

# "Portugal is a great place to invest, but we need better people at the top"

João Couceiro, a partner at FCB, one of Portugal's most renowned law firms and who specialises in a number of areas of commercial law, has given **The Portugal News** an insight into how the taxman operates and what is needed for Portugal to build on some excellent practices when it comes to investment.

**J**oão Couceiro is one of ten partners at the FCB law firm, and along with almost 80 lawyers, it boasts representation not only at its headquarters in Lisbon, but with offices in Faro, Porto and Africa.

Couceiro's vast experience both internationally and domestically has seen him write several papers on matters such as investment, mergers and acquisitions.

While FCB is a full service firm, Couceiro's expertise in commercial law has seen him offered the opportunity to return to his native Algarve this summer.

Tackling the issue of investment, and how Portugal has seemingly missed a number of opportunities to attract investment by failing to remove bureaucratic stumbling blocks, Couceiro stresses that "the posture in Portugal towards investment has changed."

He explains the reasoning behind this shift in mentality.

"A few years ago we had EU funds and money would consistently appear", he says, but adds that this led to "our capacity of attracting foreign investment being limited."

"But we now have started to fight to attract investment."

Most major projects, unless they are on a reserve, would be looked at favourably by the current admin-

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istration."

To illustrate this change in a relatively short space of time, he recalls that

"if you told someone ten years ago they couldn't smoke in a restaurant we would have had protests in the streets. But times have changed and the same is true for foreign investment, we have changed our posture and are much more open."

Dr. Couceiro, who completed his Master's Degree at the University of Westminster, continues to reason that the Portuguese are great hosts and one of their attributes is their ability to get along with any person from any background or culture.

"Portuguese adapt very well and we enjoy great relationships with people around the world. In a globalised world, cultural barriers have been broken down and the world is a common place and differences are increasingly tenuous."

But how hard is it really to invest in Portugal given regular examples of stories of people who have wasted time and money to set up business here?

"Just the other day I had

**"Portuguese adapt very well and we enjoy great relationships with people around the world".**

an experience which shows the evolution of bureaucracy. A UK client of ours wanted to invest in a



Portuguese company. He asked for some details and asked for the commercial registry. He said that I should send it over as soon as I could have it translated", recalls João Couceiro; "I said that it would not be necessary, as we could request the commercial registry and it

would be supplied to us in English, which left my client dumb-founded."

He continues: "The client

also asked for me to create a company and I said that I could do it from one day to the next and that he could send his details over in English, as documents in English are accepted here in a number of situations. From start to finish, it took three or four days to create the company and my client did not once have to leave the UK."

In short, says Couceiro, "the red tape that was associated with southern European states is quickly

disappearing."

He reasons that if he was a foreign investor, that he would invest in Portugal, and most probably the Algarve.

"It is safe, beautiful, you eat well, it is inexpensive and we are a short flight to most destinations. Faro and Porto are an hour and a cheap flight apart and I know of many people who live in the Algarve, but who work in the UK and the same is happening with people in Porto."

But are there still areas where Portugal has catching up to do?

"The people who are at the top of state institutions looking to capture investment should be the cream of the crop. But currently, they are not, as the civil service probably cannot afford to pay the top people the salaries they can earn elsewhere."

"I don't know what the solution is besides finding state funds to pay higher wages, but in the meantime, what we do have are people leading these organisations who were never investors."

Couceiro also reasons that political instability also takes its toll "and whether we like it or not, this has an impact on investment."

But on a positive note, he reveals that he has "been seeing more things happening this year and last, but this state of grace might not persist if we continue having to face pressures from our creditors while simultaneously having to enter continuous battles of trying to bring our

deficit in line with international demands."

In addition, he says that what Portugal needs to do "is to project an image of stability and an understanding of the debt we have and that we are doing our homework."

And finally, reports in the media and from readers point to the taxman becoming increasingly vicious in collecting taxes, is this true?

"Very much so and I think it has a lot to do with progression in terms of technology which makes it easier to detect issues. I do agree that it is exaggerated. The taxpayer is immediately considered guilty, and the taxman locks cases up in courts for years on end, constantly appealing rulings when they have already lost three or four times."

But he says a change in mentality here will also help in paying taxes becoming more a way of life.

"In a northern European country when someone has evaded taxes, he is treated with disdain. But a few years ago, a taxpayer in Portugal who managed to dodge his taxes was considered a hero. This mentality is definitely changing."

But why does the taxman seem to let the big guys off the hook?

"I'm not sure if that is the case, but the taxman is definitely increasing the pressure on those concealing huge amounts of wealth and this is changing fast, not only in Portugal, but on a European level."

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