

## LEGAL ALERT

### REVISION OF THE MINISTERIAL ORDER CONTAINING THE BLACKLIST OF TAX-PRIVILEGED JURISDICTIONS

On 1 January, an updated and revised version of the blacklist of tax-privileged jurisdictions entered into force, after being published in the Official Gazette on 30 December (through Order of the Ministry of Finance 345-A/2016).

The revision consisted in the withdrawal of Jersey, the Isle of Man and Uruguay from said blacklist, which is mainly due to these jurisdictions being currently bound by Tax Information Exchange Agreements (with Jersey and Isle of Man) and a Double Taxation Treaty (in the case of Uruguay) with Portugal.

Besides being members of the Global Forum on Transparency and Exchange of Information for Tax Purposes launched by the OECD, these jurisdictions were also considered “largely compliant” (Jersey and Uruguay) and “compliant” (Isle of Man), what also accounts for their withdrawal of the blacklist.

It is worth mentioning that this revised blacklist is relevant for the application of several tax provisions which determine the imposition of aggravated tax rates as well as other tax anti-avoidance provisions, whenever the sole criterion thereto is being a blacklisted jurisdiction.

It should be noted that even if not blacklisted, a jurisdiction which does not have a corporate income tax or has one which statutory tax rate does not meet the threshold of at least 60% of the statutory corporate income tax rate in force in Portugal, will still be deemed to have a tax-privileged tax regime, whenever the Portuguese internal tax rules state so and the entities concerned are “related entities”.

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