

Portuguese Golden Visa

The Golden Visa programme, launched by the Portuguese Government, is a fast track for investors to obtain a valid residency permit in Portugal and consequently free access to the vast majority of European countries.

The scheme provides the option to acquire Portuguese nationality and, therefore, an EU Passport, in six years.

It is designed for non-European Union citizens undertaking an investment activity either as individuals or through a company established in Portugal. Once issued, the Golden Visa will be valid for an initial period of one year and then will be renewed for subsequent periods of two years.

These individuals can apply for a Residence Permit for Investment, by fulfilling one of the routes detailed below:

- Capital transfer to Portugal of a minimum €1 million
- The creation of a minimum of 10 jobs
- The purchase of real estate property with a minimum value of €500,000
- The purchase of real estate property, built at least 30 years ago or located in an urban regeneration area, for refurbishment purposes, with a minimum value of €350,000
- Investment of a minimum €350,000 in research undertaken by public or private scientific research institutions involved in national scientific or technological research
- Investment of a minimum €250,000 in artistic creation or supporting the arts, reconstructing or maintaining the national heritage and culture
- Investment of a minimum €500,000 in shares placed in investment funds or in venture capital, geared to capitalise small and medium companies in Portugal which must have a viable capitalisation plan in place.

The following additional four options have been announced by the Portuguese Government and are due to be implemented by the end 2017:

- €350,000 investment in the incorporation of a new Portuguese company, creating a minimum of five permanent jobs
- €350,000 additional share capital investment in an existing Portuguese company, creating a minimum of five permanent jobs
- €200,000 investment in a Portuguese company, with an economic recovery plan in place
- €350,000 investment in funds to provide additional capital to a Portuguese company with an economic recovery plan in progress.



Individuals investing in a region with a low population density, of fewer than 100 habitants per km², or with a GDP of 75per cent or less of the national average, benefit from a 20per cent reduction in each of the investment criteria specified above.

There are two exceptions - the capital transfer of at least € 1,000,000 to a Portuguese bank account and the investment of a minimum € 500,000 to purchase shares in investment funds or venture capital which is being used to support small and/or medium sized companies.

Advantages of the Portuguese Golden Visa

- Straightforward and flexible investment requirements
- Extremely low minimum stay requirements - seven days first year and 14 days following periods of two years
- Fully extensible to family members (with no further investment requirements)
- Freedom to travel to all European countries members of the Schengen area
- Possibility of permanent residency after five years and nationality after six years
- No limitations on ownership of the selected investment
- No limitation on subsequent investments or employment opportunities
- Very limited number of documents required
- Residency applications quickly processed
- No need to obtain a visa to enter Portugal
- Living and working in Portugal, even with residency in a different country
- Residency extended to family members
- Permanent residency after five years
- Citizenship after six years
- Access to all Portuguese public services, including health and education.

General requirements

- Keep the investment for a minimum period of five years
- Funds for investment should come from abroad
- Entry into Portugal with a valid Schengen visa
- Absence of references in the Portuguese immigration and the Schengen services
- Absence of conviction of relevant crime.

Documents needed

- Proof of Investment
- Passport and valid Schengen Visa
- Portuguese fiscal number



Documents needed (continued)

- Criminal record from country of residency
- Portuguese criminal record
- Declaration from the tax department proving the absence of debts to the tax authorities
- Declaration from social security proving the absence of debts to social security authorities
- Declaration from the investor confirming compliance with the investment requirements
- Health insurance valid in Portugal
- Two passport-type pictures
- Documents not in the Portuguese or English languages need to be translated to Portuguese and the translation needs to be certified.
- Document issued by foreign authorities need to be legalised before being submitted in Portugal.

Grounds for refusal for an investor

- He/she has not maintained the investment for the minimum period of five years
- He/she has not complied with the minimum periods of stay in Portugal
- He/she has been convicted of a crime punishable with a prison sentence of more than one year
- The investor is in a period where he/she has been banned entry into Portuguese territory following a removal measure of the country
- On the grounds of public health (this may only be based on diseases that have been defined by the World Health Organization or other infectious or parasitic contagious diseases which are the object of protection measures in Portuguese territory)
- A Golden Visa may be refused on the grounds of public order, public security or public health.

FAQs

What happens to the investment after five years – can the investor sell the property / transfer the money to another country/extinguish the job positions?

Yes, the investor only needs to hold the investment during the Golden Visa's validity period, five years.

Can the investor sell the investment at any time if he no longer needs the Golden Visa?

Yes, but without proof that the investment has been kept, the investor will not be able to renew the Golden Visa Permit.

Does the investor need to live in/use the property he is purchasing or can it be rented out?

No. The investor does not need to occupy the property and it can be rented out to obtain income.



What are the taxes and costs for property acquisitions and ownership?

There are three taxes in Portugal related to property:

1. Payable with the property's acquisition - IMT or Property Transfer Tax is the tax on transfer of ownership of property
2. Stamp Duty - The exact amount of taxes to be paid varies according to the actual value of the acquisition.
3. Payable on an annual basis - IMI or council tax, which is the annual municipal property tax; it is levied between 0.3 per cent and 0.5 per cent on the property's tax value.

With the Golden Visa does the investor need to pay taxes in Portugal on his worldwide income?

No. If the holder of the golden visa does not stay in Portugal for more than 183 consecutive days, he/she will not be required to pay taxes for income generated outside of Portugal.

What income taxes apply to income generated in Portugal?

Rental income and income arising from capital (eg interest, dividends, etc.) will be taxed at a rate of 28 per cent.

For further information on Portuguese Golden Visa please contact Paulo Réfega at Paulo.refega@ils.world

Please note: ILS World does not offer tax advice. If you are not professionally qualified to give tax advice we will be happy to make an appropriate introduction.

