

PURCHASE OF REAL ESTATE ASSETS IN PORTUGAL

The information below intends to briefly present all the obligations that need to be fulfilled in result of a purchase of real estate assets in Portugal.

Each of the following obligations needs additional documentation, either about the respective purchasers or about the respective real estate.

mCorporate is available to provide a global solution in order to accomplish all the obligations demanded by Portuguese Law.

In such case, mCorporate will provide a list with all the documentation needed and mCorporate's consultants will follow all the necessary procedures in order to fulfill all the required obligations.

OBLIGATION TO BE FULFILLED	DEADLINE
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Prior to the purchase

One off obligation		
I)	Payment of IMT	Before the purchase

On the date of the purchase

One off obligation		
I)	Real estate purchase agreement

After the purchase

One off obligation		
I)	Legal registration of the purchase of the real estate	30 days after the purchase
II)	Delivery of "Modelo 1" of IMI	60 days after the purchase

Annual obligation		
I)	Payment of IMI (2 installments) - 1st installment - 2nd installment	April, 30th September, 30th

Other obligations		
I)	Delivery of income tax statement for individuals – "Modelo 3"	May, 25th

NOTE

Non-resident entities: In this case, there would only have to be delivered an income tax statement "Modelo 3" for the income earned from a possible "rental agreement" settled between the investor and the respective real estate management company (together with any additional income earned from a Portuguese source).

Resident entities: In this case, there would have to be delivered an income tax statement "Modelo 3" for the overall income of the respective investor, either from a Portuguese or a foreign source. Please note that the fiscal definition of residency may vary from case to case.

Definition of residency: There are several situations under which a person may be considered a resident in Portugal for tax purposes. According to the Portuguese law, for example, a person that stays in the Portuguese territory for more than 6 months would be considered a resident in Portugal for tax purposes.

REAL ESTATE IDENTIFICATION DOCUMENT ("FICHA TÉCNICA DA HABITAÇÃO")

Please also note that, in order to provide all the real estate purchasers in Portugal with additional guarantees regarding their investment, all new real estate buildings for residential purposes, from March, 30th, 2004 onwards, must have an identification document ("Ficha Técnica da Habitação") which should state its main data, namely, its main characteristics, equipment installed and identification of the professionals involved in the construction process. This document is part of the documentation required for the execution of the real estate purchase agreement.

ABREVIATIONS

IMI – Imposto Municipal sobre Imóveis (Property Tax);

IMT – Imposto sobre as Transmissões Onerosas de Imóveis (Property Transfer Tax);

IRS – Imposto sobre o Rendimento das Pessoas Singulares (Individual Income Tax);

IRC – Imposto sobre o Rendimento das Pessoas Colectivas (Corporate Income Tax).