



Portuguese golden visas guide



**A comprehensive guide to
golden visas in Portugal**



PORTUGAL

This is my happy Motherland, beloved of mine

10 million Population

79th most populous country on earth

11 Provinces

Capital : Lisbon

Currency : Euro (EUR)

Languages : Portuguese, Mirandese

EUROPE



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Introduction	4
Requirements	5
Length of Investment	6
Costs	7
Timings	8
Entitlement	9
Family	10
Length of Visas	11
What is investing	12
Healthcare and working	13
Is the Golden Visa Guaranteed	14
Miscellaneous	15
Extending the Visa	16
Documents Required	17
Schengen countries	18
Ongoing obligations	19
Tax residence	20
Why use us?	21
Useful Terms	22

introduction & requirements

One of the advantages of the EU is that there is a free movement of goods and people between the different countries. This means that you do not need a Visa to travel between these countries if you are a resident of the EU. If you are a resident of one of the Schengen countries then you can travel between those countries without even needing a passport.

Obviously the ease of which you can visit a country is a major factor in where you buy property. If you cannot travel there easily it will put you off buying. Similarly if you have to apply for a Visa each time you visit that will also put you off.

The Portuguese Government is stimulating its property market by introducing the so called “**Golden Residence Permit Programme**”. This is where people who previously needed a visa to enter Portugal can obtain residency in Portugal through investments. It is not to be confused with Gold Visa Cards!

Investment amount

In order to qualify for the Golden Residence new legal provisions provide the possibility for those who pursue investment activities in Portugal to apply for a Residence Permit, for example, those who:

1. **Transfer capital (€1 million euro)**
2. **Create jobs (at least 10)**
3. **Acquire real estate (€500,000 in property).**

The Holders of a Golden Residence Permit (ARI) for the purposes of investment activity have the right to visas for their Family and may gain access to a permanent residence permit, as well as to a Portuguese citizenship in accordance with the current legal provisions.

Other requirements

Unsurprisingly it is not just a pure investment that will allow you to obtain the Golden Visa. There are still other requirements that you have to satisfy.

- You must be over 18
- Once it is ready, you must be a holder of a Valid Schengen Visa in order to be able to enter into Portugal to collect your Golden Residency Visa. On your first entrance in Portugal with the Schengen Visa you have 90 days to collect your Golden Residency Permit
- There must be an absence of any fact which, if it were known by the competent authorities should prevent the granting of Residency Permit to the Applicant
- Presence in Portuguese territory; but you must not be resident in Portugal illegally already
- Possession of means of subsistence
- The absence of conviction for a crime in Portugal which is punishable by deprivation of freedom for more than one year
- Inscription in the Social Security system, when applicable
- You must have private healthcare to cover your stay
- Proof of housing conditions
- The Applicant will not be admitted to enter into national territory while/if interdiction period is pending on him/her followed by an expulsion order of the country (Portugal)
- The absence of any indication in the Schengen Information System
- The absence of any indication in the Integrated System of Information in the Portuguese Immigration Services (SEF), in accordance with Law 29/2012, article. 33, for example any expulsion orders, list of undesirable people in accordance with strong indications of threat to public order, national security or that threatens international relations of a Member State of the European Union

length of investment

Clearly the aim of the government is to stimulate the economy. Therefore the investment has to stay invested in the minimum of 5 years in order to maintain the Golden Residence Permit. You cannot therefore invest, get the Residence Permit and then withdraw the investment.

You can, however, move your investment around for example, sell one property and buy another one, as long as you keep the investment criteria and amount requirements (providing that the investment is continual).



The total cost of applying for a Golden Residence Permit in Portugal will depend on how this is done. There are a couple of options.

Our fees for an application via the Golden Residence Permit scheme will be £12,500 plus VAT. In addition to this there will be additional costs, such as:

- **Registration fee and renewals € 513.75**
- **Registration fee for the Visa for relatives/ family € 80.04**
- **Golden Residency Permit Tax €5,135.50**
- **Renewals of Golden Residency Permit €2,568.75**
- **Visa for relatives/ family regrouping €5,135.50**
- **Renewals Visa for relatives/ family regrouping €2,568.75.**

There may also be various different costs in addition to that (translation and legalization costs) which we can advise you of at the moment needed.

An application for a Residents Visa not using the Golden Residence Permit scheme is much more complicated but may be more suitable for some people. Our fees for proceeding in this way would be £12,500 plus VAT. In addition to this there are going to be various costs on top of that. These costs will vary according to the individual case and we will be able to give you a better idea of this once we have further details of your particular circumstances.

timing

Obtaining a Residence Visa through the Golden Residence Permit scheme is relatively quick.

The Immigration Office (SEF) have a period of 7 working days from the date of application in which to comment on your application and confirm whether they have any objections to your application.

In general the authorities have a period of 15 working days from the date on which the application is submitted in which to process your application. If the authorities do not reject the application within that time then the application is automatically granted.

In cases where the Golden Residence Permit scheme is not used then the process is much more lengthy as several steps have to take place. The process for this can take between 5 to 10 months depending on your circumstances.



what does this entitle you to?

The Golden Residence Permit Scheme entitles those successful applicants to become residents of Portugal. This means that they can go and live in Portugal.

It also means that they are entitled to travel within the Schengen area without the need for further Visas.

The Golden Residence Permit scheme, however, does not entitle you to everything that a normal resident is entitled to.

It does not, for example, entitle you to use the Portuguese healthcare system or to work for other people in Portugal.

The non-Golden Residence Permit process is different what you are entitled to will depend on what type of Visa is applied for.



family

One of the most common questions that we get asked is whether your family can come with you to Portugal should you obtain a Golden Residence Permit.

The regulations allow you to bring your family as well but the application process has to show that this is what you are intending to do – i.e. you can't just obtain a Residence Permit and then bring them over.

Only immediate family are entitled to become resident in Portugal with you under the Golden Residence Permit Scheme. This means your Spouse and children, not your siblings or mother-in-law! Children have to be dependent on you or they have to apply on their own right.

Each person who comes with you has to comply with the requirements that they have no criminal record and are not an “undesirable”, although they do not have to qualify completely in their own right. You do, however, have to prove that they are all covered by private healthcare and that you have sufficient funds to support them.

On the non Golden Residence Permit applications the situation is similar to the one of the Golden Residence Permit in that your family can go to Portugal with you but must also qualify for a Visa in accordance with the rules – i.e. it is not automatic. Therefore you could have a situation where you can obtain a Visa but your child with a criminal record is not able to obtain a visa.



how long does the visa last for?



Once the Visa authorization of residence in Portugal (Golden Residence Permit) is granted, the investor must remain in the country at least 7 days during the first year and 14 days in each subsequent period of two years. Therefore the initial Golden Residence Permit is valid for a period of one year and may be renewed for successive periods of two years (providing that you still comply with the requirements).

After 5 years it will be possible to apply for a permanent Residence Permit. This permanent Residence Permit entitles you to do more than the initial Residence Permit in that you are entitled to work in the country and are entitled to use the healthcare system. You also no longer need to keep the investment that you initially made.

After 6 years it will be possible to apply for Portuguese Nationality should you wish to. This will mean that you are entitled to all the things that you would be entitled to as if you were Portuguese. Clearly not everybody will want to go for this final step and may wish to keep their own Nationality but stay with the Portuguese Residence Permit.

The Golden Residence Permit is reliant on the requirements for the Visa still being in place during the time that the Visa is valid. That is to say that, for example, if you invest in Portuguese property to obtain a Residence Permit you must keep at least €500,000 invested in property during the duration of the Residence Permit. You cannot simply invest in Portugal to get the Residence Permit and then withdraw your investment once the Residence Permit has been obtained.

what does investing in property mean?

The requirement to invest a minimum of €500,000 in property is actually quite wide.

There is no need to buy one property for €500,000 and you can actually buy several properties or even properties with other people. The important thing is that the total adds up to an investment for each applicant is of at least €500,000 or more. The properties can also be of different types – i.e. it doesn't have to be residential. It is possible to invest in residential property, commercial property or even land. As part of a portfolio it is also possible to have a mixture of different types of land.

The investment amount must be free of charges or mortgages (i.e. at least €500,000 must be free of charges but you are able to mortgage any amount above that figure).

Obviously how you raise the money in your home country is up to you.



The Golden Residence Permit Scheme does not entitle you to use the healthcare system in Portugal. Neither does it entitle you to work.

In terms of Healthcare one of the requirements for the Golden Residence Permit is that you prove that you have adequate Private Healthcare cover. Obviously this should cover both you and any family members that have joined you in Portugal.

The Golden Residence Permit Scheme does not entitle you or your family to work in Portugal. You therefore have to prove that you have sufficient means by which to support yourself and your family.

The definition of sufficient means to support yourself and your family is as follows:

For the main person they should have, during their stay in Portugal, an amount which represents a monthly figure in Euros (or the equivalent in foreign currency) of 400% of the «*Indexante dos Apoios Sociais*» (IAS) which is a salary index.

For each member of the family the amount required is less than the main applicant and is an amount which represents a monthly figure in Euros (or the equivalent in foreign currency) of 100% of the «*Indexante dos Apoios Sociais*» (IAS).



is the golden visa guaranteed once i apply?

Probably the most common question we get asked. No, when you apply for a Golden Residence Permit it is not guaranteed that this will be approved – even if you think that you qualify.

Clearly if you don't comply with the requirements you are not going to be approved. However, if you do comply with the requirements and have us helping you through the process it is unlikely that there will be any problems with your application.

It is, however, vital that your adviser is fully aware of all circumstances so that they can guide you through the process and avoid any potential problems by answering the questions correctly and providing the right information.



Value of property

The value of the property or properties that you buy must add up at least €500,000 and have at least €500,000 equity on the property (i.e. on the amount equal or more than €500,000 free of mortgages or charges).



extending the visa

The value of the property or properties that you buy must add up at least €500,000 and have at least €500,000 equity on the property (i.e. on the amount equal or more than €500,000 free of mortgages or charges).

The initial Golden Residence Permit lasts for a year but can be extended for a period of 2 years up to a maximum of 5 years.

At the end of the 5 years it is possible to apply for a Permanent Residence Permit (valid for 5 years).

In order to renew your Golden Residence Permit you must comply with various requirements:

- You must have a current Investors Residence Permit (Golden Residence Permit) or one that has expired no more than 90 days earlier
- You must have visited Portugal for at least 7 days during the first year and 14 days in each subsequent period of two years, during the previous year
- Your investment must continue to be invested in Portugal
- You must still satisfy the visa requirements that allowed you to obtain a residence permit in the first place.





In order to apply for a residency visa it is necessary to supply certain documents in addition to your application form.

The documents that are required to be produced are the following:

- A valid passport which has at least a year until expiry.
- A document confirming that there are sufficient funds to cover living during the time.
- Document confirming that you are covered for medical insurance.
- Document issued by the relevant authorities which confirms the schooling of children (if applicable)
- All documents will need to be translated into Portuguese and legalised.

which countries are in the schengen area?

The Schengen Area is made up of 26 European countries.

The idea is that between these countries there is no requirement to show your passport or have border controls at their common borders (although you may be required to show some proof of identity in order to board a plane).

The UK and Ireland, although within the EU are not part of the Schengen Area.

The Schengen Area countries are currently;

- Austria
- Belgium
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland

After you buy a property in Portugal there are ongoing obligations that you need to meet:

Insurance

It makes sense to insure your property and contents.

Council Tax -IMI (Imposto Municipal sobre Imóveis)

This is normally paid annually in one lump sum between April and September. The amount will depend on the location, size and age of the property. A rate up to 0,5% of the real estate tax value of the property is levied each year.

Non payment of IMI can lead to legal proceedings being taken against you and an embargo on the property.

Utilities

You will be responsible for the utility charges – electricity, gas, water sewerage, rubbish collection etc. from the time that you buy the property

Community Charges (Quota de Condomínio)

You should pay these otherwise the property can be confiscated and auctioned in order to settle the debt.

The amount that you pay is often worked out as the square area of your property expressed as a percentage of the total square area of all properties in the community.

Income Tax

If you are non-resident you must declare any income you have earned in Portugal. This applies even if you receive this income by renting out to people from your home country and the money never enters Portugal.

You will also normally have to declare this income in the country where you are tax resident but can normally offset the tax paid in Portugal through Double Taxation Treaties.

tax residence

Even if you obtain a Residence Permit for Portugal you may not be tax resident there. The taxes that you pay when you buy a property in Portugal will normally depend on whether you are tax resident there or not for tax purposes.

Tax residency is determined by a number of factors:

How long you spend in that country. Is it 183 days or more a year (not necessarily continuously)? If so you are likely to be tax resident there.

Is your main home there? If it is then you are likely to be tax resident there.

Is your immediate family (spouse and dependent children) based there? If so you are likely to be tax resident there.

Is your main economic interest there? If so you are likely to be tax resident there.

If you do become tax resident in a country then you will normally stop paying taxes in your home country and start to pay taxes in the new country.

Do not be tempted to have selective amnesia when it comes to declaring taxes – the authorities in both Portugal and the UK have clamped down on people who do not do things properly.

Sometimes you should declare something for tax purposes in one country and also in another. Portugal and the UK have a Double Taxation Treaty which means that you don't normally pay tax twice and can offset the tax paid in the other country against the tax that you would otherwise pay in your home country.

Portuguese lawyers

A highly experienced Portuguese legal team.

We are Solicitors

We are a UK based firm of Solicitors regulated by the Solicitors Regulation Authority and who specialise in international legal issues

We understand both sets of laws

Because we understand both sets of laws we understand the difficulties that come when two sets of laws meet.. This is particularly important when it comes to issues involving ownership, taxation and inheritance.

We are members of AIPP

The Association of International Property Professionals was set up to improve standards of professionalism in a largely unregulated overseas property market.

Experience

Our Portuguese team has many years of experience dealing with a whole range of legal issues with Portugal.

We speak your language

You need a lawyer who can speak your own language. More importantly you need somebody who can explain and discuss often complicated issues in terms that you understand.

Independence

We are independent. We are not allowed to act for the buyer and the seller at the same time. We are not linked with any Development Companies, Builders or Estate Agents.

useful terms

Advogado	Lawyer, Attorney or Solicitor
Acções	Shares
Agente imobiliário	Estate Agent
Antecedentes criminais	Criminal record
Apartamento/ andar	Apartment
Consultor fiscal	Tax consultant
Câmara Municipal	Town Hall
Ónus/encargos	Charge (i.e. Charge on a property)
Compra / compra e venda	Purchase / Purchase and Sale
Cônjuge	Spouse
Contrato de compra e venda	Purchase and Sale contract
Contrato (Pre) -Promessa	Reservation contract
Criminal	Criminal
Dívida Pública (títulos obrigacionais do Governo)	Government Debt (Government Bonds)
Morada	Address
Escritura	Title Deeds
Família	Family
Filhos	Children
Hipoteca	Mortgage
Indexante dos Apoios Sociais (IAS)	Public Income Index
Investimento	Investment
Lei	Law

Lei 29/2012, Regime jurídico de entrada, permanência, saída e afastamento de estrangeiros do território nacional	Law 29/2012 of foreigners in Portugal (the law that set out the Golden Residence Permit Programme)
Licença	Licence
Meios económicos suficientes	Sufficient funds
Número de A.R (Autorização/ Título de Residência)	Foreigner's Identification Number
Procuração	Power of Attorney
Propriedade	Property
Propriedade comercial	Commercial Property
Propriedade residencial	Residential property
Conservatória de Registo Predial	Land Registry
Residente	Resident
Residencia	Residence
Cuidados de saúde	Healthcare
Seguro de saúde privado	Private healthcare insurance
Sociedade	Company
Terreno	Plot
Trabalhar	Work
Visto (sometimes also called Visa)	Visa

Contacts

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