



Portugal Golden Visa 2021 Guide

*Information valid until July 2021

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Disclaimer

Please note that information contained in this guide is valid only until July 2021, as the Portuguese Government has agreed on changes to its Golden Visa program that will go into effect after July 2021. The changes will restrict Golden Visa investments in bigger cities such as Lisbon and Porto, and also along its coastline. Golden Visa real estate investments will be limited to municipalities in the interior of the country or in the Azores and Madeira archipelagos. The Government is also considering increases to Golden Visa investment amounts that could go into effect after July 2021.

What is the Golden Visa?

Established in 2012, Portugal's Golden Visa Program (officially called “ARI” for *Autorização de Residência para Actividade de Investimento*), enables non-EU/EEA citizens to obtain a special Portuguese residence permit in exchange for a five year investment in Portugal.

The permit is registered with the Schengen Space central system and may therefore be used to enter all adherent European and Schengen countries without the need for a visa. The permit is issued as a card sized ID as shown below:



After the completion of the five year period, the investor and his or her family may apply for Portuguese permanent residency or Citizenship given that they have knowledge of “basic Portuguese”.

Eligible family members

The following family members may be eligible to be part of your application:

- Spouse or partner, the relationship of partner has to be met under existing law.
- Children under the age of 18.
- Unmarried dependent children who are over the age of 18 but below the age of 25 and enrolled as full-time students.
- Dependent parents of either spouse or partner.
- Siblings of either spouse or partner who are under the age of 18 and legally under their supervision.

Golden Visa benefits

- Permanent free entry and circulation in the Schengen Space and EU, comprising of 26 European countries.
- Freedom to live and/or work in Portugal (or not), while keeping another residence (if so wished).
- Option to become a “non-habitual resident” of Portugal for tax purposes (little or no tax for 10 years).
- Access to Portugal residents’ rights (education, recognition of diplomas and qualifications, having a professional activity, healthcare, social security, trade union protection, the rule of law and the courts of law).

Investment choices

There are a total of 8 different investment routes:

1. **The transfer of at least €1 million into Portugal**, which may have one of the following investment sub-types:-
 - a. A bank deposit;
 - b. The purchase of shareholding in a Portuguese company or the incorporation of a single-member private limited company having paid-up share capital of at least €1 million, such company being free to invest wherever and in whatever it wants.
 - c. The purchase of Portugal sovereign debt instruments.
 - d. The purchase of any securities issued by Portugal based entities.
2. **Real estate**, of any type and anywhere in Portugal, in one or more properties, whether singly or in co-ownership, purchased either individually or through a single-member private limited company, such investment being of at least €500,000 (reduced to €400,000 if located in a "low density area").
3. **Real estate and its rehabilitation**, of any type and anywhere in Portugal, whether individually or in co-ownership, purchased either individually or through a Portuguese single-member private limited company, provided that one of the following conditions are met:

- a. The property was built at least 30 years ago and the property purchase price plus the ex-VAT value of the rehabilitation contract is at least €350,000 (reduced to >€280,000 if located in a "low density area"), or
 - b. The property is located in designated areas of urban rehabilitation and the purchase price plus the ex-VAT value of the rehabilitation contract is at least €350,000 (reduced to >€280,000 if located in a "low density area"). Incase the total value of the property's purchase price plus the rehabilitation costs does not meet the €350,000 threshold (reduced to >€280,000 if located in a "low density area"), it is possible to keep the balance deposited in a Portuguese bank account to meet the investment requirement.
4. An investment of at least €350,000 in **scientific research** that is conducted by accredited institutions that are part of the national scientific and technological system (reduced to >€280,000 if located in a "low density area"). Please note that at the current time, there do not appear to exist any such projects that are open to private investors.
 5. An investment of at least €250,000 in or for the **support of the artistic production or the recovery or maintenance of the national cultural heritage** that is conducted by accredited institutions (reduced to >€200,000 if located in a "low density area"). Please note that at the current time,

there do not appear to exist any such projects that are open to private investors.

6. Investing at least €350,000 in units of Portugal-regulated **funds dedicated to the capitalization of companies**, provided that the fund invests at least 60% of its assets in Portugal-registered businesses, and that the maturity of said units is no less than 5 years from the date they are purchased.
7. Investing at least €350,000 in setting up a Portuguese company that creates and keeps **5 new permanent jobs**, or in increasing the share capital of an existing Portuguese company that creates or keeps at least 5 permanent jobs for a minimum period of 3 years.
8. A business, in the format of a single-member private limited company (no minimum investment is required), that creates and keeps at least **10 new permanent jobs** in Portugal (reduced to >8 if located in a "low density area").

The **minimum investment amount must be kept free of any charges**, there being otherwise no restrictions on the use of assets to secure finance.

"Low density areas"

"Low density areas" are the NUTS 3 regions having less than 100 inhabitants per square kilometer or a per capita GDP of less than 75% of the national average.

In practice, this applies to the whole of Portugal with the exception of the coastal areas south of the River Lima and north of the River Sado.

The islands of Madeira and Azores are also excluded from the "low density areas".



Real estate investment

An investment in real estate may be made in any type of property, in any number of properties and anywhere in the Portuguese territory, whether as an individual owner or as a co-owner, provided that the Golden Visa main applicant invests the minimum required amount.

The investment must be made before the Golden Visa application can be submitted. Given the need for the physical presence of the main applicant to initiate the application procedure, it is simply not feasible to view properties, choose and purchase one, and have the required purchase and registration paperwork ready for submission in less than at least 5 weeks. Therefore, in order to file his/her initial Golden Visa application, the real estate investor must either visit Portugal twice or else rely on the choice of properties by a trusted third party.

Property renovation

The law provides details of what renovation ("rehabilitation" in the official parlance) involves. The main aspect to be taken into account here is that the Town Hall (*Câmara Municipal*) is the

official body empowered to confirm whether or not the intended renovations are deemed as "rehabilitation", such works thereby being entitled to various benefits provided for under the law, including the Golden Visa legal provisions and some tax benefits. In practical terms, this means that you have to hire an architect to plan the renovation and submit it to the Town Hall for approval. Then a registered contractor can perform the renovation. Holiday Home Times can handle this entire process for you.

You may apply for the Golden Visa once the property is registered in your name and the contract for the renovation work is signed. If the sum total of you purchase price and rehabilitation costs do not add up to the minimum investment amount, the difference between the minimum investment amount and what you have already paid to the property seller and the contractor has to be available in your Portuguese bank account.

The only items that are relevant to your Golden Visa Investment are the price you pay for the property and the ex-VAT cost of the contracted renovation works. Assistance fees, Government fees and taxes cannot be included in the calculation of the minimum investment requirement.

Investment costs

For the real estate route, there are taxes and Government property registration fees that may reach up to 8.5% of the property price.

Golden Visa application

In order to apply for a Portugal “Golden Visa”, an applicant must do the following:

1. Choose an investment route;
2. Appoint a Portugal tax representative and obtain a Taxpayer ID number, known as NIF;
3. Open a bank account in Portugal.
4. Transfer from abroad the required amount thereto, which may be done in more than one transfer and from any non-Portuguese territory;
5. Make the required investment from the Portugal bank account;
6. Once all the required paperwork (including that in connection with the investment) is ready, submit the application and the required documentation on the SEF (the borders agency) online portal;

7. Pay the Government initial application fee;
8. Once notified by SEF, schedule and attend the biometrics collection appointment and submit the original documents (dependent applicants, including babies, must also attend a biometrics-collection session, although they can do it in a later stage);
9. Once the application is approved, pay the Government final permit issue fees (which by law can take up to 90 days); and
10. Collect the residence cards.

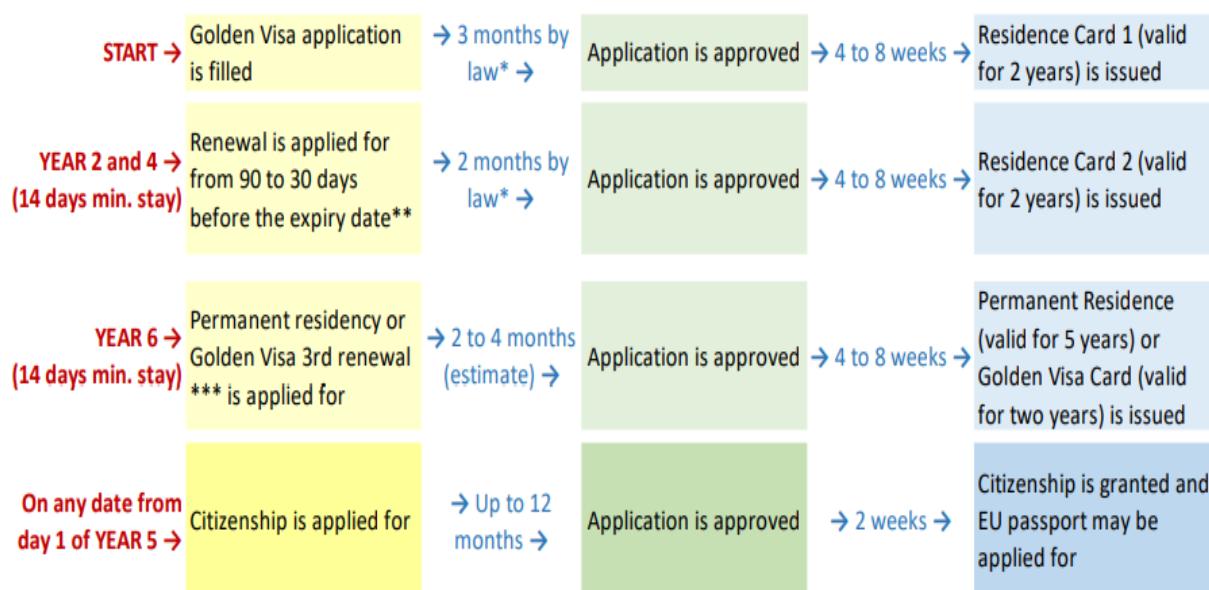
The procedure for renewal of the Golden Visa (every two years) is similar and the program's minimum stay requirements (14 nights in each 2-year period) must be complied with. The renewal SEF appointments must take place between 90 and 30 days before the card's expiry date, so you will want to plan your trips accordingly.

Stay requirements

The first residence permit is valid for two years, thereafter the investor and his/her family must renew it every two years and spend at least 14 nights in Portugal (need not be consecutive) during each 2-year period. At the end of year 5 and subject to mastering “basic Portuguese”, you can apply for permanent

residency or Citizenship. Except for justified professional reasons, permanent residents are not allowed to be absent from the country for more than 24 consecutive months or 30 nonconsecutive months in any given 3 year period.

Golden Visa timeline



* - The maximum processing time provided for by the law is occasionally exceeded in practice by the border agency.

** - The Golden Visa rights will be lost in the event the renewal is not applied for within a maximum of 180 days from the expiry date of the previous residence card.

*** - The Golden Visa may be renewed indefinitely for successive 2-year periods as long as the investment remains in place.

Required documents

The following documents must be submitted by Golden Visa applicants both for the initial application and for each renewal:

- For ***each and every applicant***, a full copy (all pages) of the passport.
- For the ***main applicant***:
 - A power of attorney and an affidavit (drafts will be supplied by us), signed in the presence of a lawyer in Portugal (we provide this service), of a Portuguese Consulate officer or of a notary public (in the latter case it must also be legalized by the apostille of The Hague Convention);
 - Proof of the main applicant's tax identification number from his/her country of origin, residence or tax residence; and
 - A certified copy of the criminal record or Police clearance letter (FBI report in the case of US residents) issued by the country where the applicant previously lived for at least one year.
- For each ***dependent applicant that is over 16 years old***:
 - A certified copy of the criminal record or Police clearance letter (FBI report in the case of US residents) issued by the country where the applicant previously

lived for at least one year; plus, if not living in the country of nationality,

- A certified copy of the criminal record or Police clearance letter (FBI report in the case of US residents) issued by the country of nationality of the applicant.
- For the **spouse** of the main applicant, a marriage certificate; or, for the co-inhabitant or “common law spouse” who has been so for over 3 years, an attestation of this status issued by an official entity, such as a court of law.
- For each **child**, a birth certificate* and, if over 18 and no more than 25 years old at the time of the initial application and unmarried:
 - A proof of marital status;
 - A proof of economic dependency (bank statements e.g.); and
 - A proof of enrolment as a full-time student.
- For each **dependent parent**, the main applicant's (or his/her spouse's) birth certificate plus, if under 65 years old, a certificate of no income issued by the tax authority of the country of origin.
- Various Portuguese documents, that we will obtain under power of attorney.

Document legalization and translation

To be accepted, the criminal record certificate (or Police clearance letter) must have been issued no more than 90 days before the date of its submission and, in the case of other certificates, 180 days. Since the document dates must be valid both as of the date of the online filing and of the original submission (SEF appointment), in the event the appointment for the originals' submission takes too long, it will be necessary to obtain new documents once the appointment is made, especially in the case of the criminal record certificates, which have a shorter validity.

Documents may be legalized in one of the 3 following alternative manners:

1. By a Portuguese Consulate; or
2. By the apostille of The Hague Convention, if the country of issue is a signatory thereof; or
3. By the issuing country's Consulate in Portugal, followed by the attestation by Portugal's Ministry of Foreign Affairs (restrictions may apply, so please check this possibility before selecting this route).

Documents must be accompanied by a *certified translation* thereof into Portuguese, which may be done in one of the 3 following alternative manners:

1. By a translator who is accredited by a Portuguese Consulate; or
2. By anyone if the translation is certified by a Portuguese lawyer; or
3. By the issuing country's Consulate in Portugal.

Government fees

The Portuguese government charges the following fees in respect of the Golden Visa:

- An application fee of €534 for the primary applicant and €84 for each additional family member, which must be paid prior to the submission of the Golden Visa application. The fee is the same for subsequent renewals;
- Golden Visa issuance fee of €5337 per applicant (including family members), payable once the application is approved (the issuance fee upon each renewal is then reduced to €2669 per applicant);
- The Government application fees for permanent residency and citizenship, which can be granted after the Golden Visa 5-year period, are, respectively, €350 and €250 per applicant.

Professional charges

No matter your investment route, The Holiday Home Times Advisory Service provides a complete one stop solution while charging very competitive fees.

Our assistance encompasses all the bureaucratic, legal and practical aspects of your investments and that of your Golden Visa application and renewals. We also use our years of real estate investing and property management experience to help you purchase and manage your property in a stress free manner. If required we are also glad to assist with any needs you may have as a Portugal resident.

In order to receive a quote, please email the Holiday Home Times at editors@HolidayHomeTimes.com and provide us details of your preferred investment route and requirements.

Ongoing costs

After you obtain your Golden Visa, there may be ongoing costs that need to be taken into account, namely:

- The renewal fees, as detailed earlier, plus possible professional charges in connection therewith;

- Tax representation and correspondence handling in Portugal;
- Income tax, for example on rental income, plus possible professional charges in connection with handling your annual tax returns and property management needs.

Next steps

1. Let us know your exact investment requirements so we can provide you a complete quote.
2. Sign our advisory agreement and pay the necessary retainer.
3. Collect the required documents and email Holiday Home Times scanned copies of the same.
4. Coordinate with Holiday Home Times regarding your trip to Portugal.
5. Relax and let us take care of the rest!

[CLICK HERE](#) to schedule a time to speak with us!

* The program details provided in this guide is for information purposes only. Processing times, costs and outcomes can vary depending on a number of factors. Holiday Home Times is not responsible for any changes to the program information listed in this guide. We can provide specific time and cost estimates on an individual basis. Please refer to our website for the most up-to-date information.

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