

**TAX**

The IVAucher (VAT Voucher)

The IVAucher programme was set up to stimulate private consumption in the sectors worst affected by the economic impact of the COVID-19 pandemic (catering, accommodation and culture). With regard to these sectors, “catering” is used in the broad sense to cover restaurants, cafés, bars and catering companies providing food and beverage services, and “accommodation” refers to hotels and other short-stay accommodation for holidays and business travel. The IVAucher programme makes it possible to accumulate value added tax (“VAT”) paid by consumers on transactions within the sectors concerned and subsequently convert it into discounts for use in those sectors.

The IVAucher programme allows consumers to recover all the VAT paid in the catering, accommodation and culture sectors. This contrasts with the existing rules, which only allow consumers to recover 15% of the VAT paid in these sectors, in the form of a limited personal income tax (“IRS”), up to a limit of EUR 250.

To benefit from the IVAucher programme, consumers must buy goods and services from participating traders and comply with the conditions determined for each phase of implementation of the IVAucher programme. These conditions are described below.

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1. Phases of implementation of the IVAucher programme

The IVAucher programme has three main phases: (i) a benefit accumulation phase, (ii) a benefit assessment phase and (iii) a benefit use phase:

a) Benefit accumulation phase

Beginning on 1 June and ending on 31 August, this corresponds to the period during which consumers (regardless of whether they have joined the programme) accumulate the VAT paid on purchases of goods and services in the catering, accommodation and cultural sectors.

To be able to accumulate the VAT credit, the purchases of the goods and services must be made from entities whose Economic Activity Code (Código de Atividade Económica - “CAE”) includes catering, accommodation and cultural activities (see Annex I).

"The benefit attributed corresponds to the sum of the VAT amounts on the invoices issued in the benefit accumulation phase."

b) Benefit determination phase

This phase runs from 1 to 30 September 2021 and it is the period during which the Portuguese Tax and Customs Authority ("AT") validates and calculates the amount of VAT borne by each taxpayer in the purchase of goods and services in the catering, accommodation and cultural sectors that is eligible under the IVAucher programme.

The benefit attributed corresponds to the sum of the VAT amounts on the invoices issued in the benefit accumulation phase, less the VAT amount on any cancelled invoices and credit notes issued.

For this purpose, only invoices, cancelled invoices and credit notes communicated to the AT by the deadline to communicate invoices (i.e., under the general rules, until 12 September 2021) are considered, with reference to the month of August - the last month covered by the benefit accumulation phase.

The definitive amount of the benefit determined by the AT will be disclosed to consumers in the AT computer application, or on the AT's website, by 30 September 2021.

c) Benefit use phase

Consumers who have joined the programme can use the accumulated benefit on purchases of goods and services from traders covered by the IVAucher programme between 1 October and 31 December 2021.

In this phase, in the sectors covered, consumers can choose to pay for goods and services by using the accumulated balance, up to a limit of 50% of the value of each payment they make.

The AT makes the balance of the benefit available and any transactions available in real time in the AT application or on the AT website (Portal das Finanças).

2. Conditions for joining the IVAucher programme

a) Consumers

In the first phase of the accumulation of the value of VAT paid on purchases in the sectors covered, all individuals with a Portuguese VAT number are automatically eligible for the IVAucher Programme. This applies whether or not their tax situation is in order. They simply have to request that their VAT number be included in the invoice to prove the payment in question.

Regardless of joining the programme, this value will be registered in the system, with its use pending subsequent activation by the consumer.

The IVAucher programme is joined online and this will be available from 15 June, through the website www.ivaucher.pt, or in the IVAucher application (not yet available), or in person, at the SaltPay customer network (the entity operating the system).

Simultaneously, the consumer's VAT number must be associated with a bank payment card. The purpose of this association is to debit 50% of the payment from the card associated with the consumer, in combination with the remaining 50% of the credit attributed under the IVAucher programme.

For the moment, it is expected that the association of the payment card can only be carried out at Pagaqui sales points (available at tobacconists or newsagents).

b) Traders

All traders subject to VAT, registered under one of the CAEs identified in Annex I, are covered by the IVAucher programme.

Participation in the IVAucher programme operates automatically for traders who have (i) compatible points of sale ("POS"), or (ii) the IVAucher App for traders, operated through any type of device with internet access (computer, tablet or smartphone) or, alternatively, or who (iii) update compatible invoicing software in order to have the IVAucher function available. Information on compatible POSs will be made available shortly by the AT.

Traders must also express their acceptance of the terms of membership, electronically, to the SaltPay system operator, from 15 June.

"There is no deadline for traders to join the programme, but ideally this should be completed before 1 October."

There is no deadline for traders to join the programme, but ideally this should be completed before 1 October so that consumers can use their IVAucher balance in their establishments.

In order to identify the traders who join the programme, they will have a stamp (the IVAucher stamp), which identifies them to consumers who wish to use their balance in the participating establishments.

After payment by the consumer, the merchants will receive the amounts net of the fees agreed with SaltPay.

3. Connection between the benefit and the IRS deductions provided for in articles 78-B and 78-F of the IRS Code

The amount of the benefit that is actually used under the IVAucher programme does not contribute towards the amount of the IRS (personal income tax) deductions to be made from the taxable income provided for in Articles 78-B ("deduction for general family expenses") and 78-F (deduction for requiring an invoice) of the IRS Code, although the remainder that is not used under the programme can be deducted from the IRS taxable income.

4. Connection between the IVAucher programme and business expenses incurred by self-employed workers

Professional expenses incurred in the catering, accommodation and cultural sectors by individuals who earn business and professional income falling under Category B of the IRS and/or who are subject to VAT, are not covered by the IVAucher Programme.

Self-employed workers must ensure that invoices corresponding to expenses outside the scope of their professional activity are duly validated within the deadlines set for this purpose, in order to take advantage of the IVAucher benefit.

ANNEX I

Portuguese Classification of Economic Activities covered by the IVAucher Programme

a)	47610	Retail sale of books in specialist shops.	y)	56105	Restaurants with space for dancing.
b)	55111	Hotels with restaurant.	z)	56106	Preparation of takeaway ready meals.
c)	55112	Boarding houses with restaurant.	aa)	56107	Non-specific restaurants (includes mobile food service activities).
d)	55113	Inns with restaurant.	bb)	56210	Catering services for events.
e)	55114	Pousadas with restaurant.	cc)	56290	Other meal serving activities.
f)	55115	Motels with restaurant.	dd)	56301	Cafés.
g)	55116	Aparthotels with restaurant.	ee)	56302	Bars.
h)	55117	Holiday villages with restaurant.	ff)	56303	Pastry shops and tea houses.
i)	55118	Holiday apartments with restaurant.	gg)	56304	Other drinking establishments without entertainment.
j)	55119	Other hotels with restaurant.	hh)	56305	Drinks establishments with dancing area.
k)	55121	Hotels without restaurant.	ii)	6306	Mobile drinks establishments.
l)	55122	Boarding houses without restaurant.	jj)	59140	Motion picture and video projection.
m)	55123	Tourist apartments without restaurant.	kk)	90010	Performing arts activities.
n)	55124	Other accommodation without restaurant.	ll)	90020	Performing arts support activities.
o)	55201	Furnished holiday accommodation.	mm)	90030	Artistic and literary creation.
p)	55202	Rural tourism.	nn)	90040	Operation of show venues and related activities.
q)	55203	Holiday camps.	oo)	91011	Library activities.
r)	55204	Other short-stay local accommodation.	pp)	91012	Archive activities.
s)	55300	Camp sites and caravan sites.	qq)	91020	Museum activities.
t)	55900	Other accommodation facilities.	rr)	91030	Historical site and monument activities.
u)	56101	Restaurants of the traditional type	ss)	91041	Zoo, botanical garden and aquarium activities.
v)	56102	Restaurants with counter seating	tt)	91042	Parks and nature reserve activities.
w)	56103	Restaurants without table service.			
x)	56104	Typical restaurants.			