



PORTUGAL THE GOLDEN VISA PROGRAMME.

FAQ's

01.

THE GOLDEN VISA. WHAT IS IT?

The Golden Visa Programme launched by the Portuguese Authorities in October 2012 is a fast track for foreign investors from non-EU countries to obtain a fully valid residency permit in Portugal ("Golden Visa").

Under the Golden Visa programme, non-EU citizens need to carry out one of the investments set out in the law to qualify to obtain a residency permit in Portugal. This residency permit will allow the investor to enter and/or live in Portugal and to travel freely within the vast majority of European countries (Schengen space).

Aimed at attracting foreign investment to Portugal, the Golden Visa has reasonably simple and clear legal requirements. With reduced minimum stay requirements, the Golden Visa is one of the most attractive residency programs for investors in the world.

02.

WHAT TYPES OF INVESTMENTS ARE ALLOWED UNDER THE GOLDEN VISA RULES?

The following types of investment qualify for the Golden Visa programme:

- a) Acquisition of property in the amount of or greater than € 500,000
- b) Transfer of funds above € 1,000,000 or more
- c) Creation of at least 10 (ten) jobs in Portugal

It should be noted that only investments effectively made after 8th October 2012 are eligible for the Golden Visa programme.

03.

FOR HOW LONG IS THE GOLDEN VISA VALID?

Once issued, the Golden Visa will be valid for an initial period of 1 (one) year and then will be renewed for subsequent periods of 2 years.

04.

WHAT ARE THE GENERAL REQUIREMENTS THAT THE INVESTOR HAS TO COMPLY WITH?

The Golden Visa Programme sets out that the investor must comply with general requirements applicable to all types of qualifying investments and also with the specific requirements of each type of qualifying investment.

In general, all investors have to comply with the following requirements:

- a) Keep the investment for a minimum period of 5 years
- b) Funds for investment should come from abroad
- c) Entry in Portugal with a valid Schengen visa
- d) Absence of references in the Portuguese Immigration and the Schengen services
- e) Absence of conviction of relevant crime
- f) Minimum stay in Portugal: 7 (seven) days during the first year and 14 (fourteen) days during each subsequent period of two years

05.

WHAT ARE THE GENERAL REQUIREMENTS THAT THE INVESTOR HAS TO COMPLY WITH?

Each type of qualifying investment has specific characteristics, as follows:

a) Property Acquisitions

- Minimum investment of € 500,000
- Purchase of one or multiple properties
- All property types qualify
- Possibility of co-ownership;
- Freedom to use, rent or lease

b) Transfer of Funds

- Minimum investment of € 1 million
- Funds transferred from abroad to a bank in Portugal
- Total freedom to invest the funds
- Possibility of using the funds to invest in shares of companies

c) Job Creation

- Creation of a minimum of 10 jobs
- No minimum investment value
- No limitation on areas/activities
- Compliance with Social Security obligations
- Possibility of grants/incentives/benefits

06.

WHAT ARE THE MAIN ADVANTAGES OF THE GOLDEN VISA PROGRAMME?

The Golden Visa Programme will provide investors with the following advantages:

- No need to obtain a visa to enter Portugal
- No need to obtain a visa to travel in Europe (Schengen area)
- Living and working in Portugal, even with residency in a different country
- Residency extended to family members
- Extremely low minimum stay periods
- Permanent Residency after 5 years

07.

WHAT IS THE SCHENGEN AREA AND WHAT ARE THE COUNTRIES INCLUDED?

The Schengen Area is a group of 26 European countries that have abolished passport and immigration controls at their common borders. With a resident permit from Portugal, the investor is entitled to enter and travel freely throughout all the countries of the Schengen area.

The Schengen Area includes the following countries: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland.

08.

IS IT POSSIBLE TO EXTEND THE GOLDEN VISA TO FAMILY MEMBERS?

Yes. Under the Golden Visa Programme, the investor's family members may also apply and obtain a resident permit from Portugal by applying for "family reunion". The Golden visa will be extended to family members, namely children under 18, spouse and dependent family members. The family members will also be eligible for Permanent Residency after 5 years.

09.

HOW CAN THE INVESTOR AND FAMILY OBTAIN PERMANENT RESIDENCY AFTER 5 YEARS?

Under Portuguese Law any person that has held a valid Portuguese temporary residency title (e.g. the Golden Visa) for a period of at least 5 years, he will be entitled to obtain Permanent Residency in Portugal. The investor and family members will have to meet the following criteria in order to be able to apply for Permanent Residency in Portugal:

- Absence of conviction of relevant crime during the last 5 (five years)
- Proof of income / financial independence
- Proof of accommodation in Portugal
- Basic knowledge of Portuguese

10.

WHICH DOCUMENTS DOES THE INVESTOR NEED TO PROVIDE TO APPLY FOR THE GOLDEN VISA?

The application for the Golden Visa implies that the investor will have to submit the following documentation:

- Proof of Investment
- Passport & Valid Schengen Visa
- Portuguese Fiscal number
- Criminal Record from country of residency
- Portuguese Criminal Record
- Declaration from the Tax Department proving the absence of debts to the Tax Authorities
- Declaration from Social Security proving the absence of debts to Social Security Authorities
- Declaration from the investor confirming compliance with the investment requirements
- Health Insurance valid in Portugal
- 2 passport-type pictures

11.

THE DOCUMENTS ARE NOT IN THE PORTUGUESE LANGUAGE. WHAT DOES THE INVESTOR NEED TO DO?

Any document that is not in the Portuguese or English languages needs to be translated to Portuguese. The translation needs to be certified.

12.

ARE THERE ANY SPECIFIC REQUIREMENTS FOR DOCUMENTS ISSUED BY FOREIGN AUTHORITIES?

Document issued by foreign authorities need to be legalized before being submitted in Portugal. This legalization means obtaining the Apostille of the Hague Convention (when applicable) or legalization by the Portuguese Consular services.

13.

WHAT IS A FISCAL NUMBER? WHY DOES THE INVESTOR NEED ONE AND HOW DOES HE GET ONE?

A fiscal number is an identification number before the Portuguese Tax Authorities also known as the tax number. This number is required to carry out the investments.

14.

WHERE MAY THE INVESTOR APPLY FOR A GOLDEN VISA?

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Any investor interested in applying for a Golden Visa, can submit the application, either personally or via a legal representative appointed by him, in one of the following manners:

a) Online Registration

By registering online at the Services of Foreigners and Borders' ("SEF") website. After the registration is complete the investor will receive a password and will be able to access online in order to submit the necessary forms and documents.

b) In Person

In person, at the Services of Foreigners and Borders in Portugal.

It should be noted that the investor and family members will always have to be present at the Service of Foreigners and Borders of Portugal for fingerprinting, signature and other formalities.

We strongly recommend obtaining legal advice from an experienced law firm before taking any of the steps of the Golden Visa, namely before making any kind of investment or submitting any applications or documents.

15.

WHAT ARE THE COSTS INVOLVED IN OBTAINING A GOLDEN VISA?

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The Golden Visa involves payment of the following fees (payable directly to the Services of Foreigners and Borders ("SEF"))

a) Processing fee (application and renewal) - € 527,80 (plus € 82.30 per family member)

b) Initial Golden Visa - € 5,274.40

c) Initial Golden Visa for Family members - € 5,274.40

d) Renewal of Golden Visa - € 2,637.20

16.

ARE THERE ANY GROUNDS FOR REFUSING THE ISSUING OF A GOLDEN VISA OR ITS RENEWAL?

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The investor (or any family member) will only be refused the Golden Visa (or its renewal) if:

a) He/she has not maintained the investment for the minimum period of 5 (years)

b) He/she has not complied with the minimum periods of stay in Portugal

c) He/she has been convicted of a crime punishable with a prison sentence of more than one year

d) The investor is in a period where he/she has been banned entry into Portuguese territory following a removal measure of the country

e) On the grounds of public health (this may only be based on diseases that have been defined by the World Health Organization or other infectious or parasitic contagious diseases which are the object of protection measures in Portuguese territory)

f) A Golden Visa may be refused on the grounds of public order, public security or public health

17.

WHAT HAPPENS TO THE INVESTMENT AFTER 5 YEARS – CAN THE INVESTOR SELL THE PROPERTY / TRANSFER THE MONEY TO ANOTHER COUNTRY/EXTINGUISH THE JOB POSITIONS?

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Yes, the investor only needs to hold the investment during the Golden Visa's validity period – 5 years.

18.

CAN THE INVESTOR SELL THE INVESTMENT AT ANY TIME IF HE NO LONGER NEEDS THE GOLDEN VISA?

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Yes, but without proof that the investment has been kept, the investor will not be able to renew the Golden Visa Permit.

19.

CAN THE INVESTOR APPLY FOR CITIZENSHIP?

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Yes, in accordance with current legislation, after one year of permanent residency the investor is entitled to apply for Portuguese citizenship by naturalization, provided all the other requirements set out by the Nationality Act are fulfilled. Terms and conditions apply and you should contact an independent professional advisor in this regard.

20.

DOES THE INVESTOR NEED TO LIVE IN/USE THE PROPERTY HE IS PURCHASING OR CAN IT BE RENTED OUT?

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No. The investor does not need to occupy the property and it can be rented out to obtain income.

21.

WHAT ARE THE TAXES AND COSTS FOR PROPERTY ACQUISITIONS AND OWNERSHIP?

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There are three taxes in Portugal related to property:

a) Payable with the property's acquisition:

- "IMT" or Property Transfer Tax, which is the tax on transfer of ownership of property
- Stamp Duty

Note: The exact amount of taxes to be paid varies according to the actual value of the acquisition.

b) Payable on an annual basis:

"IMI" or Council Tax, which is the annual municipal property tax; it is levied between 0.3% and 0.5% on the property's tax value

22.

WITH THE GOLDEN VISA DOES THE INVESTOR NEED TO PAY TAXES IN PORTUGAL ON HIS WORLDWIDE INCOME?

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No. If the holder of the golden visa does not stay in Portugal for more than 183 consecutive days, he/she will not be required to pay taxes for income generated outside of Portugal.

23.

WHAT INCOME TAXES APPLY TO INCOME GENERATED IN PORTUGAL?

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Rental income and income arising from capital (e.g. interest, dividends, etc) will be taxed at a rate of 28%.