portugal](http://www.macedovitorino.com/why-portugal) and has dedicated sections covering Investment incentives, Residence permits, Starting a Business, Tax, Employment, IP, Real Estate and Disputes, as well as a lot more information on corporate law, additional answers to employment questions and diving deeper into questions of IP.

If you need further clarification or help with any of the issues involved, please do get in touch at [www.macedovitorino.com/contactos/](http://www.macedovitorino.com/contactos/).

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