



November 20, 2013

GOLDEN VISA

ACQUISITION OF REAL ESTATE – PROMISSORY AGREEMENT

As of 8 October, 2012, a new legal regime has been introduced in Portugal allowing foreigners from third-party States, i.e. those that are neither members of the European Union nor of the Convention implementing the Schengen Agreement, to obtain residence permits in Portugal, subject to the condition of said foreigners investing in the country. This residence permit is frequently referred to as “Golden Residence permit” or “Golden Visa”.

One of the investments allowed for by this scheme is the acquisition of real estate for a minimum amount of EUR 500,000.00.

With Order 1661-A/2013, published on 28 January and which amends Order 11820-A/2012, of 4 September, it became possible to carry out said investment in real estate by signing a promissory contract in cases where a non-refundable deposit has been paid for EUR 500,000.00 or more, provided that the acquisition title is presented before renewing the golden visa, that is 1 (one) year after the initial issuing of the permit.

This means that, if not all the conditions for concluding the sale and purchase contract had been fulfilled, namely because of the license to use the real estate not yet having been issued, the promissory buyer would not be able to renew his/her golden visa, for no fault of his/her own.



To avoid these situations, the Borders and Immigration Services (SEF – Serviço de Estrangeiros e Fronteiras) clarify that it is responsible for assessing the required elements for renewing the Golden Visa. So, when an applicant who is the promissory buyer of real estate presents to the SEF a request to renew a Golden Visa, but he/she has not yet been able to conclude the definitive sale and purchase contract of said real estate, it is the SEF that is responsible for verifying, on a case-by-case basis, the possibility of renewing said permit, this being possible when the applicant proves, by any means, that there are objective circumstances, beyond his/her control, that have prevented the conclusion of the sale and purchase contract, thereby impeding the presentation of the acquisition title.

The publication of this memo by the SEF is considered favorable since it, namely, facilitates the sale of real estate under construction, for which it is sometimes not possible to provide the promissory buyer with a precise date for the sale and purchase contract, given the involvement of third parties in the real estate licensing process.

Joana Pinto Monteiro

jpm@servulo.com

Sérvulo & Associados | Sociedade de Advogados, RL

This publication was prepared by Sérvulo & Associados exclusively for information purposes and its content does not imply any sort of legal advice nor establish a lawyer client relation. Total or partial copy of the content herein published depends on previous explicit authorization from Sérvulo & Associados.

Rua Garrett, n.º 64 1200-204 Lisboa - Portugal Tel: (+351) 21 093 30 00 Fax: (+351) 21 093 30 01/02
geral@servulo.com www.servulo.com