

THE NEW PORTUGUESE GOLDEN VISAS



TAX & BUSINESS

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I. Introduction

Urged by the necessity of attracting foreign investment to the country, the Portuguese Government has recently created a new regime for the granting of so-called “golden visas” to citizens of third countries, willing to invest in Portugal. Such regime (known in Portuguese as “*ARI – Autorização de Residência para Actividade de Investimento*”) is foreseen in Law n.º 23/2007, of July 4, as amended by Law n.º 29/2012, of August 9, as well as in Order n.º 1820-A/2012, of September 4, foreseeing the applicable procedures and practical requirements which have been recently simplified by Order n.º 1661-A/2013, of January 28.

This legal framework allows citizens of third countries (who are not members of the European Union or members of the Convention who implemented the

Schengen Agreement) to obtain a Portuguese residence permit, with the purpose to allow the development of an investment activity in Portugal. This includes citizens of third countries who hold share capital of a company with head-office in Portugal, or in another Member-State of the European Union and with a permanent establishment in Portuguese territory.

II. Concept of investment activity

For the purposes of granting the “golden visas”, an investment activity must be performed, directly by the individual or through a company, for a minimum period of five years. The investment activity can correspond to one of the following:

- Capital transfer in an amount equal to, or higher than € 1.000.000,00, including investments in the share capital of companies;
- Creation of at least 10 jobs, which is deemed fulfilled when there is proof of the register of all workers in the

Portuguese Social Security system; or

- Purchase of real estate property with a minimum value of € 500.000,00, which includes the following situations:

(i) Purchases in co-ownership schemes, provided that each co-owner has a minimum value of € 500.000,00, or the signing of promissory-contracts where a non-refundable deposit has been paid for € 500.000,00 or more, provided the final deeds are exhibited before renewing the residence permit;

(ii) Properties which have encumbrances of more than € 500.000,00;

(ii) Properties which are leased for commercial, farming or touristic purposes.

III. Minimum presence in Portuguese territory

Apart from the five years minimum investment period, to be counted as of the date of the granting of the residence permit, and for the purposes of its renewal, the foreign investor must present proof, namely by showing his passport, that he has

remained in Portuguese territory for a minimum period of seven consecutive or interpolated days within the first year, or fourteen consecutive or interpolated days within the subsequent two-years period.

IV. Filing of applications

The filing for the granting or renewal of the “golden visas” must be made in person at the Portuguese Immigration and Borders Service (“*Serviço de Estrangeiros e Fronteiras*” – SEF) of the applicant’s residence area.

At this stage, it will be necessary to present proof that the quantitative and time-based minimum requirements are fulfilled, which should be made by the presentation of the documents and declarations legally required for such purpose.

In addition, it will be necessary to file a statement where the applicant declares, under a commitment of honor, that he will fulfill the quantitative and time-based minimum

requirements of the investment activity in Portuguese territory.

V. Monitoring group

For the purposes of the implementation and application of this special regime, a monitoring group has been created. The General Director of Consular Matters and Portuguese Communities, as well as the Director of the Portuguese Immigration and Borders Service and the President of the Business Development Agency are part of such monitoring group.

VI. Conclusion

The Portuguese government and entrepreneurs are expecting the new “golden visas” regime to bring a large number of foreign investors to Portugal, who can play a very important role within the rising of the Portuguese economy.

On the other hand, this is actually a very good opportunity to foreign investors to take advantage of the willingness of Portuguese entrepreneurs and workers to accept their investment offers, as well as to buy real estate in Portuguese territory, known by its Mediterranean climate and beaches.



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The adhesion to the “golden visas” has
been good so-far.

Let us hope this is only the beginning.

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