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NEWSLETTER

THE PORTUGUESE
PASSIVE INCOME VISA (I)

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IBFD Tax Correspondent Angola, Mozambique and East-Timor, 2013, 2014, 2015, 2016, 2017, 2018

SUMMARY

Besides the Golden Visa, there are other opportunities for residency in Portugal. The Passive Income Visa (also known as "Type I Visa" or "D7 Visa") is a twostep process that allows third country residents (outside the EU) to obtain a residence permit in Portugal.



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INTRODUCTION

The Passive Income Visa (also known as "Type I Visa" or "D7 Visa") is a two-step process that allows third country residents (outside the EU) to obtain a residence permit 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.

VISA APPLICATION AT THE PORTUGUESE CONSULATE (STEP 1)

The requirements of each Consulate may vary, but as a rule the applicant for this type of Visa must present the following documents before the Portuguese Consulate near his/her residence area:

- a) Valid Passport at least 6 months before the expiration date;
- b) Two recent passport-size colored photos;
- c) Declaration explaining the reasons for relocation to Portugal;
- d) Valid health insurance policy with coverage in Portugal;
- e) Criminal record certificate;
- f) Proof of address in Portugal (not being enough hotel or short time rental reservations);

- g) Proof of sufficient funds to support the life in Portugal and that these funds are available for use in Portugal.

The purpose of this Visa is to obtain a valid visa (120 days) that will allow the applicant to relocate to Portugal and prepare the application for the residency permit before the Portuguese Authorities.

Once this Visa is obtained, family members of the applicant can also apply for residence permits under the "Family Reunification" rules, with no need for them to previously apply for a visa.

RESIDENCE PERMIT APPLICATION IN PORTUGAL (STEP 2)

Once the Visa is issued the applicant is entitled to travel to Portugal and start the residency authorization application. The Visa allows for a maximum of two entries and a stay in the country up to 4 months.

The requirements for the residency permit application that will be held before the Immigration and Borders Service are the following:

- a) Passport with the stamped residency Visa;
- b) Documents attesting the sufficient financial means and permanent accommodation in Portugal, as

- previously submitted to the Portuguese Consulate;
- c) Health insurance policy, if acquired in Portugal;
- d) Documents attesting the registration before the Portuguese Tax Authorities and Portuguese Social Security.

Once the residency authorization is approved, the corresponding cards are issued, which are valid for a period of one year (temporary residence).

Card holders are entitled to enter all Schengen Area without need for a visa.

Except in the case of duly justified personal or professional reasons, a temporary residence holder is expected not to be outside Portugal for more than 6 consecutive months or 8 non-consecutive months during the validity of each permit.

MAIN BENEFITS

This Visa/Residency authorization is the best alternative to the Investment Visa ("Golden Visa"). It is considerably faster and more cost effective when compared with the Golden Visa. In addition, the holder is also entitled to the main benefits of being a Portuguese resident, namely:

- a) Permanent free entry and circulation in the Schengen Area;

- b) Possibility to have a professional activity in Portugal;
- c) Possibility of Family Reunification;
- d) Option to become a "non-habitual tax resident" in Portugal;
- e) Access to all the benefits of being a Portuguese resident, such as public education, healthcare, social security, etc.

RENEWALS

The residence permit must be renewed at the end of the first year and then every two years.

The renewal process is similar to the first application and the documents to be submitted are basically the same ones.

The holders of the residence permit may apply for permanent residency or citizenship at the end of 5 years of legal residency in Portugal.

Lisbon, January 24th, 2019

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