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1 Quick Facts

Here you find general information about Portugal.

Key Strengths

- Provides legal compliance for business transactions.
- Expert development knowledgeable teams of different international requirements assuring the support.
- Standard and simplified Roll out strategy for Legal Changes.
- Large Portuguese Customers and Multinationals based in Portugal.

Challenges

- Difficult Communication with the Portuguese Legal Authorities.
- Legal Changes:
  ○ Come unplanned
  ○ Applicable on short notice
- Complex legal requirements.

Legal Compliance

<table>
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<tr>
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<th>FI/Logistics</th>
<th>Human Capital Management</th>
</tr>
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<tbody>
<tr>
<td>Law Complexity Ranking</td>
<td>High Complexity</td>
<td>High Complexity</td>
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<td>Frequency of Legal Changes</td>
<td>Dynamic, over the year</td>
<td>Dynamic, over the year</td>
</tr>
<tr>
<td>Official Local Language</td>
<td>Portuguese</td>
<td></td>
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</tbody>
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Language

- Portuguese
2 Recommendations and General Information

- Supports legal compliance for business transactions
3 Supported Legal Requirements

Cross-Function Requirements

- Certified Billing software is mandatory: all invoices and similar documents must have a unique digital signature.
- Private key available to encrypt all relevant billing data.
- SAF-T file for billing and accounting data with audit purposes.

Financial Accounting (FI)

- Digital signature for invoices, debit memos, and credit memos issued for customers.
- VAT declaration: yearly (annex L, O and P), monthly (annex M and R), annual sales return and reimbursements.
  - Invoices corrections (Debit memos and Credit memos) need to be identified with a specific VAT code
  - VAT recovery requires a specific report that is integrated in the overall VAT statement (VAT declaration: annex 40 and 41)
- EC Sales list
- VAT pro-rata (OnPremise only)
- VAT on Cash (OnPremise only)
  - Law 71/2013 defines the rules for the VAT on Cash regime
  - Companies in the VAT on Cash regime need to have specific accounting information and reporting for this regime
  - Companies that have VAT on Cash customers need to fulfill specific requirements when issuing the receipt and in the VAT reporting.
  - Receipts are mandatory to be issued for VAT on Cash customers with the information about amounts; VAT; id of the customer
  - VAT reporting should be done when the invoice is cleared or one year after the issuing of the invoice.
- Fiscal Maps: There are several standard reports provided by SAP to extract all the legal requirements – Mapas Fiscais:
  - **Mapa 31**: Report of tax profit and loss – for SNC (According to Portaria 92-A/2011)
  - **Mapa 32**: Non-revaluated assets (including those acquired "as is") – for SNC (According to Portaria 92-A/2011)
  - **Mapa 33**: Assets revaluated
- COPE: Central Bank Reporting - According to the publication of the Bank of Portugal INSTRUÇÃO N.º 27/2012 (BO N.º 9, 17.09.2012), it’s required for all companies to make monthly reporting concerning to the Statistics and Operations Positions with Foreign Countries
- SEPA
- SAF-T: accounting and billing
- General Ledger Accounting Validation Report
- Master Data validations for customers

**Sales and Distribution (SD)**

- Digital Signature for invoices, debit memos, credit memos, and deliveries and legally compliant validations for these documents.
- Transport registration for deliveries (online communication).
- Intrastat
- SAF-T: billing
- Layouts: specific layouts with Portuguese requirement for SD invoice / debit memo / credit memo / delivery
- Master data validations for customers.

**Material Management (MM)**

- Digital signature for selfbilling documents
- SAF-T: Selfbilling

**Funds Management – Public Sector (OnPremise only)**

- Master Data (additional fields)
- Multi Annual Budget
- Costs and Revenue Multi annual execution
- Monthly Budget
- Credit Release Request (CRR)
- Expense Liquidation (PAP)
- Year-End closing
- Budgetary Ledger Integration (class 0)
- HR-PSM Integration
- MM-PSM Integration
- PS-PSM integration

**Other Modules**

- Settlement Management: Digital signature for customer settlement documents + inclusion of these documents in SAF-T report.
- RE-FX: Digital signature for customer documents + inclusion of these documents in SAF-T report; VAT adjustments for correction documents; Municipal Property Tax (IMI); Urban Lease Act (NRAU) (OnPremise only).
- FI-CA/ Hibrys Billing: Official document numbering for Portugal; Digital signature for customer documents + inclusion of these documents in SAF-T report; Adjustments for correction documents and integration in VAT declaration; VAT on Cash (OnPremise only).
- IS-U: Digital signature for customer documents + inclusion of these documents in SAF-T report (OnPremise only).
- IS-Media: Digital signature for customer documents + inclusion of these documents in SAF-T report (OnPremise only).
- CRM: Digital signature for customer documents + SAF-T report (OnPremise only).
4 Human Capital Management Requirements and Payroll for Portugal

4.1 Master Data

Fiscal data

This group of information contains the Fiscal Number Identification (NIF) and the data needed to process employees’ withholding tax—such as personal data and family situation—based on the regulations set by the Portuguese tax authorities.

Social security data/CGA data

Data that identifies employees regarding one or more regime of Social Security /CGA (support discounts to retirement) or even subsystem to support healthcare expenses.

The main relevant data is the information stored in info type 0332, which has 2 main purposes:

- It determines the social security gross amount and the percentage used to calculate the employee’s contribution and the employer’s contribution.
- It provides the required information for social security reporting.

Disability data

Relevant disability data for tax and social security purposes (IRS and SS).

Vacation allowance method registration data

The method of vacation allowance payment is different from the method used for the employee group to which that employee belongs.

The amount of the vacation allowance may vary, depending on the collective agreement, but must not be less than the employee’s current remuneration.
Professional category data

- Classification of Regulation Instrument of Work Contracts (IRCT)
- National Professional Classification (CNP)
- Qualification Level
- Relationship with employer
- Official education level for legal reporting purposes.

4.2 Payroll

SAP offers several wage types models adapted to Portuguese’s solution, including:

Gross Amount:
- Basic salary
- Seniority
- Work schedule exemption
- Vacation Allowance and Christmas Allowance
- Overtime payment
- Family Allowances for Public Sector
- Study allowance and Children allowance for banking and Insurance Sector

Tax and Social Security amount:
- IRS (TAX): Monthly amounts
- IRS (TAX): CA amounts
- IRS (TAX): VA amounts
- Social Security: Monthly amounts
- Social Security: Monthly charges (costs) for the company
- Social Security: VA amounts
- Social Security: CA amounts
- CGA deduction for Public Sector
- ADSE: Deduction (Health Insurance) for Public Sector
- SAMS: Services of Medical and Social Assistance for Bank Sector
4.3 Reporting

Common Reporting

National Reporting common to all business areas of activity:

Monthly:
- DRI: Remuneration Sheet for Social Security
- Monthly Remuneration Statement - Tax office
- Overtime Register
- Trade Union Discount / Contribution for Unions
- Insurance Report for work accidents
- Model 30 – None Residents for Tax Office
- Extraordinary Contribution of Solidarity Report

Annual:
- Vacation Annual Report
- Annual Income Declaration – Model 10 with retired employees for Tax office
- Annual Individual Income Declaration
- Single Report

Statistics with different periodicities:
- Employment Survey in the Structured Sector
- Survey on Working Duration and Earnings

Public Sector Reports:

- SIOE: IT Report to State Organization
- CGA: Retirement Fund Report
- ADSE: Health Insurance payment Report with deductions to the employee
- CES: Report to CGA

Bank and Insurance Sector Reports(*):

- Payroll account deductions for SAMS
- Report this amounts of SAMS to Labor Unions

*Published in SAP Note 1964163.
4.4 Other local Versions

Employee Central:

- Citizen Card
- Fiscal Number
- Social Security Number
- Employee Central Payroll

All functions are available with Renewal use.
5 Information Repositories

- Payroll documentation for Portugal
- Legal changes announcement
Important Disclaimers and Legal Information

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