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NEWSLETTER

GOLDEN VISA IN PORTUGAL (2017)

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SUMMARY

The Golden Visa regime, in force since 2012, enables third country (non-EU) nationals that intend to conduct investment activities in Portugal to obtain a temporary residence permit. The beneficiaries of Golden Visa are entitled to live and work in Portugal, further benefiting from a visa exemption for travelling within the Schengen Area. They can also request family reunification, apply for permanent residence and, eventually, apply for Portuguese citizenship, by naturalization, provided all other requirements set out by the Nationality Act are fulfilled. The latest legal amendment (2017) further broadened the eligible investment activities. In parallel, the Golden Visa application procedure is becoming more agile.



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INTRODUCTION

Portugal introduced a residence by investment regime in 2012, granting golden visas to foreign citizens from non-EU countries that make certain eligible investments in Portugal. The regime attracted more than €3 billion in investments, while granting more than 5.000 golden visas and 8.000 family reunification requests in the past years.

According to this regime, non-EU citizens need to perform and maintain at least one of the legally foreseen eligible investment activities to qualify for a residency permit in Portugal.

The golden visa provides investors with direct and indirect advantages, namely:

- a. visa exemption for travelling within the EU Schengen Area, and no visa requirement on travels to more than 170 countries worldwide;
- b. very low minimum mandatory permanence period in Portuguese territory;
- c. possibility of family reunification;
- d. possibility of being granted permanent residency after completing 5 years and nationality after completing 6 years of permanence in Portugal under a residence permit; and

e. using Portugal as platform of investment and benefiting from favourable tax regimes.

This regime was amended in 2015 with the main goal of broadening the scope of the eligible investment activities required to obtain a golden visa and clarifying the requirements regarding family reunification and, again, in 2017 furthering the goal of broadening the scope of the eligible investment activities required to obtain a golden visa.

BROAD RANGE OF ELIGIBLE INVESTMENT ACTIVITIES

According to this regime, non-EU citizens need to directly perform by an individual or a company and maintain for a minimum period of five years at least one of the legally foreseen eligible investment activities to qualify for a residency permit in Portugal. The eligible investment activities are the following:

1



REAL ESTATE

PURCHASE OF REAL ESTATE

Purchase of real estate worth > € 500.000, which might also be made in co-ownership or by means of a limited liability company of which he/she is the

sole owner, with headquarters in Portugal or in another EU Member State, insofar as a permanent establishment is maintained in Portugal.

PURCHASE AND REHABILITATION OF REAL ESTATE

Purchase and rehabilitation of real estate constructed at least 30 years before or located in a designated urban rehabilitation area, for a minimum amount **> € 350.000**, which might also be made in co-ownership or by means of a limited liability company of which he/she is the sole owner, with headquarters in Portugal or in another EU Member State, insofar as a permanent establishment is maintained in Portugal.

2 CAPITAL INVESTMENTS

OTHER FINANCIAL ASSETS

Capital transfer in an amount **≥ € 1.000.000**, including the investment in the share capital of companies.

RESEARCH AND DEVELOPMENT

Capital transfer in an amount **≥ € 350.000**, to be applied in scientific research activities performed by public or private scientific research institutions integrated within the National Scientific and Technological System.

CULTURAL

Capital transfer in an amount **≥ € 250.000**, to be applied in the support or investment in artistic production, the protection and restoration of the national cultural

patrimony, through central and local administration, public institutes, entities within the business public sector, public foundations, private foundations with public utility, inter-municipal entities, entities that integrate the local business sector, municipal associative entities and cultural public associations which purpose is to promote and achieve artistic production, protection and restoration of the national cultural patrimony.

3 FINANCIAL ASSETS

VENTURE CAPITAL AND INVESTMENT FUNDS

Capital transfer in an amount **≥ € 350.000**, for investment in the acquisition of participation units in venture capital funds or investment funds established in accordance with Portuguese law and specialized in the capitalization of enterprises, whereby the participation units' maturity ought to be of at least 5 years and at least 60% of the value of the investments ought to be made in enterprises established in Portugal.

4 INVESTMENT INVOLVING JOB CREATION

JOB CREATION

Creation of, at least, **10 jobs**.

COMPANY AND JOB CREATION

Capital transfer in an **≥ € 350.000**, 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.

FORMS OF INVESTMENT

In accordance with this regime, the minimum quantitative investment requirement can be made directly by the individual, or by means of a limited liability company of which the applicant is the sole owner, registered in Portugal or in an EU Member State (with a permanent establishment in Portugal).

As regards the purchase of real estate, the investment may also be (i) acquired in co-ownership, (ii) encumbered in the part that exceeds the minimum investment amount and, it may also be leased or otherwise economically explored for commercial, agricultural or touristic proposes.

INCENTIVE TO INVESTMENT ACTIVITIES IN LOW DENSITY TERRITORIES

The golden visa regime foresees lower investment amount thresholds when the investment is made in a low density territory.

The minimum investment amounts may be **reduced by 20%**, in case the

investment activities – except for the capital transfer in an amount equal or higher than €1.000.000 and capital transfer in an amount equal or higher than €350.000, for investment in the acquisition of participation units in venture capital funds or investment funds – are made in certain low density territories (which are specified as level III territories of the common classification of territorial units for statistics –NUTS), where there are less than 100 local habitants *per* sq. km. or a local average gross domestic product (GDP) *per capita* below 75% of the national average GDP *per capita*.

In accordance with the latest official statistical information (July 2017), regarding population density (no./sq. km.) *per* local residency (NUTS-2013), in 2016, the local habitants *per* level NUTS III territory averages and the local average GDP *per capita* (in percentage, by reference to the national average) are the following:

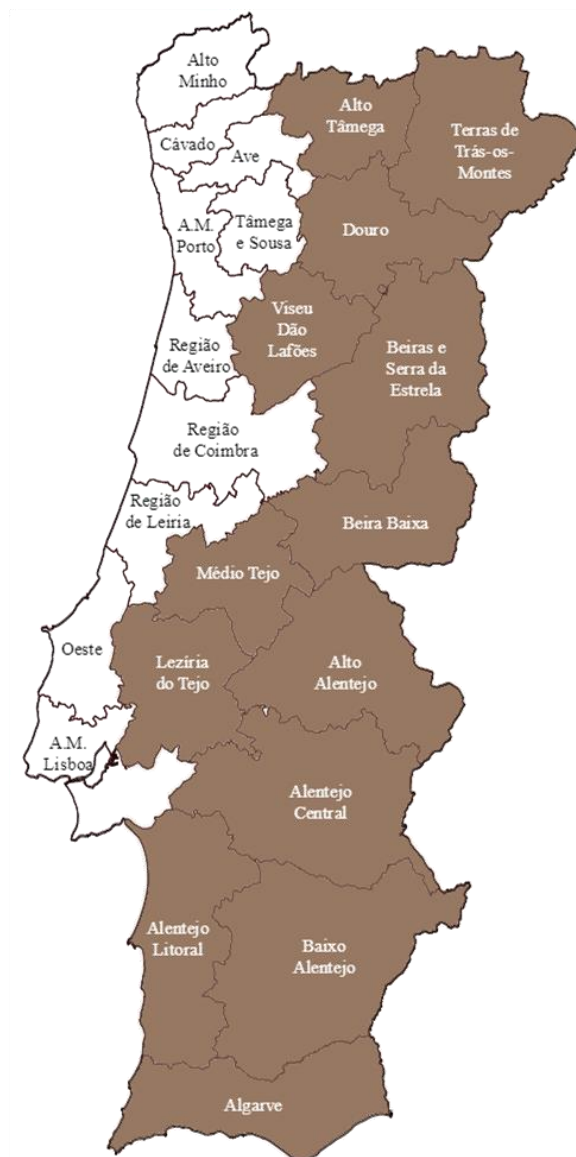
NUTS III REGION	POPULATION DENSITY (No./SQ. KM.) BY PLACE OF RESIDENCE	GDP PER INHABITANT IN PPS (IN %)
ALTO MINHO	105,4	77%
CÁVADO	324,8	81%
AVE	286,4	84%
ÁREA METROPOLITANA DO PORTO	842,1	94%

ALTO TÂMEGA	30,1	66%
TÂMEGA E SOUSA	229,8	63%
DOURO	47,9	73%
TERRAS DE TRÁS-OS-MONTES	19,7	80%
OESTE	161,3	83%
REGIÃO DE AVEIRO	214,9	96%
REGIÃO DE COIMBRA	101,4	89%
REGIÃO DE LEIRIA	117,5	101%
VISEU DÃO LAFÕES	79,4	77%
BEIRA BAIXA	17,9	95%
MÉDIO TEJO	70,6	83%
BEIRAS E SERRA DA ESTRELA	34,7	68%
ÁREA METROPOLITANA DE LISBOA	935,7	134%
ALENTEJO LITORAL	17,8	122%
BAIXO ALENTEJO	13,9	97%
LEZÍRIA DO TEJO	56,1	84%
ALTO ALENTEJO	17,8	77%
ALENTEJO CENTRAL	21,1	87%
ALGARVE	88,4	103%
REGIÃO AUTÓNOMA DOS AÇORES	105,6	89%
REGIÃO AUTÓNOMA DA MADEIRA	318	93%

The same information is represented on the following map, where the areas with less than 100 local habitants *per* sq. km. or with a GDP per capita lower than 75% of the national GDP, which benefit from the 20% reduction on the minimum investment amount in the above-mentioned conditions, are highlighted.

PRESENCE IN PORTUGUESE TERRITORY

For the purposes of renewing the residence permit, the investor shall



maintain the investment for a minimum period of 5 years, counting from the granting of the residence permit, and shall also provide proof that he has remained in Portuguese territory for the required minimum periods:

- 7 days, consecutive or staggered, in the first year; or
- 14 days, consecutive or staggered, in subsequent two years periods.



FAMILY REUNIFICATION: ELIGIBLE SITUATIONS

The right to family reunification is granted:

- (i) to the investors' family members living outside the Portuguese territory and that have lived with that investor in another country;
- (ii) to the investors' family members that depend or cohabit with the investor, including descendants and direct ascendants;
- (iii) to those who have legally entered in the Portuguese territory and are dependant or live together with that investor; and
- (iv) to legal of age descendants who are single and studying in an educational establishment in Portugal, or abroad.

Between 2012 and 2017, more than 8.000 family reunification requests have been granted.

Lisbon, November 8th, 2017

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