

INVESTMENT RESIDENCE PERMIT IN PORTUGAL "GOLDEN VISA"

Portugal is becoming a top choice jurisdiction for *High Net Worth Individuals* who wish to take up residence in the European Union.

This regime allows foreigners, personally or through a company, to invest in Portugal and to simultaneously obtain a Residence Permit in this country, under a simple and non-burocratic process. Like any other holder of a residence permit in Portugal, citizens with an Investment Residence Permit (IRP) through an investment in Portugal may travel around the Schengen Area.

GOLDEN VISA REGIME

To obtain an Investment Residence Permit (IRP) it is necessary to comply with some specific requirements, for the **minimum duration of five years** from the moment the IRP is granted:

- i) Capital transfer in an amount equal to or greater than EUR 1.000.000, or
- ii) Creation of at least 10 job positions; or
- iii) Acquisition of real estate with a value equal to or higher than EUR 500.00.

The investment may also be carried out by an individual through a company, as long as the respective value is determined by reference to the stake the IRP applicant holds in the respective share capital of that company with its registered office in Portugal or in another EU Member State but with a permanent establishment in Portugal.

In order for the investor to apply to this regime, it is crucial that the investment is carried out before the IRP application.

i) Transfer of capital: In the case of a transfer of capital in an amount equal to or greater than EUR 1.000.000, the applicant must present a declaration issued by a financial institution operating in Portugal confirming the actual transfer of the capital (i) to an account for which the IRP applicant is the sole or first holder or (ii) for the acquisition of shares or quotas in companies. In the case of an investment made through a company, it is also necessary to present an up to date commercial registration certificate declaring the stake held in the company, valued at the amount of the investment required for this purpose.

ii) Job creation: In this case, the applicant must present proof of the job creation and demonstrate that the employees have been registered for social security purposes by presenting an up to date certificate issued by the Portuguese Social Security Services.

iii) Real estate investment: The most accessible investment activity leading to obtaining an IRP is the acquisition of real estate. In this case, the applicant must demonstrate being the owner of the property (even as a joint owner, as long as each one of the joint owners invests at least EUR 500.000) or of having made a down payment of at least EUR 500.000 under a promissory agreement to purchase the real estate.

The IRP applicant must, upon making the application, present the document proving the purchase or promise to purchase the real estate. This documents must also include a declaration from a financial institution operating in Portugal confirming the actual transfer of the capital for this purpose.

It should be noted that properties acquired for the purposes of obtaining an IRP may be mortgaged or charged on any part of their value over and above the required minimum of EUR 500 000, and may also be leased or assigned for commercial, agricultural or tourism purposes.

REQUIREMENTS FOR THE INVESTMENT

The investment has to be maintained for a minimum period of 5 years and **the Residence Permit is granted for 1 year and renewable for periods of 2 years**, as long as the conditions necessary remain in place.

Furthermore, when first arriving to the country, it is mandatory, **to legalize the stay in Portugal within 90 days of arrival into Portuguese territory** (obtaining, in cases in which it is necessary, a short term visa – Schengen visa – issued by the Portuguese Consulate in the country of origin).

The renewal of the IRP depends on **minimum periods of permanence in Portugal of at least 7 days in the first year and 14 days in each subsequent period of two years**. The referred to minimum permanence must be verified, namely through valid passport.

Furthermore, after 5 years, the law expressly provides the possibility of the investor to request the grant of a Permanent Residence Permit, without any validity limit.

The Permanent Residence Permit allows for citizens of third states to apply for the Portuguese Nationality after 6 years of residence in the Portuguese Territory.

LEGISLATIVE AMENDMENTS FOR 2015

The Portuguese Government has decided to reformulate the Golden Visa regime during 2015. In this respect, as much as has been announced, the legislative amendments to the Golden Visa proposed, will concern: (i) the broadening of the concept of investment activity; and (ii) the increase of the supervision and control in the process of granting the Golden Visas. According to the general guide-lines presented, additional criteria for the granting of the "Golden Visa" will now be established, concerning the support of

scientific investigation, cultural production, recovery and maintenance of national patrimony and also urban rehabilitation.

The Portuguese Golden VISA is very attractive not only for investors who would like to enjoy the quality of life and safety that Portugal has to offer, but also to take advantage of being part of the European Union.

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