

LEGAL ALERT

THE INCOME TAX INFORMATION REPORT

A NEW LEGAL OBLIGATION FOR MULTINATIONAL COMPANIES

On 23 August 2023, [Decree-Law no. 73/2023](#) was published, transposing [Directive \(EU\) 2021/2101 of the European Parliament and of the Council](#) and amends Decree-Law no. 158/2009 of 13 July, which approved the Accounting Standardisation System (*Sistema de Normalização Contabilística - SNC*).

The duty to publish the income tax information report, which will apply to tax periods beginning on or after 22 June 2024, will apply only to large multinational companies operating in Portugal, in line with the regime of the Country-by-Country Reporting.

Among the information that must be included in this new report and which must be available on the company's website is: a) the amount of income tax recognised in the reporting period in question (which should be calculated as current tax expenses, not including deferred taxes or provisions for uncertain tax liabilities); b) the amount of income tax actually paid (including withholdings made by other companies); as well as, on the one hand, c) pre-tax profits and, on the other, d) the amount of retained earnings (i.e. the sum of profits carried forward from previous years and the net profit for the period whose distribution has not been decided).

The changes introduced are intended to help increase company transparency, so that the general public is now aware of the amount of income tax actually borne by multinational companies operating in the European Union and particularly in Portugal.

We remain at your disposal for any further clarification.

Morais Leitão's tax team

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