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Finance and Governance

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NEW RESIDENCE PERMITS FOR FOREIGN INVESTORS IN PORTUGAL

On October 8, 2012, a new statutory scheme entered into force in Portugal allowing nationals of non-EU and non-Schengen countries to obtain a Portuguese residence permit on the condition that said nationals carry out investment in Portugal. This new type of residence permit goes by the name of “ARI - Autorização de Residência para Atividade de Investimento” (“Residence Permit for Investment Activity”, frequently referred to as “Golden Visa”).

On January 29, 2013, an amendment to the above statutory scheme entered into force aiming to improve its competitiveness.

This new scheme is only applicable to those investments made after October 8, 2012. These investments are:



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- (i) Transfer of capital amounting to no less than €1 million, which may include investment in stocks or shares;
- (ii) Creation of at least 10 job posts (reduced from the initial threshold of 30 job posts);
- (iii) Acquisition of real estate property for a minimum amount of €500,000.

The investment activity must be maintained for a minimum period of five years and must meet certain requirements, which vary according to the investment activity exercised, namely:

When the investment is the transfer of capital, this transfer must amount to no less than €1 million. The residence permit applicant must prove that he/she is the owner of the amount being transferred, this by obtaining a declaration from a Portuguese credit institution authorised to operate in Portugal. If the transfer has been made via a company, an updated commercial registry certificate proving ownership in said company by the applicant is required.

When the investment involves the creation of job posts, this must be a minimum of 10 (ten). This investment is proven by certificates issued by the social security authorities.

When the investment consists of the acquisition of real estate assets, the value of the acquired assets must amount to a minimum of €500,000. The applicant must prove full ownership of the property without any related onuses or obligations, so, if the property is mortgaged for its purchase the permit will not be granted. The



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acquisition contract must include a declaration from a Portuguese financial institution, authorised to operate in Portugal, proving the effective transfer of the acquisition capital from an account belonging to the applicant/buyer to an account belonging to the seller.

With regards to the acquisition of real estate, it should be stated that the acquisition of a property is admissible both in co-ownership, as long as each co-owner invests at least €500,000, or through a sale and purchase promissory agreement, with a deposit of at least €500,000, the related proof of purchase having to be presented before the ARI renewal request.

However, it should also be noted that real estate assets of a value over €500,000 may be mortgaged following their purchase, or even leased for commercial, agricultural or touristic ends.

The request for the Golden Visa may only be submitted after the investment has been made, and it is subject to the following charges by the Immigration and Borders Service:

- a) €500 in administrative costs connected with the request for the residence permit;
- b) €5,000 for the issuing of the residence permit;
- c) €5,000 for residence permits for relatives of the initial residence permit holder, under the right to family reunion;
- d) €2,500 for renewal of the residence permit.

Holders of the Golden Visa have the usual rights granted to temporary residence permit holders, i.e. to legally reside in Portugal, free



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movement within the Schengen area, access to the public services available to Portuguese citizens, such as education and health, and permission to exercise a professional activity, as well as the right to family reunion, pursuant the terms of the general law (Law 23/2007, of July 4, according to the version in force).

The Golden Visa is valid for an initial period of one year and may be renewed for subsequent periods of two years, as long as:

- a) It is proven that all requirements are still being met;
- b) The periods of stay in Portugal have been respected, these being 7 consecutive or non-consecutive days in the first year, and 14 consecutive or non-consecutive days in the following periods of two years.

After a period of five years as holder of this special temporary residence permit, the national of a third State (non-EU member and non-Schengen) may request a permanent residence permit.

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