



Spanish golden visas guide



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



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introduction

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 Spanish Government is trying to stimulate it's property market by introducing the so called "Golden Visa" program. This is where people who previously needed a visa to enter Spain can obtain residency in Spain through investments. It is not to be confused with Gold Visa Cards!



Investment amount

In order to qualify for the Golden Visa you must invest at least a minimum amount in one of three different areas. The amount required for investment depends on which area you invest in and are €500,000 in property, €2 million in Spanish Government Bonds or €1 million in shares in Spanish companies.

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. These are;

- **You must be over 18**
- **You must not be resident in Spain illegally already**
- **You must not have a criminal record in the last 5 years**
- **You must not be on the list of undesirable people**
- **You must have private healthcare to cover your stay**
- **You must be able to prove sufficient funds to live on without working in Spain**
- **You must not have been rejected for residence from certain other countries or from Spain**
- **Not have any of the illnesses according to a 2005 regulation**

length of investment

Clearly the aim of the government is to stimulate the economy by encouraging foreigners to bring money into the country and to invest in it and in particular property and government stock. In return for certain investments it may be possible to obtain a Visa to stay in Spain.

However, the aim remains that the government want the investment in Spain and therefore the rules are written so that whilst you have your investment, and providing you comply with the requirements, you can obtain a Visa. This is not a case of simply putting money into the country, getting the Visa and then taking your money back out again

Therefore the minimum investment has to stay invested in order to maintain the visa. You cannot therefore invest, get the visa and then withdraw the investment. You can, however, move you investment around (for example, sell one property and buy another one) providing that the investment is continual.





The total cost of applying for a Residents Visa to Spain will depend on how this is done. There are a couple of options.

Our fees for an application via the Golden Visa scheme will be £12,500 plus VAT. In addition to this there will be additional costs including an application fee of €975.10 There may also be various different costs in addition to that (translation and legalization costs) which we can advise you of closer to the time.

An application for a Residents Visa not using the Golden Visa 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 Visa scheme is relatively quick.

The Police have a period of 7 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 20 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 Visa 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 Visa Scheme entitles those successful applicants to become residents of Spain. This means that they can go and live in Spain.

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

The Golden Visa 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 Spanish healthcare system or to work for other people in Spain.

The non-Golden Visa 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 Spain should you obtain a Golden Visa.

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 Visa and then bring them over.

Only immediate family are entitled to become resident in Spain with you under the Golden Visa Scheme. This means your Spouse and children, not your siblings or mother-in-law! Children have to be dependent on you and under 18 or else 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 don't 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 Visa applications the situation is similar to the that of the Golden Visa in that your family can go to Spain 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?



On the Golden Visa Scheme the initial Visa is for a period of 2 years. It can be renewed every two years for a further 2 years after that (providing that you still comply with the requirements).

After 5 years it will be possible to apply for a permanent Visa. This permanent Visa entitles you to do more than the initial Visa 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 10 years it will be possible to apply for Spanish 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 Spanish. Clearly not everybody will want to go for this final step and may wish to keep their own Nationality but stay with the Spanish residency visa.

The Visa 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 Spanish property to obtain a visa you must keep over €500,000 invested in property during the duration of the visa. You cannot simply invest in Spain to get the Visa and then withdraw your investment once the Visa 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. The important thing is that the total adds up to an investment of more than €500,000. 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 Visa Scheme does not entitle you to use the healthcare system in Spain. Neither does it entitle you to work.

In terms of Healthcare one of the requirements for the Golden Visa 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 Spain.

The Golden Visa Scheme doesn't entitle you or your family to work in Spain. 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 Spain, an amount which represents a monthly figure in Euros (or the equivalent in foreign currency) of 400% of the Indicador Publico de Renta de Efectos Multiplos (IPREM) 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 Indicador Publico de Renta de Efectos Multiplos



is the golden visa guaranteed once i apply?

Probably the most common question we get asked. No, when you apply for a Visa 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 somebody good help 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.



Prior purchases

The investment made to obtain a Residents Visa cannot be one made more than 60 days prior to the Visa application being made in the case of investments in shares or Government Bonds and no more than 90 days before the application in the case of property.

Value of property

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



extending the visa

The initial Visa lasts for a year but can be extended for a further period of years up to a maximum of 5 years.

At the end of the 5 years it is possible to apply for a permanent residence visa.

In order to extend your Residence Visa you must comply with various requirements;

- You must have a current Investors Residence Visa or one that has expired no more than 90 days earlier
- You must have visited Spain for at least a month during the previous year
- Your investment must continue to be invested in Spain
- You must still satisfy the visa requirements that allowed you to obtain a residence visa 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 Spanish 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 Spain there are ongoing obligations that you need to meet;

Insurance

It makes sense to insure your property and contents.

Council Tax (Impuesto Sobre Bienes Inmuebles)

This is normally paid annually in one lump sum between 15th September and 15th November. The amount will depend on the location, size and age of the property.

Non payment of IBI 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 (Cuota Comunidad de Propietarios)

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 Spain. This applies even if you receive this income by renting out to people from your home country and the money never touches Spain.

Even if you do not receive any rent from the property it is assumed that you have received some sort of benefit and you are taxed on this (but only at 0.5% of the Valor Catastral).

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 Spain through Double Taxation Treaties.

tax residence

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

Tax residence 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 Spain 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. Spain 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.

Spanish lawyers

We have an experienced Spanish legal team comprising Spanish lawyers and English lawyers who have studied Spanish law.

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 Spanish team has many years of experience dealing with a whole range of legal issues with Spain.

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

Abogado	Lawyer or solicitor
Acciones	Shares
Agente de propiedad inmobiliario	Estate Agent
Antecedentes penales	Criminal record
Apartamento / piso	Apartment
Asesor fiscal	Tax consultant
Ayuntamiento	Town Hall
Carga	Charge (i.e. Charge on a property)
Compra / compraventa	Purchase / Buying and selling
Conjuge	Spouse
Contrato de compraventa	Purchase contract
Contrato de reserva	Reservation contract
Criminal	Criminal
Deuda Soberana	Government Debt (Government Bonds)
Dirección	Address
Escritura	Title Deeds
Familia	Family
Hijos	Children
Hipoteca	Mortgage
Indicador Publico de Renta de Efectos Multiples	Public Income Index
Inversión	Investment

Ley	Law
Ley de Emprededores	Law on Enterprise (the law that set out the Golden Visa Scheme)
Licencia	Licence
Medios economicos suficientes	Sufficient funds
NIE (Numero de Identificación de Extranjeros)	Foreigner's Identification Number
Poder	Power of Attorney
Propiedad	Property
Propiedad comercial	Commercial Property
Propiedad residencial	Residential property
Registro de propiedad	Land Registry
Residente	Resident
Residencia	Residence
Sanitaria	Healthcare
Seguro privado de enfermedad	Private healthcare insurance
Sociedad	Company
Terreno	Plot
Trabajar	Work
Visado (sometimes also called Visa)	Visa

Contacts

A member of the Judicare Team can be contacted either by phone, email or post.

t: 01438 840258 • **e:** admin@judicaregroup.com • **w:** www.judicaregroup.com



www.judicaregroup.com

Associate Offices

Brazil Cape Verde Cyprus Dominican Republic Greece Italy Morocco Portugal Spain Turkey UAE

Judicare Law International Limited

3a The Grange, 3 Codicote Road, Welwyn, Herts AL6 9LY - Tel: 01438 840258 - Fax: 0870 123 6289 - Email: admin@judicaregroup.com