

## **SHARED COMMUNIQUE**

On the 17th November, the following entities assembled at the Ordem dos Técnicos Oficiais de Contas, in Lisbon: **Ordem dos Psicólogos Portugueses, CAP – Confederação dos Agricultores de Portugal, AHRESP – Associação da Hotelaria, Restauração e Similares de Portugal, Associação de PME Portugal, Associação Portuguesa da Imprensa, APME – Associação Nacional das PME’S, and APECA – Associação Portuguesa das Empresas de Contabilidade e Administração**, and deliberated the following:

- After analysing the addendum proposed by the Government to Article 52 (11) of the Corporate Income Tax Code (Código do IRC), which includes the proposal for the 2011 State Budget, the negative and unjustified effects were noted regarding the application of this measure on companies, entrepreneurs and liberal professionals, and that it is unjustified and fails to bring any added value, truth or transparency to the taxation process.
- They concluded that the proposed measure limits the use of a right and places fortuitous situations on the same level as those which due to their origin may indicate irregularities.
- They expressed their disagreement regarding the proposed wording for Article 88 (14) of the IRC Code, in that it is also unjustifiably penalising and fails to distinguish between the fortuitous matters mentioned.
- They also expressed their concern regarding the effects on liberal professionals and sole proprietors of the limits to the right to deduct the tax losses already mentioned, in that this rule is against the transparency of the taxation procedure, endorsed by the Chartered Accountant.
- As it does not bring any added value to the taxation procedure, they expressed their concern regarding the administrative costs that such measures shall cause companies to bear (particularly small and medium-sized companies), entrepreneurs, liberal professionals and tax transparent companies, at a time of serious national crisis, when all such costs are an obstacle towards the survival of micro, small and medium sized businesses in Portugal, which represent 99,6% of our business community and are a guarantor of jobs.

Further to this joint standing, each of the entities present shall report their concerns to the Government and parliamentary groups.

Lisbon, 18th November 2010

The Ordem dos Técnicos Oficiais de Contas, the Ordem dos Psicólogos Portugueses, the AHRESP – Associação da Hotelaria, Restauração e Similares de Portugal, the Associação PME Portugal, the Associação Portuguesa da Imprensa, the APME – Associação Nacional das PME'S, and APECA – Associação Portuguesa das Empresas de Contabilidade e Administração