

Protecting and Preserving Wealth – The Portuguese Opportunity

Whether you are a Portuguese resident or moving to Portugal, international pensions provide significant peace of mind, security and improved financial certainty. There are many benefits which include the ability to accumulate and grow your wealth in an unrestrained manner, flexibility of retirement benefits, robust legal protection and seamless succession of your wealth.

For residents or non-habitual residents of Portugal, the benefits of OPES extend to include attractive levels of tax efficiency, whilst mitigating cross-border complexities of holding international assets and ensuring seamless and efficient passing on of wealth.

For use by Financial Advisers only

Introduction

OPES offers a flexible, robust, regulated and highly efficient solution in which to accumulate, access, protect and pass on private family wealth.

The advantages and applications of OPES are numerous and can be tailored to your personal circumstance.

This guide aims to assist you in better understanding the key features and benefits of OPES whilst demonstrating how OPES can help mitigate the many financial, legal, economic and political risks faced by individuals today, each of which could have a significant negative bearing on your wealth and family's financial wellbeing. This guide should only be used in conjunction with the services of a regulated Financial Adviser qualified to advise on international retirement structures and Portuguese issues.

Asset Protection

A contribution to OPES results in the change of legal ownership from you, to the Plan and appointed trustees. This change of ownership and legal jurisdiction together with the structure of OPES provides a robust safe haven for your wealth and can offer a range of protections including the following:-

- Protection from claims against your personal wealth
- Protection from future creditors
- Protection from adverse changes to international and domestic politics and/ or policies

Probate, Estate and Succession

Holding foreign assets in your own name can be complex especially on death. It is generally not tax efficient, requires foreign probate and can take considerable time, not to mention cost. OPES can help you with the following issues as the Plan is not subject to probate in Portugal or elsewhere:-

- Portuguese probate and succession laws don't apply
- Avoids unnecessary executor fees or the need for a foreign will
- Quick and seamless distribution of funds to beneficiary(ies) on your passing

Taxation

The financial planning motivations for OPES are compelling given the protection it provides for your assets, the number of risks it helps to mitigate, including geopolitical risks and the certainty it gives you and your family in terms of their financial future and security. However, the tax consequences both domestic and foreign should be considered and are listed below:-

- Not subject to Portuguese stamp duty or inheritance taxes.
- Low or no income tax in Portugal.
- Contributions to the Plan do not qualify for tax relief in Portugal or elsewhere
- The income and gains generated in the Plan roll-up without taxation
- Pension income paid to non-habitual residents is generally tax exempt
- Residents are taxable on the income element of any pension paid or 15% of the income paid
- Death benefits paid do not form part of the estate and are excluded from tax in Portugal.

Building Wealth

OPES provides an unconstrained environment to build your international wealth without any specific funding obligation

- No limits to the level or frequency of contributions made
- No limit to the value you can accumulate
- The Plan can be funded by cash, transfer or reassignment of foreign shares, bonds and life insurance products
- Ideal for consolidation of various types of existing foreign assets

Investment and Currency

OPES gives you the freedom to invest globally without restricting the type of investments or currency. Investments can include collective investments, listed shares, private equity, alternative investments, life products and more traditional investments such as bonds and cash deposits. This structure gives you access to the following benefits:-

- Reduced investment risk as your assets are globally diversified
- Opportunity to access a wide range of international investment opportunities
- Access to a hard currency e.g. US Dollars, Sterling or Euro
- Option to tailor an investment portfolio to your exact requirements

Access and Benefit Payments

From age 50, OPES offers you significant flexibility as retirement benefits can be tailored to meet your personal needs without limits or restrictions. Giving you the choice of retiring at an age that suits you with a level of retirement benefits that satisfies your requirements:-

- Tailor the retirement benefits (pension payments) without restriction on the amount, type or frequency of benefits
- Annuities, drawdown and lump sums are available
- A single payment of up to 100% of the Plan's value
- Multiple retirement benefit options allow you to better manage your tax position
- No penalty to stop, start or suspend benefits

