

Why Portugal?

Benefits and incentives for tech businesses

There are 3 main reasons justifying this choice: strategic geopolitical position, a highly skilled, cost-competitive, and bilingual workforce, plus a business-friendly environment. On top of that, there are a few fiscal incentives for foreign investment that can be interesting.

Setting up a business in Portugal opens the doors to the European market. It's also the ideal place to maintain or create business between North and South America – while expanding to other European countries. And let's not forget about the timezone, which facilitates communication and partnerships.

Besides being equipped with the latest technology and infrastructure, one of Portugal's strongest assets is its workforce. Cost-competitive, highly graduated, and skilled in their sectors, while being bilingual in English – something that also applies to business owners. This welcomeness and distinguished approach is hard to find in many countries.

On top of that, the Portuguese Government provides interesting packages to attract foreign investors and founders – from early-stage startups to fast-growing scale-ups. Some incentives, like the [Startup](#) and [Incubation Voucher](#) or the State-sponsored [€200M co-investment fund](#), aim to bolster foreign investment in the country.

There's still a lot to know about the Portuguese weather, the delicious food, and breathtaking landscapes – but let's leave it for another time. [These reasons and more make Portugal the perfect destination to open a business.](#)

Relocation & Visas

Steps for a smooth relocation and understanding visa requirements

You should only relocate to a new country with professional help (and Portugal is no exception). However, besides the essential factors to consider – where to live and work, the overall cost of living, healthcare availability, international schools, and mandatory documentation, amongst other topics – you should keep an eye on Visa requirements.

First, your nationality dictates the type of visa or residence permit you need – European citizens often need less documentation than Americans, for instance. But Portugal has many available, such as the Golden Visa, the Tech Visa, the Startup Visa, and the D7 Visa (amongst others suitable for workers looking to relocate). [Know more about extending stays in Portugal.](#)

Establishing a Subsidiary

Insights on legal, regulatory, and taxation essentials

To establish a subsidiary in Portugal, you must first gather mandatory documents – such as registration certificates, residence permits, or visas (depending on your nationality). Then, it's time to ask for your tax and social security numbers (NIF and NISS, respectively).

Then, decide on your subsidiary's legal structure, select the company's name (from a pre-approved Government list for a faster process, or submit yours), gather all paperwork, and prepare to start incorporation. At last, it's time to open a bank account and begin your business activity. However, we must warn you there are more steps in between, so ensure you get professional assistance.

And then comes tax obligations. As a business owner, you'll pay taxes on corporate income (called IRC), local and state surcharges, IVA (known as VAT), and municipal taxes. Once you employ people, you'll pay Social Security, labour insurance, and health and safety at work, amongst other costs.

[Knowing how to set up a company in Portugal](#) is mandatory so you don't make any mistakes.

Local Networking

Strategies for connecting with the tech community

Your network is your net worth, right?

Connecting with like-minded people is crucial in this process. Learning from others may save you time in the long run. You can learn from their mistakes and successes while establishing your business in Portugal.

Attend community events and join online groups on LinkedIn and Facebook. In fact, social media may be the most effective way to reach your goals and connect with other people and businesses. Don't be shy. Reach out directly to those people. Send messages or emails explaining who you are and what you're about to do. Ask for advice and tips on navigating the Portuguese bureaucracy, how to deal with taxes, and who to partner with when establishing a subsidiary in Portugal.

Tech Ecosystem

Overview of key sectors, opportunities, and government support

Portugal is a hub for tech and innovation. It's consistently attracted global talent and fostered partnerships – creating a business-friendly environment and boosting the tech-based startup ecosystem. In fact, the country is recognized as a top destination for Hardware & IoT, Energy & Environment, and food tech startups. Notable startups include Veniam in IoT, Sensefinity in reducing food waste, and Annea in renewable energy asset maintenance. In short, this reflects millions in foreign investment.

And let's not forget about the tax advantages. Portugal offers tax breaks and incentives for foreigners investing in the country. Programs like Tech Visa, Start-up Visa, and D7 Visa simplify the relocation process for tech companies and entrepreneurs, enabling access to a qualified workforce from outside the EU.

Discover more about Europe's hottest startup ecosystem and why it's the [perfect destination to open a business](#).