



## *Requirements*

To apply for a Golden Residence Permit, a foreign citizen must invest for a minimum of five years under one of three investment options:

- Through the transfer of capital with a minimum value of EUR 1 million
- The acquisition of real estate with a minimum value of EUR 500,000
- The creation of at least ten new jobs registered with the Social Security department.

There are minimum residency requirements to retain the Golden Residence Permit and to qualify for its renewal. Firstly, the investment has to be held by the foreign citizen for a minimum of five years, counting from the date the permit is given. The applicant must also adhere to the periods of mandatory stay in Portugal, which are 7 days on the first year and 14 days for the subsequent periods of two years.

## *Procedures and time frame*

The application process commences with submission of the application to the Portuguese Immigration Borders Service which can be made online, in person or at a Portuguese Diplomatic or Consular Post. If everything is in order, a provisional approval will be given. Subsequently, the applicant will be notified to approach the Immigration Borders Service in Portugal for personal data and identification verification. Certain documentation will need to be provided, namely passport, proof of legal entry into Portugal, valid health insurance, a signed application enabling consultation of the Portuguese Criminal Records, a Criminal Record Certificate from the relevant authority of the applicant's home country or from any other country where they resided for a year or more, and proof that the Golden Residence Permit requirements have been fulfilled.

The Golden Residence Permit will be granted initially for a period of one year which can be extended for two further periods of two years. At the end of a five year period, an application can be made for permanent residence. If granted, this will last for a five year period prior to a renewal requirement.

## *Taxation*

A person is classified as a tax resident in Portugal if they spend more than 183 days in Portugal in that year. Alternatively, any applicant, who has not been tax resident in Portugal for the past five years but holds a permanent dwelling in Portugal, may apply for Non-Habitual Residents (NHR) status. A special tax regime applies for NHRs. Once NHR tax status has been obtained, income derived from a Portuguese source, under the activities legally qualified from the designated profession, will be subject to income tax at a flat rate of 20% for 10 consecutive years. Income derived from a

foreign source and relating to employment income, pension income and business and professional income can be subject to exemption. Ordinary residents in Portugal are subject to a progressive personal income tax rate up to 48%, although additional surcharges for 2013 have been applied dependent on income levels. The standard rate of corporate income tax is levied at 25% and the standard VAT rate is 23%. Portugal has a number of Double Taxation Agreements with other countries.

### *Family law and inheritance tax*

The Civil Code governs family relationships including marriage, divorce and inheritance. In Portugal, the dissolution of an estate depends upon whether the individual is resident in Portugal, in which case the entire estate is subject to Portuguese inheritance laws. If the individual is not resident in Portugal, the inheritance laws will only apply to real estate in Portugal. If the deceased did not leave a will, or equivalent testamentary disposition, the estate will be dissolved by the strict inheritance laws which favour the immediate family members. A surviving spouse is entitled to the matrimonial property (all property acquired after the marriage) and a life interest in the property of the deceased. Even if there is a will, Portuguese law favours immediate family and, therefore, exclusion of certain heirs is disregarded – children

and spouses are always entitled to a share of the estate in the minimum percentage sum of 50%. Whilst gift and inheritance tax was revoked in January 2004, all effective transfer of assets, located in the Portuguese territory to individuals will be liable to stamp tax at a rate of 10%.

Portugal recognises the common property law regime, which involves an equal division of the marital assets and losses, unless a legal prenuptial agreement is in place. Portugal recognises the last location of a couple's common habitual residence. Therefore, if divorce proceedings are held in another country, Portugal has no jurisdiction over the divorce proceedings. In order to obtain a divorce in Portugal, a petition must be filed on grounds of irretrievable breakdown or by mutual consent.

### *Citizenship*

Citizenship law in Portugal is regulated by Decree-Law n. 237-A/2006 of 14 December. In general, Portuguese citizenship is acquired by birth, descent or by naturalization. A foreign citizen can be granted Portuguese nationality if certain conditions are fulfilled. If the applicant is legally considered to be an adult, resident in Portugal for at least six years, has knowledge of the Portuguese language, and has not been convicted of any crime which corresponds to a penalty equal to three years or more, nationality may be granted. Children can obtain Portuguese nationality on the condition that they can speak and write Portuguese, have not been condemned for any crime, one of the parents has a Portuguese visa for at least 5 years, or the child has finished primary school in Portugal.

### *Dual Citizenship*

Portugal allows dual citizenship.



### *Key Advantages*

- Residence permit gives visa-free access to all Schengen States
- Straightforward application process
- Attractive corporate and private taxation system
- Minimal physical presence requirements to secure renewal of residency permit
- Citizenship possible after six years of legal residence