

# Wealth Portfolio Portugal

A summary of why it may be interesting for residents of Portugal to invest in SEB Wealth Portfolio, a unit-linked insurance policy for private individuals.

## Benefits of Wealth Portfolio

- Tax-free asset switches with no capital gains tax during the insurance term. This compares with directly owned investments, where dividends, interest income and gains on sales of securities may trigger a tax of 28%.
- No annual tax return on investment transactions
- The privately owned insurance policy is possible to maintain when moving to Sweden and other countries, subject to the relevant country's tax and insurance legislation.
- The advisor will have access to flexible and broad investment options: investments can be made in shares listed on a regulated market or trading platform, mutual funds, derivatives and structured products. For complete asset range, see Permitted Assets and Exchanges Portugal.
- Your funds will be managed through discretionary or advisory management.
- Additional premiums can be paid into the insurance policy anytime.
- Withdrawals are permitted at any time. During the first year, a 1% fee will apply. From the second year on, they are free of charge.
- Ability to select how assets should be distributed upon death by selecting one or more beneficiaries.
- Quick, tax-free payment of 101% of the insured value to beneficiaries resident in Portugal or Sweden.
- The insurance can be pledged as loan collateral.
- If no withdrawals from the insurance occur during the time the policyholders reside and are taxed in Portugal, no Portuguese tax will apply.
- The insurance company will pay the premium and INEM taxes due.

## Taxation

Portugal has a capital gains tax payable on capital appreciation upon withdrawal from the policy. Taxation comes under a "pro rata" model, where capital and premiums are calculated proportionally.<sup>1</sup>

## Example

**Family Situation:** Anna and Anders, 65 years old, are married with adult children. The couple has sold their family business and gone into retirement. They have sold their house in Sweden and purchased an apartment in Portugal, where they now reside. Anna and Anders have occupational pensions that pay out during the time they are resident in Portugal. The entire pension is not spent on daily expenses, and Anna and Anders can save a portion of the amount every month. They even have a larger investment capital from the sale of their business and home.

### Withdrawal/encashment from the policy

The first 5 years	28%
Between years 5 and 8	22.4%
After year 8	11.2%

### Example tax calculation in Euro

Premium	1 000 000
Return on investment	60 000
Total value	1 060 000
Withdrawal/encashment	500 000
Taxable amount	28 302
Tax rate 28%	7 925

<sup>1</sup>To obtain the lower rate, at least 35% of premiums will need to be paid during the first four years.

**Goal:**

As Anna and Anders are not particularly versed in Portuguese tax legislation, they would like a simple solution set-up under Portuguese rules, which is tax-efficient and easy to declare. They also want help with the management of their savings and the investment in both equities and other types of securities. They additionally want simplicity and control over their financial situation when they eventually move back to Sweden, and they don't plan on spending all their savings in Portugal.

**Unit-linked Insurance Policy:**

SEB's Wealth Portfolio fulfills their requirements for simplicity and flexibility. Anders and Anna do not have to declare and pay capital gains taxes on securities transactions in the insurance policy. They can bring their insurance policy back to Sweden when they decide to move home. In the event that the insured person dies during the insurance term, the death benefit is paid to the beneficiary without delay.

**Asset Management:** Anna and Anders have access to a their asset manager, who will advise and manage the selection of investments for the policy.

● **More Information**

Wealth Portfolio is a unit-linked insurance policy offered by SEB Life International. You are welcome to contact your insurance adviser or Private Banker for more information. You can also contact us by any of the following means:

*Telephone:* +353 1 487 0700

*Email:* life@seb.se

*Web:* seb.se

*Mailing address:* Bloodstone Building, Riverside IV, Sir John Rogerson's Quay, Dublin 2, Ireland.

Postal address: SEB Life International, Bloodstone Building, Riverside IV, Sir John Rogerson's Quay, Dublin 2, Ireland.

Switchboard: +353 1 487 07 00, E-mail us at: sales@seb.ie

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