



# Invoice Allocation Workshop

FOR **FREELANCERS** IN PORTUGAL WITH REGISTERED  
INDEPENDENT ACTIVITIES UNDER THE **SIMPLIFIED REGIME**

# workshop agenda

- Introduction
- Simplified Tax Regime
- Tax deductions for business expenses
- e-Fatura portal
- Deadline for allocating business expenses
- Examples of how claiming business expenses will impact your tax calculations
- NHR: High Value Activities vs General Tax Tables
- Allocating invoices on the e-Fatura portal
- FAQ

# intro

Whether you're an independent contractor, a consultant, or a creative professional, understanding how you will be taxed in Portugal is essential to managing your finances.

Portugal offers different taxation regimes for freelancers, with the **Simplified Regime** and the **Organized Regime** being the two primary options.

This workshop will cover the tax laws concerning the **Simplified Regime only**, and how freelancers can claim their business expenses for tax efficiency purposes.

If you have a registered Independent Activity with the Portuguese Tax Authority, then you **need to allocate all your expenses** via the e-Fatura portal, whether they are business or personal expenses.



# simplified tax regime

In the Simplified Regime, the freelancer's taxable income, **depending on the type of activity** they engage in, is calculated by applying a **fixed percentage** to their gross income (Green Receipts).

This percentage is determined automatically by the Portuguese Tax Authority (Autoridade Tributária), based on the activity code, and it represents the proportion of income considered to be taxable.



# tax deductions for expenses

As a freelancer or consultant, you are deemed to automatically qualify for **25% of your Green Receipts Income as business expenses**.

However, in order to qualify for the full 25% deduction, you are required to **justify a minimum of 15%** of your income as business expenses.

Any personal (non-business) expenses will fall into the general tax credits / deductions available to taxpayers\*.

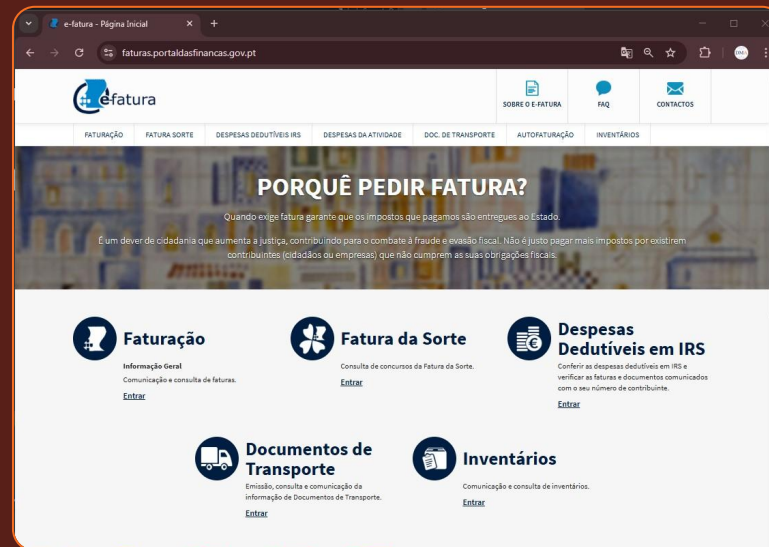
*\*This will not apply if you are on NHR and get taxed at the flat 20% tax rate.*



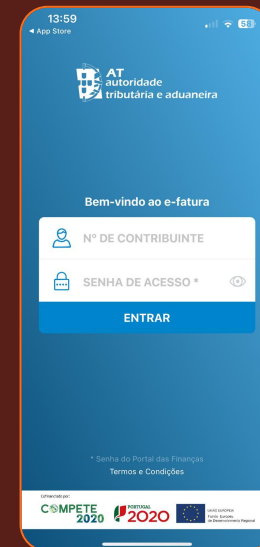
# e-Fatura portal

When purchasing goods and services in Portugal, you will be asked for your personal NIF number. Records of all your purchases are sent to the Portuguese Tax Authority and are captured on their online portal, referred to as "*e-Fatura*". If your NIF was on the invoice, then it will automatically be mapped to your profile.

web browser



app



[faturas.portaldasfinancas.gov.pt/](https://faturas.portaldasfinancas.gov.pt/)

You can log onto the e-Fatura portal using your NIF number and your Portal das Financas passcode.

—  
**deadline**

**25 FEBRUARY 2025**

to allocate all business expenses  
for the **2024 tax year.**

**REMINDER**

# tax calculation examples

Real life examples to illustrate the tax implications of allocating business expenses.

## EXAMPLE ONE



DJ  
Jonathan

## EXAMPLE TWO



Life Coach  
Jennifer

## EXAMPLE THREE



Swimming  
Instructor  
Tommy

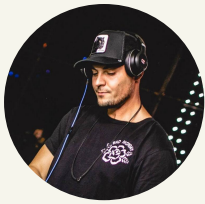


## EXAMPLE ONE

## DJ Jonathan



- Jonathan has NHR status and is a popular DJ that travels throughout Portugal and Europe on Business Class Tickets and stays in fancy hotels.
- All Jonathan's travelling and accommodation expenses are paid by his clients directly and do not hit Jonathan's bank account.
- In the year 2024, Jonathan had a total income of € 100,000 euros from his activity as a DJ, but he could only justify 1,500 euros of business expenses (a turntable and notebook he purchased at FNAC in 2024).
- As a result, Jonathan needed to justify a minimum of 15% of his income (15,000 euros) as verifiable business expenses through e-Fatura.



**EXAMPLE ONE**

**DJ Jonathan**

Total Green Receipts for 2024 (excluding VAT)  
*\*Issued through e-Fatura Portal*

15% of Total Income (Green Receipts)  
 (required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

**Shortfall** - to be added to Taxable Income

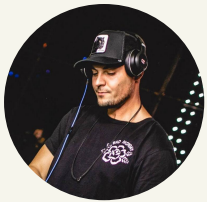
Taxable Income (75% of Green Receipts)

Add **Shortfall** of Justified Business Expenses

**Total Taxable Income**

Tax Payable on Taxable Income with  
 NHR High Value Activity

|  |                           |  |
|--|---------------------------|--|
|  | 100.000,00 €              |  |
|  | 15.000,00 €               | Jonathan needs to justify a minimum of 15% of his income (15,000 €) as verified business expenses through the e-Fatura Portal. |
|  | - 4.104,00 €              | Every taxpayer automatically gets a social security expense rebate of 4,104 €.   |
|  | - 1.500,00 €              |  |
|  | <u>9.396,00 €</u>         |  |
|  | 75.000,00 €               |  |
|  | + 9.396,00 €              |  |
|  | <u><b>84.396,00 €</b></u> |  |
|  | 16.879,20 €               |  |



**EXAMPLE ONE**

**DJ Jonathan**

Total Green Receipts for 2024 (excluding VAT)  
*\*Issued through e-Fatura Portal*

100.000,00 €

15% of Total Income (Green Receipts)  
 (required to be justified as business expenses)

15.000,00 €

Standard Social Security Rebate

- 4.104,00 €

Expenses justified & allocated on e-Fatura portal

- 1.500,00 €

**Shortfall** - to be added to Taxable Income

9.396,00 €

Taxable Income (75% of Green Receipts)

75.000,00 €

Add **Shortfall** of Justified Business Expenses

+ 9.396,00 €

**Total Taxable Income**

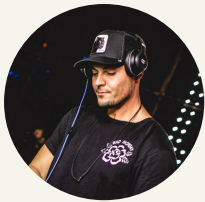
**84.396,00 €**

Tax Payable on Taxable Income with  
 NHR High Value Activity

16.879,20 €

Jonathan was only able to justify 1,500 € of expenses on the e-Fatura portal.  
 This was a turntable and notebook he acquired at FNAC in 2024.

He was 9,396 € short of the required.



**EXAMPLE ONE**

**DJ Jonathan**

Total Green Receipts for 2024 (excluding VAT)  
*\*Issued through e-Fatura Portal* 100.000,00 €

15% of Total Income (Green Receipts)  
 (required to be justified as business expenses) 15.000,00 €

Standard Social Security Rebate - 4.104,00 €

Expenses justified & allocated on e-Fatura portal - 1.500,00 €

**Shortfall - to be added to Taxable Income** 9.396,00 €

Taxable Income (75% of Green Receipts) 75.000,00 €

Add **Shortfall** of Justified Business Expenses + 9.396,00 €

**Total Taxable Income** 84.396,00 €

Tax Payable on Taxable Income with  
 NHR High Value Activity 16.879,20 €

This means Jonathan was taxed on 9,396 € plus 75% of his income (under the simplified regime).

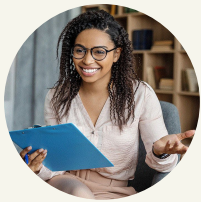
Since Jonathan has NHR status, the consequence of not meeting the 15% threshold in verifiable business expenses, is that he has to pay 20% of 9,396 € in additional tax.

## EXAMPLE TWO

## Life Coach Jennifer



- Jennifer is a life coach who supports clients in Portugal and all over the world.
- Jennifer has NHR status and billed 100,000 euros in 2024.
- She is very diligent and issues her clients Green Receipts from the e-Fatura portal.
- Jennifer works from home and meets with her clients via online meetings.
- She is in her 3rd Year of Activity.
- Jennifer has many business expenses and is very nervous about her tax affairs in Portugal.



**EXAMPLE TWO**

**Life Coach Jennifer**

Total Green Receipts for 2024 (excluding VAT)

*\*Issued through e-Fatura Portal*

15% of Total Income (Green Receipts)  
(required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

**Shortfall** - to be added to Taxable Income

Taxable Income (75% of Green Receipts)

Add **Shortfall** of Justified Business Expenses

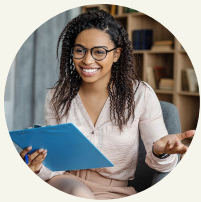
**Total Taxable Income**

Tax Payable on Taxable Income without  
NHR High Value Activity

|  |  |
|--|--|
|  | 100.000,00 €   |
|  | 15.000,00 €  |
|  | - 4.104,00 €   |
|  | - 20.500,00 €  |
|  | <hr style="border-top: 1px solid black;"/> - €   |
|  | <hr style="border-top: 1px solid black;"/>   |
|  | 75.000,00 €  |
|  | - €  |
|  | <hr style="border-top: 1px solid black;"/> <b>75.000,00 €</b> <hr style="border-top: 1px solid black;"/> |
|  | 26.163,55 €  |

Jennifer needs to justify a minimum of 15% of her income (15,000 €) as verified business expenses through the e-Fatura Portal.

Every taxpayer automatically gets a social security expense rebate of 4,104 €.



**EXAMPLE TWO**

**Life Coach Jennifer**

Total Green Receipts for 2024 (excluding VAT)  
*\*Issued through e-Fatura Portal* 100.000,00 €

15% of Total Income (Green Receipts)  
 (required to be justified as business expenses) 15.000,00 €

Standard Social Security Rebate - 4.104,00 €

Expenses justified & allocated on e-Fatura portal - 20.500,00 €

**Shortfall** - to be added to Taxable Income - €

Taxable Income (75% of Green Receipts) 75.000,00 €

Add **Shortfall** of Justified Business Expenses - €

**Total Taxable Income** 75.000,00 €

Tax Payable on Taxable Income without  
 NHR High Value Activity 26.163,55 €

Jennifer allocated all the invoices on her e-Fatura profile, and her business expenses totaled 20,500 €.

As a result she exceeded the business expense minimum requirement of 15% (15,000 €) of her income and therefore has no shortfall.

Since a life coach is not considered a high value activity under NHR she is taxed at the normal tax tables on 75% of her income.

## EXAMPLE THREE

## Swimming Instructor Tommy



- Tommy, is a swimming instructor and in 2024 he issued 25,000 euros worth of Green Receipts.
- Tommy does not have any expenses as he is an ambassador for Speedo swimwear and gets all his equipment for free.
- Tommy is generally in a good mood and always smiling.
- Tommy gets 50% of the amount charged by the gym for the swimming lessons. At the end of each month he generates a Green Receipt to the gym.





**EXAMPLE THREE**

# Swimming Instructor Tommy

Total Green Receipts for 2024 (excluding VAT)  
*\*Issued through e-Fatura Portal*

15% of Total Income (Green Receipts)  
 (required to be justified as business expenses)

Standard Social Security Rebate  
 Expenses justified & allocated on e-Fatura portal

**Shortfall** - to be added to Taxable Income

Taxable Income (75% of Green Receipts)

Add **Shortfall** of Justified Business Expenses

**Total Taxable Income**

Tax Payable on Taxable Income without  
 NHR High Value Activity

|                    |   |
|--------------------|---|
| 25.000,00 €        | Tommy issued 25,000 € worth of Green Receipts.  |
| - 3.750,00 €       | Tommy would need to justify business expenses 15% of 25,000 € which would be 3,750 €.   |
| - 4.140,00€        |   |
| 0 €                |   |
| - €                |   |
| 18.750,00 €        | Tommy automatically receives a social security deduction of 4,104 € so he does not need to justify any further business expenses. |
| - €                |   |
| <b>18.750,00 €</b> |   |
| 3.433,86 €         |   |

# NHR: high value activities

If your registered Independent Activity is considered a **"High Value Activity"**, then your tax rate will be a **flat rate of 20% on your taxable income**, as opposed to the standard rates indicated in this tax table for 2024 (see right).

| Total Income (EUR) |          | Tax Rate (%) | Deductible Amount (EUR) |
|--------------------|----------|--------------|-------------------------|
| Over               | Not Over |              |                         |
| 0                  | 7,703    | 13.25        | 0                       |
| 7,703              | 11,623   | 18.00        | 365.89                  |
| 11,623             | 16,472   | 23.00        | 947.04                  |
| 16,472             | 21,321   | 26.00        | 1,441.14                |
| 21,321             | 27,146   | 32.75        | 2,880.47                |
| 27,146             | 39,791   | 37.00        | 4,034.17                |
| 39,791             | 51,997   | 43.50        | 6,620.43                |
| 51,997             | 81,199   | 45.00        | 7,400.21                |
| 81,199             |          | 48.00        | 9,836.45                |





### EXAMPLE ONE



### EXAMPLE TWO



### EXAMPLE THREE

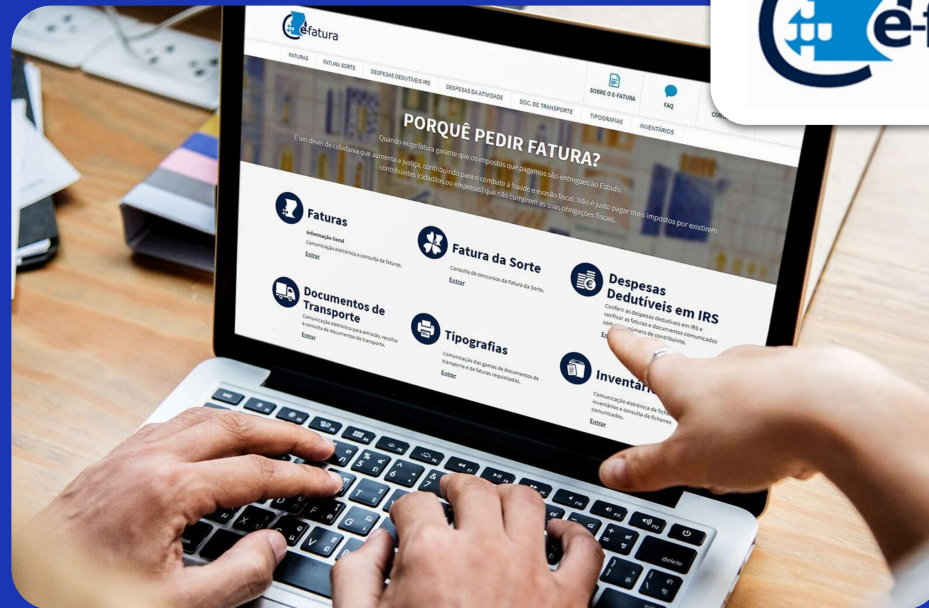
|   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| Total Green Receipts for 2024 (excluding VAT)<br><i>*Issued through e-Fatura Portal</i> | 25.000,00 €        | 100.000,00 €       | 25.000,00 €        |
| 15% of Total Income (Green Receipts)<br>(required to be justified as business expenses) | 15.000,00 €        | 15.000,00 €        | 3.750,00 €         |
| Standard Social Security Rebate   | - 4.104,00 €       | - 4.104,00 €       | - 4.104,00 €       |
| Expenses justified & allocated on e-Fatura portal                                       | - 1.500,00 €       | - 20.500,00 €      | 0 €                |
| Shortfall - to be added to Taxable Income   | 9.396,00 €         | - €                | - €                |
| Taxable Income (75% of Green Receipts)  | 75.000,00 €        | 75.000,00 €        | 18.750,00 €        |
| Add Shortfall of Justified Business Expenses  | 9.396,00 €         | - €                | - €                |
| <b>Total Taxable Income</b>   | <b>84.396,00 €</b> | <b>75.000,00 €</b> | <b>18.750,00 €</b> |

## NHR Implications

|  |             | Effective<br>Tax Rate |             | Effective<br>Tax Rate |            | Effective<br>Tax Rate |
|--|-------------|-----------------------|-------------|-----------------------|------------|-----------------------|
| Tax Payable on Taxable Income <u>with</u><br>NHR High Value Activity | 16.879.20 € | 17 %                  | 15,000,00 € | 15 %                  | 3.750,00 € | 15 %                  |
| Tax Payable on Taxable Income <u>without</u> NHR                     | 30.673.63 € | 31 %                  | 26.163,55 € | 26 %                  | 3.433.86 € | 14 %                  |

# allocating invoices on the e-Fatura portal

A step-by-step guide



# e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:

**AUTENTICAÇÃO**

AT autoridade tributária e aduaneira

NIF

Nº de Contribuinte

Senha de acesso  Mostrar

Autenticar

**Serviços Frequentes**

- Arrendamento Emitir e Consultar
- IUC Emitir documento
- e-Fatura Verificar ou registar**
- Faturas e Recibos Emitir e Consultar
- Notificações e Citações
- Conta Corrente Municipios

**e-fatura**

SOBRE O E-FATURA | FAQ | CONTACTOS

FATURACÃO | FATURA SORTE | DESPESAS DEDUTÍVEIS IRS | DESPESAS DA ACTIVIDADE | DOC. DE TRANSPORTE | AUTOFATURACÃO | INVENTARIOS

Bem-vindo(a)

Verificámos que existem 17 faturas pendentes de informação em seu nome. Será necessário proceder ao preenchimento da informação em falta. **Complementar Informação Faturas**

Existe 1 fatura que inclui despesas de saúde sujeitas à taxa normal de IVA sem associação de receita médica. **Associar Receita**

Faturação / Adquirente

**Adquirente**

2024

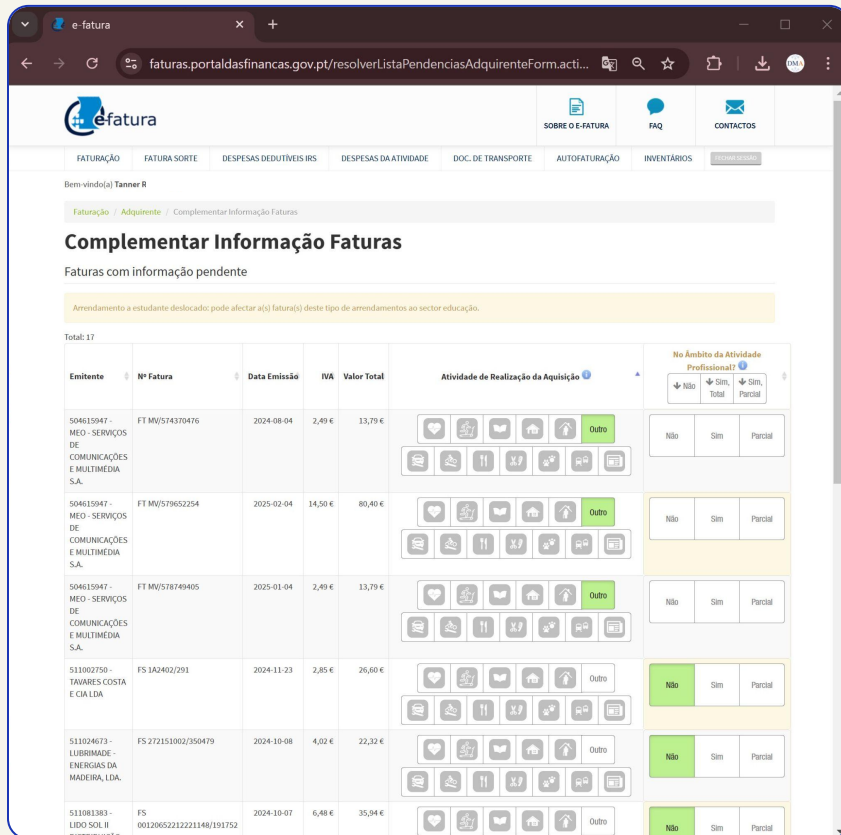
395,50 €

Deduções Provisórias em IRS

- Despesas Gerais Familiares**: 250,00 €
- Saúde**: 35,19 €
- Educação**: 99,60 €
- Habitação**: 0,00 €
- Lares**: 0,00 €
- Reparação de Automóveis**: 0,00 €
- Reparação de Motociclos**: 9,29 €
- Restauração e Alojamento**: 0,61 €

# e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:



Select an expense category



If the invoice is a business expense, select **"Sim (Yes)"**.  
 If the invoice is partially a personal expense and partially a business expense, then select **"Parcial (Partial)"**.  
 A "partial business" expense automatically equates to 25% business and 75% personal.

**Aviso**

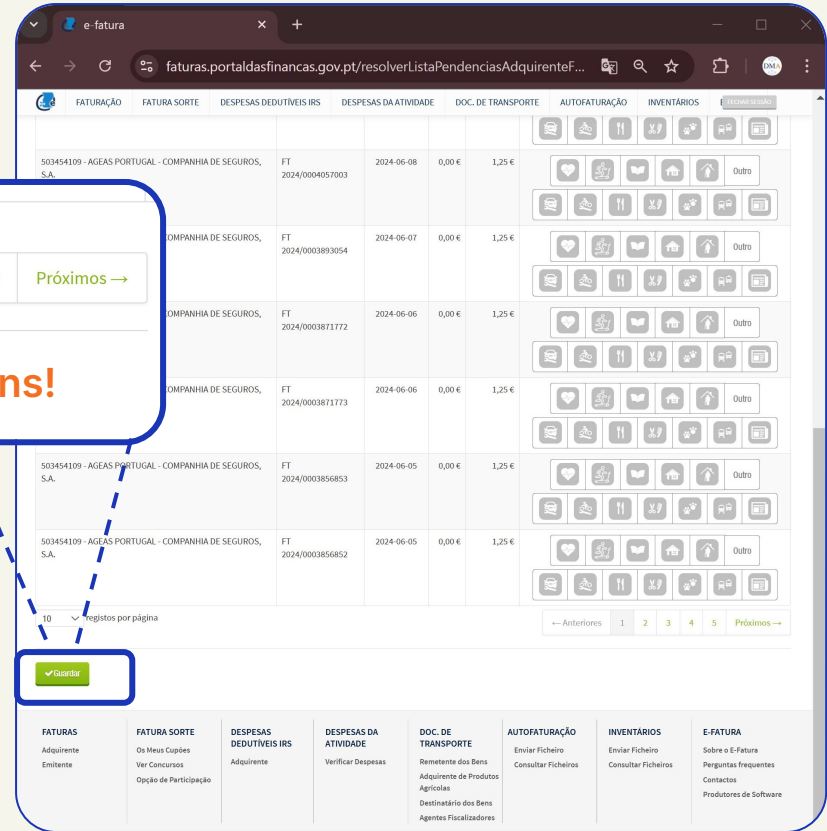
Pretende atribuir o mesmo âmbito (Não) às faturas da página com o NIF emitente 504615947?

**Todas** Apenas esta

Click **"Todas (All)"** if you would like the system to apply your selected options to all the invoices from the same supplier.  
 This will make the invoice allocation process quicker and easier.

# e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:



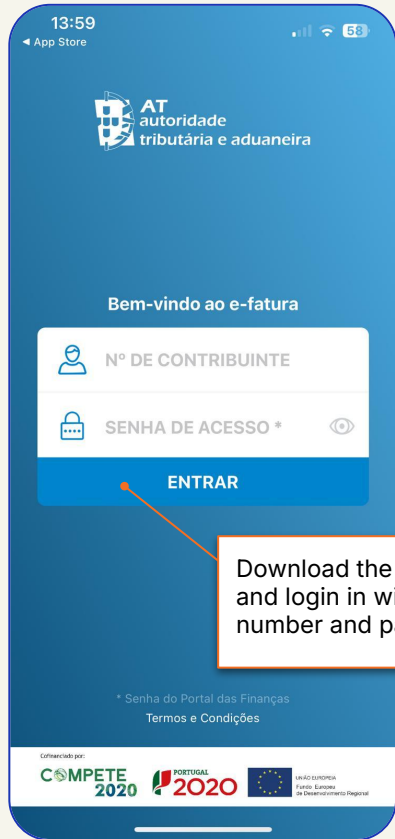
## Important step

After allocating and verifying your expense invoices, click on the green "**Guardar (Save)**" button at the bottom of the list.

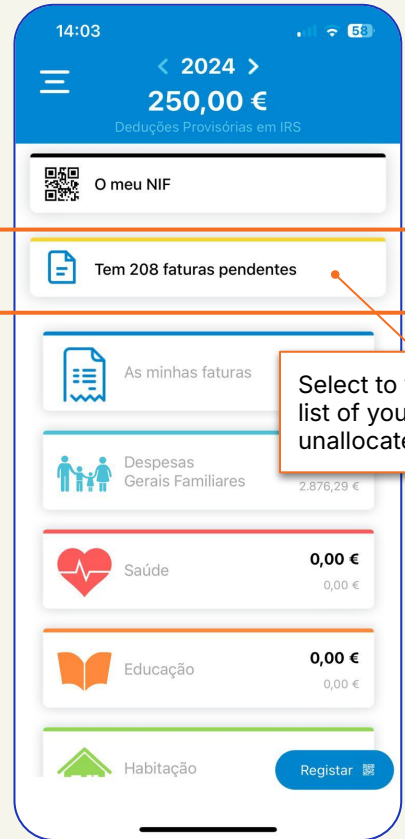
If you do not save your allocations before proceeding to the next page, or closing your web browser, the portal will not capture your allocations and the invoices will remain unverified.

# e-Fatura mobile app

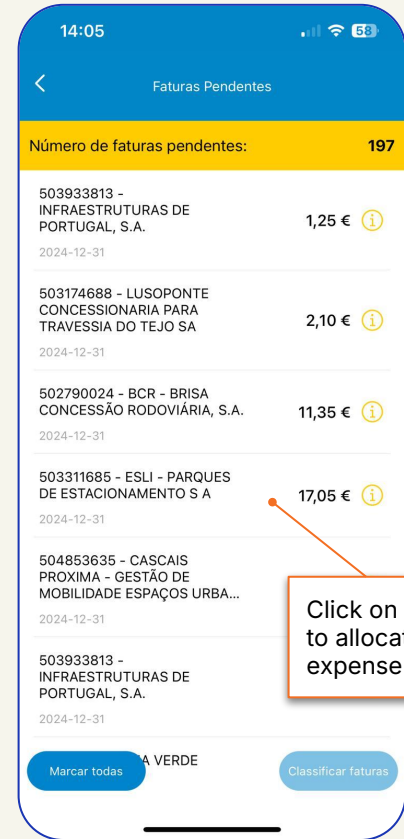
How to use the e-Fatura mobile app to allocate expense invoices:



Download the mobile app and login in with your NIF number and password



Select to view the list of your unallocated invoices

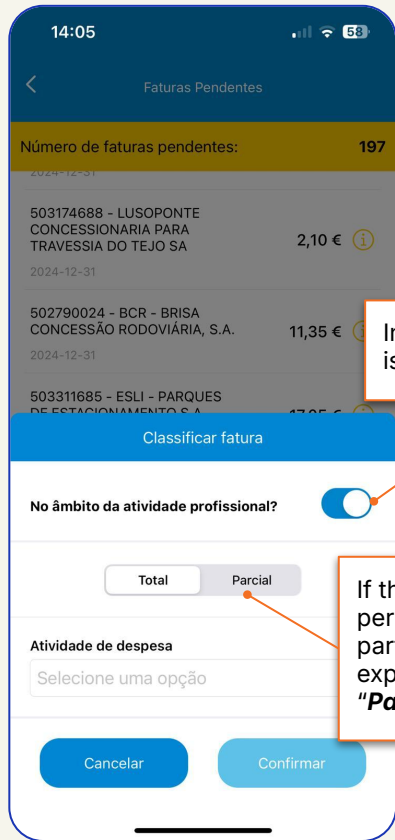


Click on an invoice to allocate the expense



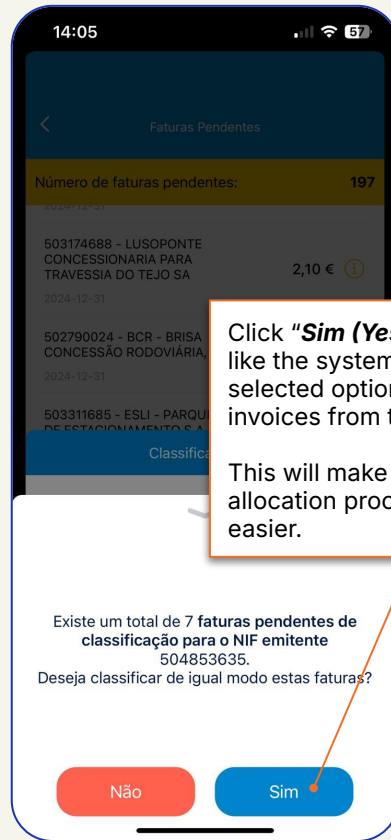
# e-Fatura mobile app

How to use the e-Fatura mobile app to allocate expense invoices:

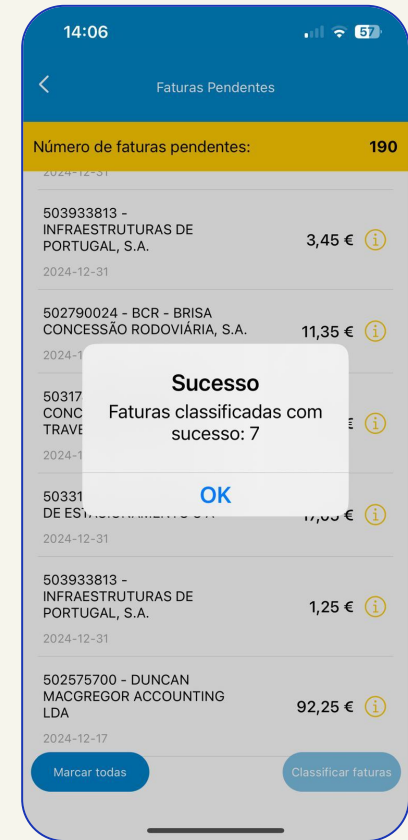


Indicate if the expense is business related.

If the invoice is partially a personal expense and partially a business expense, then select "**Parcial (Partial)**".



Click "**Sim (Yes)**" if you would like the system to apply your selected options to all the invoices from the same supplier. This will make the invoice allocation process quicker and easier.



# Frequently Asked Questions



# FAQ

**Is the 15% that I need to justify based on 100% of my Green Receipts Value or on 75%?**

The 15% is based on 100% of your **TOTAL** Green Receipts issued (excluding any VAT if applicable).



# FAQ

**Is there a minimum amount of income where I don't need to justify business expenditure?**

Yes, if your Activity Income is **less than 27,600 €**, you don't need to justify any business expenditure, ie. 4,140 € divided by 15%.



# FAQ

## **Do I need to keep my actual expense invoices?**

No, as long as they appear on the e-Fatura portal, you do not need to keep your invoices.



# FAQ

**Will these allocated business expenses be deducted off my taxable income?**

No, this is merely to claim the full 25% deemed expenditure allowed under the Simplified Regime.



# FAQ

## Can I claim foreign expenses as business expenses?

Yes, however this will need to be done manually during the tax return submission. You may be requested to submit the original invoice for verification if asked by the tax authority.



# FAQ

## **What happens if I do not reach the full 15% needed in business expenses?**

Any shortfall will be added to the taxable income and taxed at either the general tax tables or the 20% High Value Tax Rate under NHR (if applicable). Refer to Example 1 of this workshop.

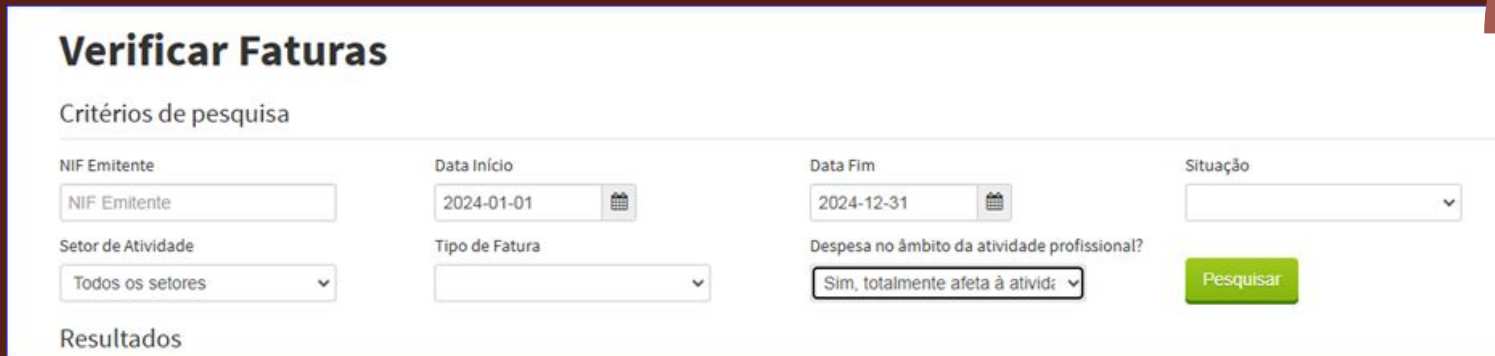




# FAQ

## Can I see the total value of my business expenses?

Yes, the e-Fatura portal allows you to sort according to "Full Business", "Partial Business" and "Personal".



**Verificar Faturas**

Critérios de pesquisa

|   |   |   |  |
|---|---|---|--|
| NIF Emitente  | Data Início   | Data Fim  | Situação                                 |
| <input type="text" value="NIF Emitente"/>                                   | <input data-bbox="529 936 730 968" type="text" value="2024-01-01"/> | <input data-bbox="906 936 1107 968" type="text" value="2024-12-31"/>                          | <input type="text"/>                     |
| Setor de Atividade  | Tipo de Fatura  | Despesa no âmbito da atividade profissional?  | <input type="button" value="Pesquisar"/> |
| <input data-bbox="150 1012 426 1043" type="text" value="Todos os setores"/> | <input type="text"/>  | <input data-bbox="906 1012 1182 1043" type="text" value="Sim, totalmente afeta à atividade"/> |  |

Resultados

# FAQ

## **Can I claim business expenses prior to the start date of the activity?**

No, you can only use business expenses from the start date of the activity at the tax office.



# FAQ

## Can I claim rent as a business expense?

Yes, you can claim your rent as a business expense when you do the annual tax declaration submission.

Ensure that the landlord lists your NIF on the rent invoice.



# FAQ

## **What types of expenses are considered to be allowable business expenses?**

Every activity has its own schedule of acceptable expense parameters. You must be able to justify that the expense is essential to the operation of your business.

For example, a fashion model may claim a haircut as a business expense, but an accountant cannot justify a haircut is a requirement for doing their job.



# FAQ

**Can I stop allocating expenses once I have allocated and justified invoices to the value of 15% of my Green Receipt income?**

Yes, you can stop. There is no further benefit to allocating business expenses above the 15% requirement.



# FAQ

## **What if my income was lower than I budgeted, and my expenses exceeded 25% of my income?**

Unfortunately, the 25% expense allocation is the maximum allowable expense deduction.

If you exceeded this expense allocation, and you anticipate that your business will continue to generate expenses greater than 25% of your income, then we suggest booking a consultation with us to review your business structure and decide if you should move to the Organised Tax Regime.



# FAQ

**If my business expenses exceeded the maximum 25% allowable deduction, can I carry over some expenses into the next financial year?**

No, expenses can only be allocated in the year they are invoiced. Expenses cannot be carried over into the next year.



# FAQ

## **What if I didn't manage to generate all my Green Receipts in the tax year?**

You are required to generate Green Receipts within 6 days of having received the payment into your bank account.

You could be penalised for generating Green Receipts late.





# Thank you

**DMA**  
Tax: Accounting: Advisory

*Get in touch with me via email if you have any questions:*

*[rui@dmatax.pt](mailto:rui@dmatax.pt)*

*Or book a consultation with me via our website:*

*[dmatax.pt](https://dmatax.pt)*

*Join us on social media for regular tax updates:*



*#dma\_tax*



**Rui Magalhães**  
*Director*

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*Date issued: 17 February 2025*