



PORTUGAL & CO

How to Set Up a Company in Portugal

The complete 2026 guide: structures, the step-by-step Lda process, the real costs, timelines, and what a Portuguese company needs from you once it exists.

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Why Portugal? The EU's Best-Kept Secret for Company Formation

Portugal has emerged as one of Europe's most attractive jurisdictions for company formation, especially for international investors, entrepreneurs, and founders seeking a European presence. Whether you're a US-based SaaS founder looking for an EU holding vehicle, a construction company needing a project SPV, or an investor in Portuguese real estate, Portugal offers a combination of advantages that few other European countries can match.

Here's why entrepreneurs and companies choose Portugal:

- **Fast and transparent formation:** Companies can be registered in 4-6 weeks entirely online
- **Minimal capital requirements:** Lda formation requires just €1 in capital
- **Competitive tax rates:** 19% corporate income tax for 2026, with a reduced 15% rate on the first €50,000 of taxable income for small and medium-sized companies
- **EU membership:** Full access to the single market and EU business frameworks
- **English-friendly:** Growing English-speaking business ecosystem, especially in Lisbon
- **Cost-effective operations:** Lower operational costs compared to Western Europe
- **No residency required:** Company formation is entirely remote; you don't need to be in Portugal

Key fact: Portugal & Co handles 100% of the company formation process remotely, including registration with the Commercial Registry (Conservatória), Tax Authority (AT), and Social Security (Segurança Social). You never need to set foot in Portugal.

Understanding Portuguese Company Structures

Portugal offers several company structures, but for international investors and foreign entrepreneurs, two dominate: the **Lda (Sociedade por Quotas)** and the **SA (Sociedade Anónima)**. Each serves different purposes and scales.

1. Lda (Limitada: Limited Liability Company)

The Lda is Portugal's most common business structure, equivalent to an LLC in the US or a GmbH in Germany. It's ideal for small to medium-sized businesses, single-person companies, and startups.

Key characteristics of an Lda:

- **Limited liability:** owners are only liable up to their investment
- **Minimum capital:** €1 (no practical minimum)
- **Can have 1 to unlimited shareholders**

- Flexible management structure
- Registered at Commercial Registry (Conservatória) and Tax Authority
- Annual filing requirements (relatively straightforward)
- Ideal for operational companies, holding structures, and SPVs

For 90% of international investors seeking a Portuguese company vehicle, the Lda is the right choice. It offers simplicity, flexibility, and efficiency.

2. SA (Sociedade Anónima: Joint Stock Company)

The SA is Portugal's equivalent to a public limited company. It's less common for small businesses but used for larger structures, multiple shareholders, or eventual public listing.

Key characteristics:

- Minimum capital: €50,000 (must be paid in full at formation)
- Shares are transferable (not quotas as in Lda)
- More complex governance and reporting requirements
- Better for larger enterprises, holding companies with institutional investors, or structures planned for growth

Unless you have specific reasons for an SA (institutional investors, planned capital raises), the Lda is simpler and more cost-effective.

SPVs and Special Purpose Vehicles

Many international investors use Portuguese Ldas as **Special Purpose Vehicles (SPVs)** for specific purposes:

- **Real estate investment vehicles:** Hold property, manage investments, structure tax efficiently
- **Construction and project SPVs:** Isolate project risk, manage financing, and structure development
- **Holding companies:** Hold shares in other Portuguese entities, manage subsidiaries, or structure group operations
- **EU subsidiary structures:** Foreign companies establishing a local presence or subsidiary
- **Intellectual property holding:** Hold IP rights, manage licensing, optimize tax

An Lda is the perfect vehicle for all of these purposes due to its flexibility, ease of modification, and straightforward governance.

Lda (Limited Liability)

- €1 minimum capital
- 1+ shareholders
- Simple governance
- Flexible structure
- Best for startups & SPVs

SA (Joint Stock)

- €50,000 minimum capital
- 1+ shareholders
- Complex governance
- More formal structure
- Best for larger enterprises

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Step-by-Step: How to Form an Lda in Portugal

Company formation in Portugal involves several steps across different government institutions. While it can be done independently, it typically requires Portuguese language expertise and familiarity with local procedures. This is why many international investors work with a licensed attorney.

Here's the process:

Step 1: Prepare Company Documents

Before official registration, you need to prepare:

- **Articles of Association (Pacto Social):** Defines the company's rules, share ownership, management structure
- **Shareholder identification:** Complete details of all owners (name, residence, tax ID)
- **Company details:** Proposed company name, registered office, business activities (CAE codes)
- **Manager appointment:** Who will manage the company day-to-day

These documents must comply with Portuguese law and be properly formatted. This is typically where international investors encounter friction: Portuguese legal requirements are specific and mistakes lead to delays.

Pro tip: Work with a licensed attorney from the start. Having documents correctly prepared saves weeks of back-and-forth with government authorities.

Step 2: Register with the Commercial Registry (Conservatória)

The **Conservatória do Registo Comercial** (Commercial Registry) is where companies are officially registered. Your documents are submitted, reviewed, and either approved or returned with corrections.

Timeline: Typically 2-3 weeks from submission to approval (sometimes longer if there are issues).

Once approved, your company receives:

- Official company registration certificate
- Registration number (Número de Identificação da Pessoa Coletiva: NIPC)

- Confirmation of company existence

Step 3: Obtain a Tax Number (NIF)

Every Portuguese company must register with the Tax Authority (Autoridade Tributária e Aduaneira: AT) for a **NIF (Número de Identificação Fiscal)**: essentially a tax ID number.

Timeline: Usually issued immediately or within days of registration. Often obtained as part of the formation process.

Your NIF is essential for:

- Filing taxes and tax returns
- Opening a bank account
- Conducting business
- Government interactions

Step 4: Register with Social Security (Segurança Social)

If your company will have employees or if the manager is taking a salary, you must register with the **Instituto da Segurança Social (ISS)** for social security contributions.

Timeline: Part of the standard formation process; usually completed alongside tax registration.

This registration covers:

- Employee social contributions
- Manager/owner contributions (if applicable)
- Tax and contribution obligations

Step 5: Open a Portuguese Bank Account

Once your company is registered with the NIF, you can open a business bank account. This is essential for conducting business, receiving payments, and managing cash flow.

Timeline: 1-2 weeks (depending on the bank and documentation)

Most banks in Portugal offer business accounts to newly registered companies. You'll typically need:

- Company registration certificate
- NIF
- Proof of registered office (lease agreement or letter from landlord)
- ID of the company's authorized signatories

Important: Many banks now ask for proof of business activity or contracts. If you're setting up a holding company or SPV with no immediate activity, clarify this with your bank upfront.

Step 6: Register with Municipal Services (Optional but Recommended)

Depending on your business activity, you may need to register with local municipal services or obtain specific licenses. For consulting, tech, or trading, this is typically minimal. For activities like construction, hospitality, or retail, additional registrations may be required.

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Costs and Timeline: The Real Numbers

Let's be transparent about what company formation actually costs and how long it takes in Portugal.

Official Government Fees

Portugal's state fees are fixed, published and modest. These are the amounts payable to the State, separate from any professional fee:

ITEM	COST	NOTES
Commercial registry, incorporation	€360	Paid to the registry when the company is incorporated
Name approval certificate	€75	The certificado de admissibilidade reserves your company name
Tax registration and company NIF	Free	No state fee
Social security registration	Free	No state fee
Total mandatory state fees	€435	Payable in every incorporation
Express registration (optional)	+€360	State urgency fee. Registration in as little as one week

However, the real cost is professional support. While it's theoretically possible to form a company independently, it requires Portuguese language fluency, knowledge of Portuguese law, familiarity with government processes, and time to coordinate between different institutions.

How Much Does It Cost with Professional Support?

This is where the value proposition becomes clear. At Portugal & Co, we handle the complete formation process on modular fixed pricing: a €1,500 base plus only the modules your setup needs.

What's included in this fixed fee:

- Consultation and company structure advice
- Preparation of all legal documents (Articles of Association, etc.)
- Submission to Commercial Registry
- Tax Authority registration and NIF application
- Social Security registration (Segurança Social)
- Guidance on bank account opening

- Complete project management and coordination
- 100% remote process: no travel required
- Support in English throughout

This is one of Portugal's most transparent and cost-effective service offerings in the market. There are no hidden fees, no per-step charges, and no surprises. Each module has a fixed price, every number is shown before you pay, and a typical all-in setup runs €2,200 to €4,150.

Timeline

Total time from start to finish: 4-6 weeks

This timeline includes all steps from document preparation to final bank account setup. The timeline assumes:

- Standard commercial activity (not specialized industries)
- Straightforward shareholder structure
- Timely responses to any document requests

In some cases, if there are complications or if the Tax Authority requests additional documentation, timeline may extend by 1-2 weeks. However, most formations stay within the 4-6 week window.

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100% Remote: The Complete Process Online

One of Portugal's biggest advantages for international investors is that the entire company formation process is 100% remote. You do not need to visit Portugal, sign documents in person, or be present for any registration.

Here's how it works:

Digital Signature (Assinatura Electrónica Qualificada)

All company documents: including the Articles of Association, shareholder agreements, and manager appointment: are signed using a qualified electronic signature. This is legally equivalent to wet signatures in Portugal and is recognized across the EU.

You receive documents via email, review them, and sign electronically. No travel required.

Online Submission to Government

All government submissions: Commercial Registry, Tax Authority, Social Security: are handled online by your attorney. You receive updates and confirmations via email as each step completes.

Document Collection and Delivery

Original certificates and registration documents can be:

- Mailed to your address (anywhere in the world)

- Held by your attorney or a Portuguese address on file
- Accessed digitally through government portals

Complete transparency: Portugal & Co keeps you informed at every step. You receive email updates as your company progresses through each stage: document preparation, Commercial Registry submission, Tax Authority approval, and final confirmation.

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Using Portuguese Companies as SPVs and Holding Vehicles

Many international investors and larger companies structure Portuguese entities as Special Purpose Vehicles (SPVs) or holding companies. This section covers the most common use cases.

Real Estate Investment Vehicles

A Portuguese Lda is an excellent vehicle for real estate investment:

- **Property acquisition:** Purchase and hold Portuguese real estate in a company vehicle rather than personally
- **Rental income:** Collect rental income at the company level, optimize tax structure
- **Estate planning:** Simplify inheritance and ownership transfers through company shares
- **Liability isolation:** Separate real estate risk from personal assets
- **Refinancing and leverage:** Easier to refinance or leverage company-held property

For foreign investors in Portuguese real estate, this is an extremely common and recommended structure.

Construction and Project SPVs

Construction companies and developers frequently use Portuguese Ldas for project-specific entities:

- **Project isolation:** Create a separate entity for each development project, isolating risk
- **Financing structure:** Project-level financing and mortgages
- **Partnership structures:** Multiple investors or joint venture partners in a project
- **Tax and accounting clarity:** Clear accounting per project, easier auditing and reporting

This is standard practice in Portuguese construction and real estate development.

European Holding Company Structure

Many non-EU companies (especially from the US, UK, or elsewhere) create a Portuguese Lda as their European holding company. This structure:

- Provides an EU legal presence and registered office
- Can hold shares in Portuguese subsidiaries or other EU entities
- Allows for centralized management of European operations

- Provides some tax optimization opportunities (depending on the parent company's jurisdiction)

For US companies, this is increasingly common as a way to establish a compliant European presence.

Intellectual Property Holding

Some companies establish a Portuguese Lda to hold intellectual property (trademarks, patents, software) and license it to operating entities. This can offer:

- Tax optimization through IP licensing
- Risk isolation of IP assets
- Centralized IP management across multiple jurisdictions

This requires careful structuring to comply with transfer pricing rules.

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After Formation: What You Need to Do

Once your Portuguese company is formed and registered, there are ongoing requirements and best practices.

Annual Accounting and Tax Filing

Every Portuguese company must file annual accounts and tax returns:

- **Corporate Income Tax (CIT):** Annual return filed with Tax Authority (AT)
- **Financial statements:** balance sheet, income statement and notes. A statutory audit by a registered auditor (ROC) is required only where the company exceeds the thresholds set out in article 262 of the Portuguese Companies Code, which most newly formed companies do not.
- **VAT returns:** Monthly or quarterly VAT returns if registered for VAT
- **Filing deadlines:** Generally due 4 months after year-end (e.g., April 30 for calendar year)

For holding companies or SPVs with minimal activity, filing is straightforward.

Registered Office

Your company must maintain a registered office in Portugal. This is:

- The official address on file with the Commercial Registry
- Where official notifications and documents are delivered
- Can be a physical office, commercial address, or serviced office
- Does not need to be where you actually conduct business

Many international investors use a registered office service. Portugal & Co provides one for €600 for the first year, including receipt and forwarding of official notifications from the registry and the tax authority.

Bank Account Management

Maintain an active Portuguese bank account for your company. This is important for:

- Demonstrating company activity and legitimacy
- Tax compliance and audit purposes
- Receiving payments and conducting business
- Satisfying bank anti-money laundering requirements

For dormant or passive holding companies, some banks may require minimal activity. Clarify this when opening your account.

Annual Company Record Updates

You must keep company records current, including:

- Shareholder list and ownership percentages
- Manager/administrator names and details
- Registered office address
- Articles of Association (if amended)

Changes must be filed with the Commercial Registry within specified timeframes.

What About Accounting Support?

For most companies, hiring a local accountant (contabilista) is prudent. They handle:

- Bookkeeping and accounting
- Monthly bank reconciliations
- Annual financial statement preparation
- Tax return preparation and filing
- Tax planning and compliance

Accounting services in Portugal are affordable, typically €150-€400/month depending on transaction volume. This is a worthwhile investment to ensure compliance and optimize your tax position.

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Legal Work After Incorporation

Most of what a Portuguese company needs from a lawyer arrives after it is registered: the first hire, the first distributor, a new shareholder, a change to the articles. We stay on as your counsel in Portugal for that work. Each piece is quoted as a fixed fee before it begins, so you decide with the number in front of you.

Employment contracts

Permanent and fixed-term contracts, service agreements, confidentiality and IP assignment, and the registrations that come with a first hire in Portugal.

Commercial and distribution contracts

Supply, services, agency, distribution and reseller agreements under Portuguese law, including the termination and goodwill indemnity rules that a home-country template will miss.

Corporate changes

Transfers of quotas, capital increases, new shareholders, changes of management, amendments to the articles, a new registered office or corporate purpose, and the registry filing each one requires.

Ongoing corporate support

Shareholder resolutions, annual approval of accounts, the beneficial ownership register (RCBE), powers of attorney and corporate records, kept in order rather than reconstructed later.

Tell us what you need and you get a fixed quote. No retainer, no hourly billing, and nothing you have to buy in advance.

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Frequently Asked Questions

Do I need to be in Portugal to start a company?

No. The entire process is 100% remote. You can form a Portuguese company from anywhere in the world without traveling to Portugal or being present for any registration. All documents are signed electronically, and all government submissions are handled online.

What's the minimum capital required for a Portuguese Lda?

Just €1. While the law permits a nominal minimum, in practice, you should have some capital in your company to show legitimacy. Most companies are formed with €1–€10,000 in initial capital, depending on the business model.

How long does it take to form a Portuguese company?

4-6 weeks from start to finish. This includes document preparation, Commercial Registry submission, Tax Authority registration, and opening the company's bank account. In some cases, if there are complications or additional document requests, it may extend by 1-2 weeks.

What's the difference between an Lda and an SA?

An Lda (limited liability company) requires minimal capital (€1), is simpler to manage, and is suitable for most businesses. An SA (joint stock company) requires €50,000 minimum capital, has more complex governance, and is better for larger enterprises. For most international investors, an Lda is the right choice.

Do I need a physical office in Portugal?

No. Your company needs a registered office (an address on file), but this can be a serviced office or registered agent's address. You don't need to rent a physical office space or be based there. Many international companies use a registered office service; ours is €600 for the first year.

Can a non-resident foreigner own a Portuguese company?

Yes, absolutely. Non-residents can own Portuguese companies, be shareholders, and manage them. There are no residency requirements. This is one of Portugal's big advantages for international investors.

What are the tax implications of forming a Portuguese company?

This depends on your residency, the company's activities, and your country of origin. Portugal's corporate income tax (IRC) rate is 19% for 2026, with a reduced 15% rate on the first €50,000 of taxable income for small and medium-sized companies. A municipal surcharge of up to 1.5% of taxable profit may apply depending on the municipality. For US investors, there are also US tax considerations (GILTI, Subpart F, etc.). We recommend consulting a tax advisor familiar with your home country's tax rules. Portugal & Co can provide introductions to tax advisors who specialize in cross-border structures.

Can I use a Portuguese company as a holding company?

Yes. A Portuguese Lda is an excellent vehicle for holding shares in other Portuguese entities, real estate, intellectual property, or other assets. Many international investors use this structure for European operations.

What ongoing compliance is required?

You must file annual accounts and a corporate tax return by the filing deadline (usually April 30 for calendar year-end). If you have employees or are registered for VAT, additional monthly or quarterly filings apply. Most companies hire a local accountant to handle this (€150-€400/month).

Can I form a company in Portugal if I'm not an EU citizen?

Yes. Non-EU citizens and non-residents can form Portuguese companies without restrictions. There are no visa requirements or residency obligations. This is a major advantage for international entrepreneurs and investors.

What's included in the fixed pricing?

The €1,500 base covers legal document preparation, Commercial Registry registration, tax registration, social security registration, and complete project management. Optional modules: shareholder NIFs (€250 each), registered office (€600/year), first-year accounting (€1,200), corporate bank account opening (€750): are added only if you need them. Government fees are separate and disclosed upfront; there are no hidden charges.

How do I open a Portuguese bank account for my new company?

Once your company is registered and has a NIF (tax number), you can open a bank account with most Portuguese banks. You'll typically need your registration certificate, NIF, and proof of registered office. We provide guidance on this as part of our formation service, and most banks complete the process within 1-2 weeks.

Can I be a manager of my Portuguese company if I'm not a resident?

Yes. You don't need to be a resident or Portuguese citizen to be a company manager. The manager is the person who makes day-to-day business decisions and represents the company legally. Many international companies have non-resident managers.

The Bottom Line

Forming a company in Portugal is straightforward, affordable, and entirely possible from anywhere in the world. Whether you're an international investor seeking an EU holding vehicle, a founder building a European subsidiary, or someone needing a project SPV, Portugal offers the right structure at the right price.

The process is:

- Fast: 4-6 weeks from start to finish
- Affordable: modular fixed pricing from €1,500: pay only for what you need
- Remote: 100% online, no travel required
- Transparent: No hidden fees, no surprises
- Professional: Handled by a licensed Portuguese attorney

If you're considering company formation in Portugal, the next step is simple: configure your setup online: three quick questions, transparent pricing, and the work starts the same business day. Prefer to talk first? Book a free consultation.

Portugal & Co is here to make company formation in Portugal simple, clear, and transparent.

Work with us

Portugal & Co is a Portuguese law practice that incorporates companies for international founders and groups. Fixed fees, quoted in full before the work starts, and every document drafted by a lawyer admitted to the Portuguese Bar.

Configure your setup online. Three questions, a transparent total, and the work starts the same business day.

portugal-and-co.com/start

Or talk it through first. A free 30-minute consultation, no obligation.

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