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GOLDEN VISA

ARI

Authorization of Residency for Investment
Autorização de Residência para Investimento

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What is the Portuguese ARI or Golden Visa?

The ARI – “Autorização de Residência para Investimento” – commonly referred to as Golden Visa is a special Residence Authorization for investment activity, accessible to non-European Union (EU) or European Economic Area (EEA) citizens and his/her immediate family members willing to engage in a qualified investment in Portugal.

The Golden Visa or ARI, among many features allows the applicant to move freely throughout the **Schengen Area and opens the path to permanent residency and citizenship.**

Travel freely across Europe's Schengen Area

Currently, the Schengen Area covers 26 European countries (22 of which are Member States of the EU), namely Belgium, Czech Republic, Denmark, Germany, Estonia, Greece, Spain, France, Italy, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden, as well as Iceland, Liechtenstein, Norway and Switzerland.

Belonging to the **area without internal border controls** means that these countries:

- > Do not carry out border controls at their internal borders (i.e. borders between two Schengen States)
- > Carry out coordinated controls, based on clearly defined criteria, at their external borders (i.e. borders between a Schengen State and a non-Schengen State)

Consequently, both EU citizens and third countries nationals may travel freely within the Schengen Area and are only subject to control when they cross their external borders.

Bulgaria, Croatia, Cyprus, Ireland, Romania and the United Kingdom are Member states of the EU **that are not part of the Schengen area.** This means that a flight from one of those States to a Schengen State is considered an external flight subject to border controls.

Possible Investment Activities

1. Transfer of capital in an amount equal to or higher than EUR 1.000.000,00

Bank Deposits. The applicant shall have a declaration from a credit institution authorized by "Banco de Portugal" (Bank of Portugal), proving the ownership, free of charges, of deposit accounts with a balance equal to or higher than EUR 1.000.000,00. The money has to be originated from an international transfer. In case of joint accounts, the share of the applicant must be equal to or higher than the same amount. For the purposes of Golden Visa renewal's, the applicant shall demonstrate that the average quarterly balance of the deposits was equal to or higher than EUR 1.000.000,00;

Public Debt Securities from the Portuguese republic. Golden Visa may be obtained through the acquisition of government bonds, savings certificates and treasury bills. For this purpose, the Treasury and Public Debt Management Agency - IGCP, E.P.E. shall certify the ownership, free of charges, of one of those instruments in an amount equal to or higher than EUR 1.000.000,00. For the purpose of renewal, the applicant shall obtain a declaration from that Agency attesting the ownership, free of charges, of debt instruments with an average quarterly balance equal to or higher than EUR 1.000.000,00;

Acquisition of Securities and Shares in Commercial Companies. Golden Visa is also obtainable through the acquisition of securities, either listed in the Lisbon Euronext or private companies and also shares in a limited liability company for an amount equal to or higher than EUR 1.000.000,00. The investor will procure a certificate proving ownership, free of charges, issued by the registrar or depository entity, by its issuer or by the financial intermediary, both for the purposes of concession and renewal.

2. Creation of employment. The applicant must create and maintain at least 10 employment posts. Employees shall have regular labour contracts registered in the social security system.

In each renewal, the applicant shall obtain updated social security certificates proving the maintenance of the minimum number of jobs. Job creation is reduced to a minimum of 8 posts if it is a low-density area (<100 inhabitants per km² or per capita gross domestic product (GDP) less than 75% of the national average).

3. Acquisition of Real Estate with a minimum value of EUR 500.000,00. The applicant shall acquire, or promise to acquire, real estate property of an amount equal or higher to EUR 500.000,00, even if under joint ownership (provided that each of the joint owners invest at least EUR 500.000,00). In case of a promise to purchase a property, the reservation paid by the applicant of a Golden Visa must be at least of EUR 500.000,00. The payment of the property must come from an international transfer to the applicant's Portuguese bank account.

If the property is located in a low-density territory, the acquisition value is reduced to EUR 400.000,00 (<100 inhabitants per km² or GDP per capita less than 75% of the national average).

After purchase of the property, the applicant may:

> rent it for housing or lease it for commercial, agricultural or touristic purposes.

The applicant of the Golden Visa must present, at the time of the request, (i) document proving the acquisition or the promise to sell and purchase the property, (ii) a statement by a financial institution certifying the effective transfer of capital from abroad, (iii) up-to-date land registration certificate showing ownership or the promise to sell and purchase).

In case of a promise to sell and purchase at the time of the second renewal, 36 months after the granting of the Golden Visa, the respective holder must present the definitive purchase and sale agreement and the updated certificate of the land register which contains the registration of acquisition in its favor. te of the land register which contains the registration of acquisition in its favor.



4. Acquisition of real estate with a minimum value of EUR 350.000,00 or EUR 280.000,00.

It is also possible to obtain the Golden Visa through the acquisition of real estate property at reduced prices, if the construction has been completed for at least 30 years or if located in an urban rehabilitation area and, in addition, rehabilitation works are carried out on the acquired property. The minimum value is reduced to EUR 350.000,00 which incorporates the price of the property and the price of the renovation.

If the property is located in a low-density territory, the acquisition and renovation value is reduced to EUR 280.000,00 (<100 inhabitants per km² or GDP per capita less than 75% of the national average).

The applicant, in addition to prove ownership, shall present:

- > Proof of submission to the local council of a PIP (pre-license to renovate) or of the respective permit for rehabilitation, or
- > Works' contract for the renovation of the property. In any case, it is mandatory that the applicant deposits the difference between the purchase price of the property and the minimum amount of investment required - to be used to pay the works contract price - into its Portuguese bank account.

After acquiring the property, the applicant may:

- > Rent it for housing or lease it for commercial, agricultural or touristic purposes.

5. Transfer of capital of EUR 350.000,00 or more, to be applied in research activities carried out by public or private scientific research institutions, integrated in the national scientific and technological system. For this purpose, the applicant must make an international transfer of at least EUR 350.000,00 to his Portuguese bank account and subsequently obtain a declaration issued by a public or private scientific research institution, integrated in the national scientific and technological system, acknowledging receipt of such capital and its purpose.

The value will be reduced to EUR 280.000,00 if the area is of low density (<100 inhabitants per km² or GDP per capita less than 75% of the national average).

6. Transfer of capital in an amount equal to or higher than EUR 250.000,00, to be applied in investment or support for artistic production, rehabilitation or preservation of national cultural heritage. The applicant must make an international transfer to a Portuguese bank account, choose an eligible institution and obtain a statement issued by the "Gabinete de Estratégia, Planeamento e Avaliações Culturais" attesting the application of those capitals. The eligible institutions are either public or private non-profit associations and foundations.

The value will be reduced to EUR 200.000,00 if the area is of low density (<100 inhabitants per km² or GDP per capita less than 75% of the national average).

7. Transfer of capital of EUR 500.000,00 or more for the acquisition of units in investment funds or venture capital funds for the capitalization of small and medium-sized.

The applicant for a Golden Visa shall apply at least EUR 500.000,00, in investment funds or venture capital, marked for the capitalization of small and medium-sized companies. The funds and its investments must meet certain requirements, namely 5 years maturity.

8. Incorporation of a Portuguese company with a capital of EUR 350.000,00 together with the creation of employment

Another investment vehicle is the incorporation of a Portuguese company or an injection of capital in an existing Portuguese company of at least EUR 350.000,00. This investment also requires that the company creates or maintains at least 5 full time employment positions for a minimum period of 3 years.



How to invest? Individually or Through A Commercial Company?

The law allows the applicant, for every one of the investments possibilities, to choose between investing in his own name or through a commercial company. In the latter case, the company shall have the nature of a **sole shareholder company, with its registered office in Portugal** or another EU Member State, with a permanent establishment in Portugal.

Flexibility of the investment and minimum periods to access further advantages

The applicant may cease at any time, without penalty, its investment in Portugal. He may sell whatever investment at market price, eventually paying capital gains if any. The visa will expire after the cease or sell of the investment.

However, if he wishes to accede to permanent residence status or full Portuguese citizenship, the selected investment activity must be held and maintained for a minimum period of 5 years from the date of the granting of the Golden Visa. It is also possible to change the investment activity throughout the 5 year period, but it is not possible to reduce the amount invested.

Minimum stay In Portugal And Periods Of Validity of the Visas

The Golden Visa is a temporary Residence Authorization **valid for a period of 1 year**, counted from the date of its issue, and **shall be renewed for successive periods of 2 years** if the requirements are maintained.

As a requirement for granting residence authorizations or renewals, applicants must regularize their stay in Portugal within 90 days of the first entry into national territory (obtaining, if necessary, a short-stay visa at the Portuguese consulate in the country of origin) and provide evidence of the minimum quantitative requirements for the chosen investment activity.

When renewal is sought, applicants will have to demonstrate that:

- > In the first year remained in Portuguese territory for at least 7 consecutive or interpolated days
- > In the subsequent 2-year periods, they have remained in Portuguese territory for at least 14 consecutive or interpolated days

Permanent Residence Authorization

After the minimum period of 5 years, a permanent residence authorisation can be required. For this purpose, it is necessary to have a basic knowledge of Portuguese, a domicile in Portugal, and not having been convicted of a serious crime in Portugal (more than a year of jail time). The investment made under the Golden Visa can be sold, but the applicant must prove self-sufficiency.

Portuguese Nationality

After 5 years, the applicant may also **apply for Portuguese citizenship**. **The requirements are basically the same for the permanent residence, plus a demonstration of existence of connections and ties within the Portuguese community.**

Golden Visa Advantages

- > Permanent entry and free circulation in the Schengen area, which covers 26 Member States
- > Possibility to choose to live or work in Portugal, being able to maintain another residence
- > Taxation only for income generated in Portugal
- > Possibility of obtaining the Portuguese “Non-Habitual Resident” tax status, which provides an exemption from taxation for foreign source incomes, provided that certain conditions are verified, as well as taxation with a reduced rate of 20% for dependent and independent Portuguese sourced incomes resulting from activities considered to be of “high added value”
- > Attribution of rights granted to Portuguese citizens, namely, right to education, recognition of degrees and qualifications, access to the national health system, social security, trade union protection, access to Portuguese law and Portuguese judicial courts
- > Flat rate of 5% on capital gains and rental income from investments in Urban Rehabilitation In addition, applicants may thus be exempted from:
 - (i) Municipal Tax on Onerous Transmissions (“IMT”) in connection with the acquisition of said real estate
 - (ii) Municipal Property Tax (“IMI”), after the acquisition thereof, for three years
 - (iii) Benefit from a reduced rate of Value Added Tax (“VAT”), regarding the rehabilitation works
- > Right to Family Reunification: Golden Visa holders may apply for family reunification, at the time of application, or at a later time, covering the Golden Visa, in addition to the main applicant:
 - (i) The Spouse or the unmarried partner, in accordance with the requirements of the law in force
 - (ii) Minor children
 - (iii) Children of legal age (+18) as long as single
 - (iv) Children over 26 years if they are studying full time
 - (v) Dependent descendants of either the principal applicant or his or her spouse or unmarried partner



Fees for Residence Authorization For Investment Activity

- > **EUR 527,60** for the receipt and analysis of the application for the granting or renewal of a residence authorization for investment activity
- > **EUR 5.274,40** per issuance of residence authorization for the investment activity
- > **EUR 2.637,20** for renewal of residence authorization for investment activity
- > **EUR 5.274,40** for the residence authorization for family members reunited with the holders of residence authorizations for investment activity
- > **EUR 2.637,20** for the renewal of a residence authorization for family members reunited with the holders of residence authorizations for activity

Necessary Documents

For each request it is necessary to gather the following documents

- > Full copy of passport (all pages)
- > Proof of legal entry and stay in Portugal
- > Proof that it is covered by health protection, namely:
 - (i) Document stating that the applicant is covered by the National Health Service, or
 - (ii) Document showing that the applicant is holder of a recognized health insurance
- > Certificate of criminal record of the country of origin, or of the country (or countries) where the applicant has been resident for more than one year, when does not reside in the first - certified by Portuguese diplomatic or consular representation. The certificate must have been issued up to 3 months before the submission of all legally required documentation and translated into Portuguese
- > Filing of Application (through the approved model) containing the authorization to consult the Portuguese Criminal Register
- > Declaration under Commitment of Honor, by which the applicant declares that he will fulfil the minimum quantitative and temporal requirements (5 years) of the investment activity in National Territory
- > Proof of the regularized tax situation by submitting a negative declaration of debt issued, with a maximum advance of 45 days, by the Tax and Customs Authority and by the Social Security or, in its impossibility, declaration of non-existence of registration with these entities

ABOUT US

We are problem solvers

Our practice and experience allows us to assist clients with various and complex needs

We have deep knowledge

In Foreigners and Immigration Law and an extensive experience and know-how needed to advise our Clients on the entire Golden Visa process, providing legal and practical advice on the best option For investment for each specific case

We are especially known for

- > Skills beyond the knowledge of the Law
- > Being familiar with the processes and the business of our clients
- > Having the most modern technological solutions and work processes and the gains of productivity and efficiency thus achieved are shared with our clients

We were voted “2018 member of the year” by IR Global Network

More for Less means more value and more results with less time and resources invested

Contact us directly through the e-mail vca@valadascoriel.com



WHY PORTUGAL?

After 5 years of residency in Portugal the Golden Visa holder is entitled to apply for Portuguese citizenship

Every lawful resident is entitled to full health coverage by the Serviço Nacional de Saúde (NHS)

Elected "Best Destination in the World"

One of the 5 safest countries in the world

Boasting the finest weather and a breathtaking coast line



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