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**STEP NEW YORK**

**PORTUGAL: A PLATFORM FOR  
INVESTMENTS AND RESIDENCE**

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# 1. PORTUGAL: A GOOD CHOICE

- Good climate
- Historical heritage
- Low-cost living
- Unique landscapes
- Excellent culinary
- Safe environment and low crime rate
- High quality education and health system
- Highly rated by the World Bank for "ease of doing business"



## 2. PORTUGUESE RESIDENCY PERMIT FOR INVESTMENT ACTIVITY (“GOLDEN VISA”)

### 1 PURPOSE

- Obtain a fully valid residency permit in Portugal
- Revitalization of the Portuguese economy

### 2 VALIDITY

- Valid for an initial period of 2 years
- Then renewed for subsequent periods of 2 years.

### 3 GENERAL CONDITIONS

- Keep the investment for a minimum period of 5 years
- Entry in Portugal with a valid Schengen visa
- Absence of criminal references in the integrated system of the Portuguese Immigration Services (“SEF”)
- Absence of conviction of relevant crime
- Minimum stay in Portugal: an average of 7 days per year

# ADVANTAGES



Possibility of Family  
Reunification



Visa exemption for travelling  
within the Schengen Area



Reduced minimum  
permanence period



Permanent residency accessible  
on the 5th year



Portuguese Citizenship  
accessible on the  
5th year

# ELIGIBLE INVESTMENT ACTIVITIES



## REAL ESTATE

Purchase of Real Estate  
Acquisition of property  
> € 500.000

Or

Purchase and Rehabilitation  
of Real Estate

Acquisition and renovation of  
property > € 350.000 - for  
properties more than 30 years old  
or located in areas of urban  
renovation



## FINANCIAL ASSETS

Venture Capital & Investment  
Funds  
≥ € 350.000 in the  
acquisition of participation  
units in venture capital or  
investment funds established  
in Portugal and specialized in  
the capitalization of  
enterprises

Or

Other Financial Assets  
≥ €1 million in any other type  
of financial asset



## CAPITAL INVESTMENTS

Research & Development  
≥ €350.000 in scientific  
research that is conducted by  
institutions that are part of  
the national scientific and  
technological system

Or

Cultural

Capital transfer in an amount  
≥ € 250.000 invested in, or  
supporting, the artistic  
production or the recovery or  
maintenance of the national  
cultural heritage that is  
conducted by accredited  
institutions



## JOB CREATION

Creation of ≥ 10 jobs

Or

Company and job creation  
≥ € 350.000 for:

- a) establishing a corporation in  
Portugal, combined with the  
creation of ≥ 5 jobs; or
- b) reinforcement of a existing  
Portuguese corporation's capital  
combine with the creation or  
maintenance of the existing jobs

# AMENDMENTS TO THE “GOLDEN VISA” LEGISLATION

- The Portuguese Government recently (Feb 2021) approved amendments to the Golden Visa program.
- The main changes will impact on the investments connected with real estate namely in Lisbon, Oporto, and coast areas.
- In these areas the real estate investment will only be allowed for nonresidential properties.
- The minimum investment thresholds were also amended.
- The approved amendments will only enter in force on 1st January 2022.



# THE NEW THRESHOLDS

INVESTMENT ACTIVITIES	AFTER 1 JANUARY 2022 – INVESTMENT AMOUNT
<ul style="list-style-type: none"> <li>✓ Purchase of real estate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nonresidential properties: €500.000.</li> <li>▪ Residential properties: €500.000 – Only in the interior regions, Azores, and Madeira.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Purchase and rehabilitation of real estate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Nonresidential properties: €350.000;</li> <li>▪ Residential properties: € 350.000 – Only in the interior regions, Azores, and Madeira</li> </ul>
<ul style="list-style-type: none"> <li>✓ Capital transfer</li> </ul>	<p>€1.500.000</p>
<ul style="list-style-type: none"> <li>✓ Capital transfer to be applied in scientific research activities performed by public or private scientific research institutions integrated within the national scientific and technological system</li> </ul>	<p>€ 500.000</p>
<ul style="list-style-type: none"> <li>✓ Acquisition of participation units in venture capital funds or investment funds established in accordance with Portuguese law and specialized in capitalization of enterprises, whereby the participation units' mature ought to be of least 5 years and at least 60% of the value of the investments ought to be in enterprises</li> </ul>	<p>€ 500.000</p>
<ul style="list-style-type: none"> <li>✓ Capital transfer for establishing a corporation in Portugal, combined with the creation of 5 jobs or reinforcement of an existing Portuguese corporation's capital combined with the creation or maintenance of the existing jobs, with a minimum 5 permanent jobs for a minimum period of 3 years</li> </ul>	<p>€ 500.000</p>

# 3. PASSIVE INCOME VISA

- The Passive Income Visa (also known as "D7 Visa") is a two-step process residence permit (i. Obtaining a residence visa and ii. Obtaining a residence permit) that allows third country residents (outside the EU) to obtain a legal residence in Portugal.
- This type of Visa is aimed at citizens who intend to relocate to Portugal and are able to prove to the Portuguese authorities that they have enough income to support their life in Portugal.
- Possibility of family reunification.

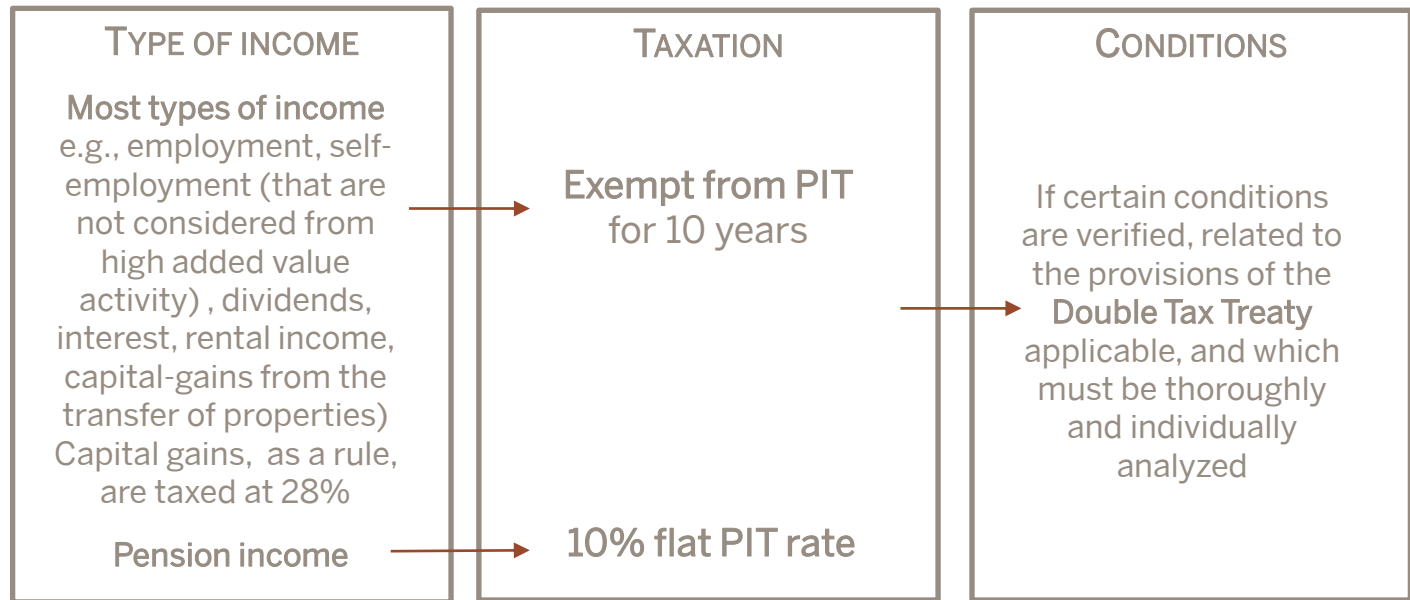
# 4. START UP VISA

- The Startup Visa is a residence visa for non-EU/Schengen entrepreneurs who want to establish their businesses and to reside in Portugal.
- It aims to attract investment, talent and innovation into Portugal.
- Possibility of family reunification.

# 5. PORTUGUESE CITIZENSHIP TO SEPHARDIC JEWS

- According to the Decree-Law 30-A/2015, descendants of Sephardic Jews may apply for the Portuguese citizenship, with all the rights and obligations that result from that.
- For that purpose, the applicant needs to fulfill the following requirements:
  - Legally age or be emancipated, under the Portuguese law.
  - Absence of conviction based on a final judgement, for a crime which in Portugal is punishable by a custodial sentence of 3 or more years.

# 6. THE NON HABITUAL RESIDENCE REGIME (NHR)



# THE NON HABITUAL RESIDENCE REGIME (NHR) (CONT.)

PORTUGUESE  
SOURCED  
INCOME

## TYPE OF INCOME

Employment and  
self-employment  
income

## TAXATION

20% flat PIT rate  
for 10 years

## CONDITIONS

Employment or self-  
employment income  
obtained from a high  
added value activity



# 7. INHERITANCE AND DONATIONS

**Direct descendants  
and spouses**

0%

Non-Taxation of transfer *inter vivos* or in case of death

**Other cases**

10%

Transfer *inter vivos* is liable to stamp duty of 10%

# 8. SALE OF ART OBJECTS

## Sale of art objects

0%

If the activity is not rendered in a regular basis or considered to be derived from a business or professional activity

- If the income is considered to be obtained through the rendering of a business or professional activity it may be subject to PIT (business and professional income).
- Besides being subject to PIT the taxpayer must report the start of the activity to the Tax Authorities and fulfill his PIT, VAT and Social Security obligations (reporting and payment).



# 9. REAL ESTATE TAXATION

Tax	Tax Rates	Exemptions	
Municipal Property Tax (IMI)	0,3% a 0,45%: urban property (if subject to a tax evaluation - VPT)	Urban property under restauration (maximum period of 10 years)	Lower tax rates for energy efficient buildings or for property allocated to the production of renewable energy
	0,8% on VPT for rural properties		
	7,5% on VPT: property held by an entity resident in a “tax haven”		

Additional Municipal Property Tax (AIMI)	Individuals	0,7% on the taxable asset value (VPT) of the taxpayer’s property assets, from a value higher than € 600.000 (if a couple €1.200.000)
		1% on the taxable asset value (VPT) of the taxpayer’s property assets, from value higher than € 1.000.000
	Legal entities	0,4% on the taxable asset value (VPT) of the taxpayer’s property assets

# REAL ESTATE TAXATION (CONT)

Tax	Tax Rates	Exemptions	
<p><b>Tax on the Transfer of Real Estate (IMT)</b></p>	<p>Up to 8%: urban property for residential use</p>	<p>Rehabilitation within 3 years from the date of acquisition</p>	<p>Acquisition of the real estate for resale purpose</p>
	<p>Up to 8%: urban property not for residential use</p>		
	<p>5%: rural properties</p>		
	<p>10%: properties acquired by a resident in a tax heaven</p>		
<p><b>Stamp Tax (IS)</b></p>	<p>0,8% on the taxable asset value (VPT) to the acquisition of property rights over real estate</p>		

# 10. CORPORATE INCOME TAX (CIT)



Madeira's free trade zone – 5%

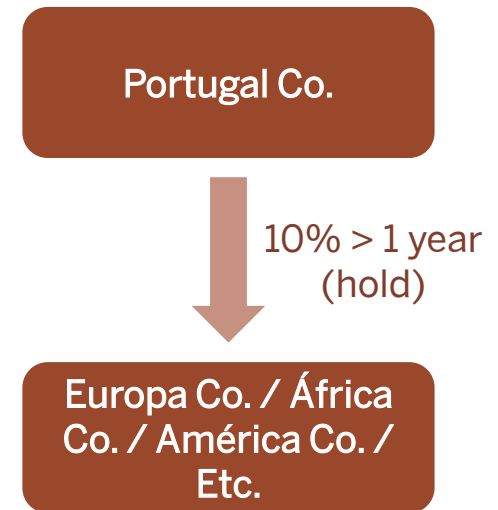
# PARTICIPATION EXEMPTION REGIME

## Exemption from corporate income tax (CIT):

- ✓ On dividends received; and
- ✓ On capital gains derived from the sale of shares

## Restrictions:

- ✓ The share capital cannot be formed by more than 50% of real estate;
- ✓ The taxation cannot be less than 60% of the tax that would be due ascertained in the terms outlined by the Portuguese CIT Code;
- ✓ Cannot be sited in a tax haven according to the Portuguese “black list”.



# 11. MADEIRA'S FREE TRADE ZONE

## Conditions

### Investment and job creation

Companies have to create between 1 and 5 jobs in the first 6 months of activity and make a minimum investment of €75.000 in the acquisition of fixed assets (tangible or intangible) in the first 2 years of activity

# MADEIRA'S FREE TRADE ZONE

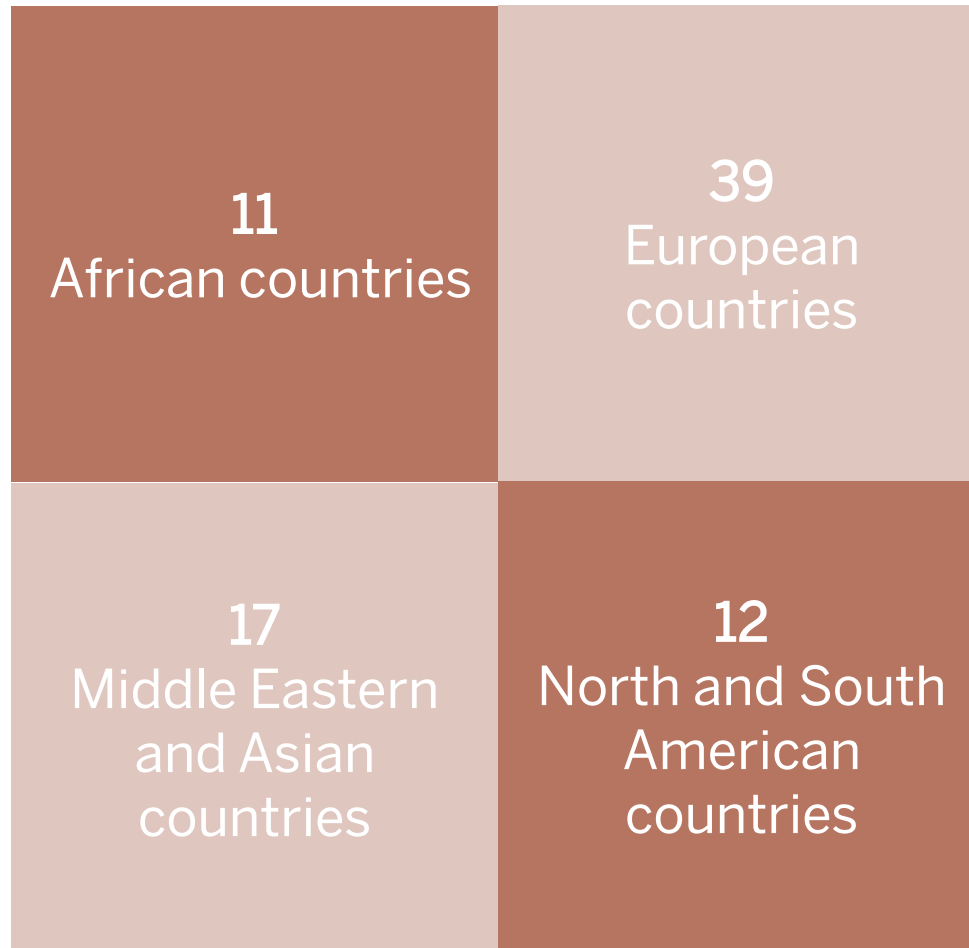
## Tax benefits

- **CIT tax rate of 5%** on profits until December 31, 2027;
- **50% of CIT** for companies that carry out industrial activities, subject to conditions;
- **80% exemption from stamp duty** on documents, contracts, and other acts performed that require public registration, if they are performed with entities not resident in Portugal or licensed in the IBCM;
- **80% exemption from IMI (Municipal Property Tax) and IMT (Real Estate Transfer Tax)** due on the acquisition of immovable property intended for company's establishment, as well as other local taxes and duties;
- **Exemption of withholding tax** in the payment of dividends to foreign shareholders.

# 12. INVESTMENT & REAL ESTATE MANAGEMENT COMPANIES (SIGI)

- **Corporate object:** ownership, management or economic exploitation of real estate through the direct or indirect acquisition of property rights or equivalents (which includes, among other things, the development of construction and rehabilitation projects).
- **Subject to the general Corporate Income Tax regime**, but income from the rental of real estate, capital gains on property and capital income, such as dividends paid by the entities in which the SIGI has interests, are excluded from the calculation of the company's taxable profit.
- **Exemption** of municipal and state surcharges.
- Shareholders / investors: **withholding tax on dividends and taxation of capital gains on the sale of shares** at the rate of:
  - 10% for non-residents;
  - 25% for corporate entities resident in Portugal;
  - 28% for individual's resident in Portugal.

# 13. NETWORK DOUBLE TAX TREATIES





# Thank You !

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