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Update

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The new Digital Nomad Visa

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On October 30th, 2022 Law no. 18/2022 of August 25 came into effect, amending for the tenth time the Legal Regime of entry, stay, exit and removal of foreign nationals from Portuguese territory.

Among the main measures introduced by the new Law are the **temporary stay and residency visas for “digital nomads”**, i.e. foreigners who work remotely, from Portugal, under an employment contract or as a self-employed person, to a singular or legal person with headquarters or offices outside national territory.

Through the new “*digital nomad visa*”, the need to create a specific visa for these situations was recognized. Until the abovementioned amendment, the main alternative for those professionals was the so-called “*D7-visa*”, meant for foreigners with stable passive income (e.g. real estate rental properties, pension, social security income, investments, etc.) who wanted to relocate or retire in Portugal. The D7-visa is not a specific visa for remote work, but, because it does not require the provision of services or the existence of a work contract with a Portuguese company, it was able to be used for these situations.

While the **temporary stay visa** is valid for one year and can be renewed for an equal period, the **residency visa** aims those who want to stay in Portugal for a longer period.

The process for the **residency visa** is divided into two stages: the first starts at the Portuguese consulate in the country of origin, by the submission of the visa application, and the second is instructed by the Portuguese Foreigners and Borders Service (“SEF”) once the digital nomad enter in Portugal using the visa.

Thus, the **residency visa** allows a foreigner to **enter Portugal for a period of 4 months** and subsequently apply for a **residence permit valid for a minimum period of 2 years, renewable for subsequent periods of 3 years**. Residence permit holders may apply for a **permanent residence permit after 5 years** of legal residence in Portugal.

The digital nomad visa is subject to the same **permanence regime** to which the D7 residency visa is subject. That is, except for duly justified personal or professional reasons, the holders of residence permits may not be absent from Portuguese territory for a period of **6 consecutive months or 8 months interpolated**, during the validity of the residence permit – 2 years and then 3 years.

In addition to the general requirements for all types of visas, foreigners who want to apply for a temporary stay or residence visa for digital nomads will have to prove to be self-employed or employed by a company based outside Portugal, as follows:

a) In subordinate work situations, one of the following documents:

- Employment agreement;
- Employer's statement proving the employment relationship;

b) In situations of independent professional activity, one of the following documents:

- Articles of Association;
- Service agreement;
- Document demonstrating services rendered to one or more entities;

Furthermore, is required a proof of **average monthly income earned in the last three months** in the exercise of a subordinate professional or independent activity of a minimum value equivalent to **four Portuguese minimum monthly salary** guaranteed – currently around 3,040.00 euros, by reference to the amount defined in the State Budget foreseen for 2023 – and applicants must submit **tax residency** documents.

The visa for digital nomads is under the same regime of validity in what concern the renewal of the residence permit and stay in Portuguese territory as the D7-visa. On the other hand, there was an increase on the earnings requirements under the D7 scheme as D7-visa holders only need to earn the Portuguese minimum wage per month (around 760.00 euros per month, by reference to the amount defined in the State Budget foreseen for 2023) and these earnings may come from 'passive' income streams.

In conclusion, the digital nomad visa is aimed to be an alternative to the D7 and an answer to many Applicants who would be left out, as they did not meet all its requirements and, simultaneously, provides a legal framework to the staying situation of many foreign workers who choose Portugal to live, despite working for a non-resident entity.