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Residence in Portugal



Immigration | Citizenship | Tax

Retire Overseas Virtual Conference
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Topics

- Residency Permits & Golden Visa
- Portuguese Citizenship
- Taxes



Portuguese residency highlights

- Multiple paths for residence + E.U. passport in five years
- Tax breaks for expats
- No wealth, estate or gift tax



Immigration

Investing or relocating



Visa vs Residency Permit vs Tax



- Entering – for a single purpose
- Staying – fixed or indefinite length of time
- Tax Residence – taxing rights





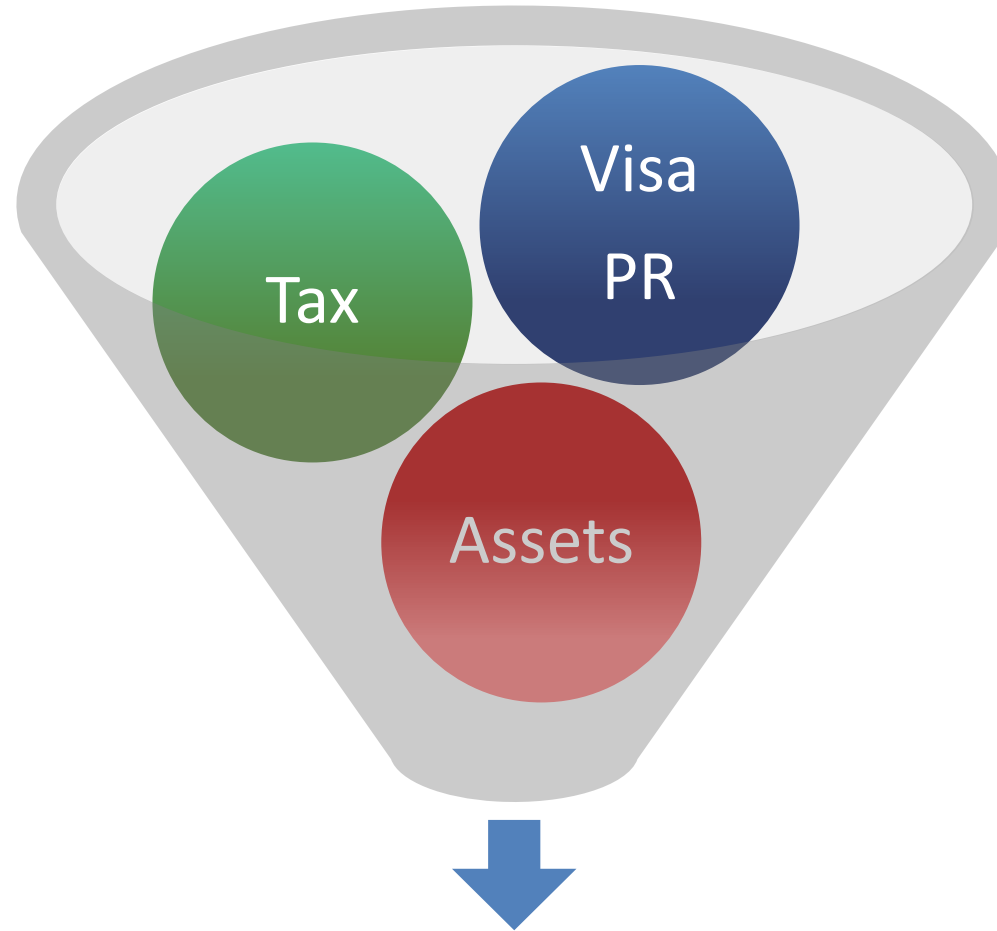
Objectives and paths

Investor Non resident

- Real estate investments
- Visa with low stay requirements
- Second passport

Expatriate Resident

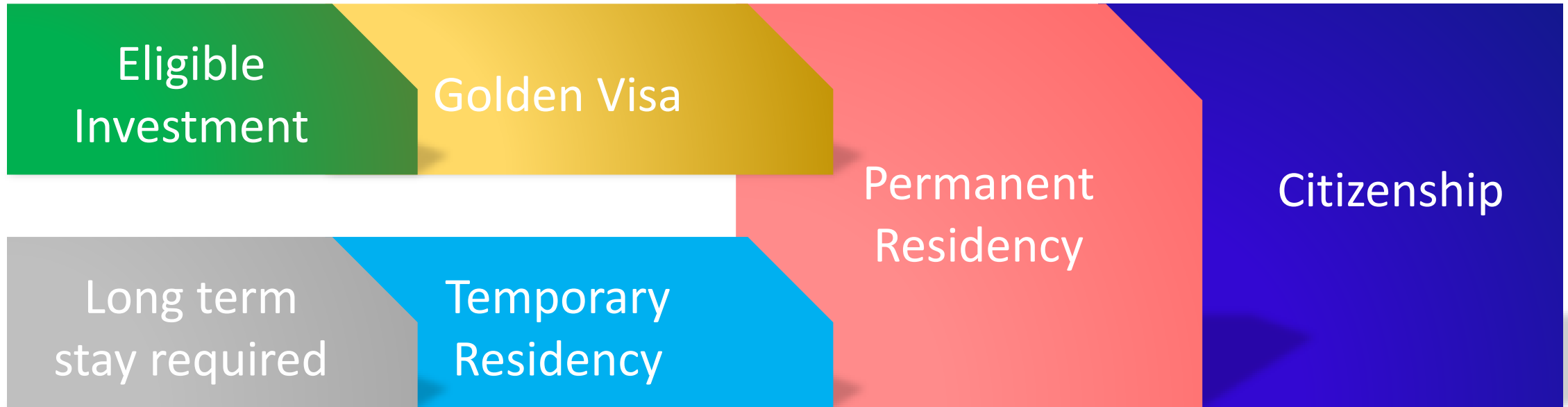
- Low cost of living and low to nil tax
- Visa with high stay requirements
- Second passport



Each case is worthy of a bespoke solution.



Types of residency





Residency in the EU

Golden Visa

PIERP





A. Golden Visa

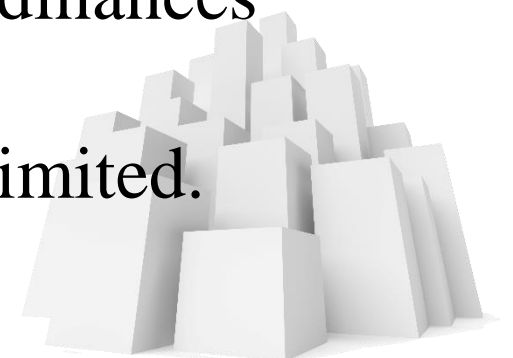
- Investment residency permit for non E.U. citizens
- Access to Schengen Area
- Low stay periods
- Residency Permit & Citizenship
- 2021 vs 2022





GV Real Estate Investments

- Standard threshold – Euro 500,000
- Lower threshold – Euro 350,000 (> 30 years / urban rehabilitation)
- 20% discount for property in low density areas.
- Restrictions in 2022 - Eligibility restricted to the Azores and Madeira Autonomous Regions or inland districts, as per specific ordinances
- Investment in commercial property is not geographically limited.





GV Business Investments

- Capital investment or transfer – 1m EUR (1.5m)
- Corporation – 350,000 (500,000) + 5 jobs (3 years)
- Creation of at least 10 jobs
- Investment or venture capital funds
 - Euro 350,000 (500,000)
 - Capitalization of SMEs + 60% Invested in PT



GV Other Investments

- Funding scientific research – Euro 350,000 (500,000)
- Sponsorship – Euro 250,000
 - Art production or restoration of national cultural heritage



The process

- Obtain professional advice and legal representation
- Trigger the investment process
- File documentation and apply
- Minimum Stay + Apply for Renewals





Structuring the investment

- Initial steps depend on the:
 - Type of investment – real estate or financial assets;
 - Type of investment vehicle – Corporate vehicle or individual.
- International tax considerations.



Restrictions



- EU, EEA or Swiss citizen
- Criminal convictions of a crime punishable with imprisonment for more than one year, or on grounds of terrorism, violent crime or organized crime
- Ban from entering the Portuguese territory
- Alerts in the Schengen Information System or the Portuguese Customs and Borders Authorities' Integrated Information System



B. Temporary Residence Permits

- Employees
- College Professors and Researchers
- Self-employed individuals & Entrepreneurs
- Students
- Family regrouping
- Passive Income Earner Residence Permit



The PIERP

- Passive Income Earner Residence Permit
- Minimum income per month
- Start application before travelling to Portugal
- Two stage process – Entry Visa + Residence Permit
- Minimum stay requirements

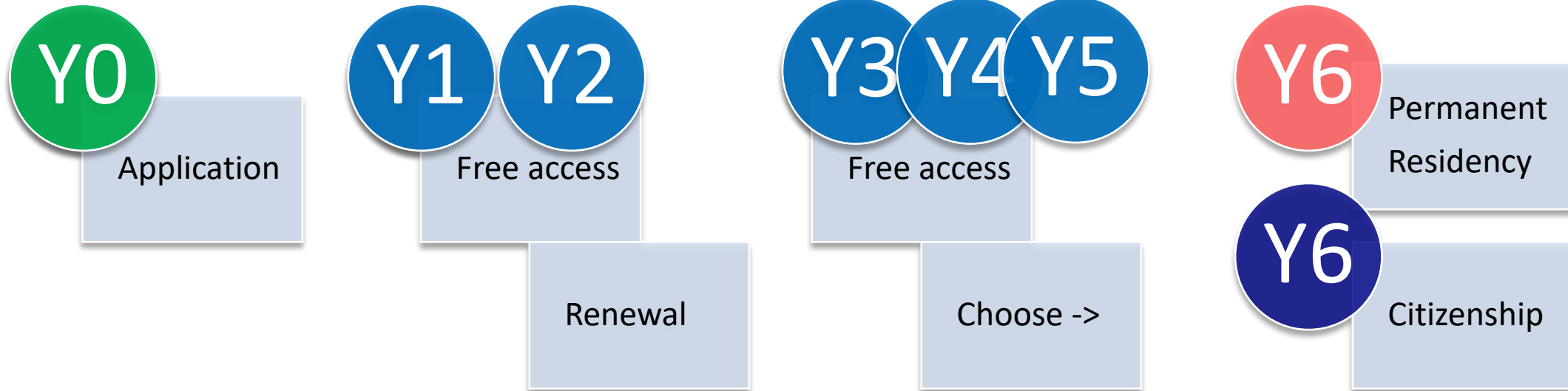


The process

Structures & Timings

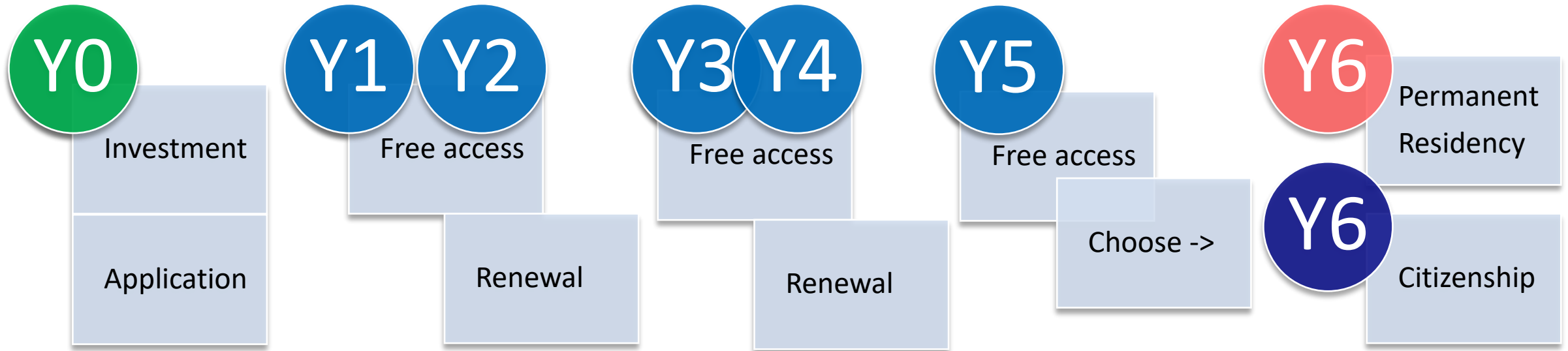


Timetable





Timetable





Portuguese Citizenship

Second passport and a backup plan



Paths to citizenship

- Naturalization
 - Portuguese ancestry (1st, 2nd degree)
 - Marriage or civil partnership (3 years)
- Residence in Portugal
 - **Legal – Five years**
 - Illegal – Ten years
- Sephardic Jewish Ancestry
- Communities of Portuguese Ancestry





Benefits

- Multiple citizenships allowed
- No citizenship or wealth tax
- E.U. & Schengen area free access
- Access to 185 countries visa free
- Whitelisted jurisdiction





Taxes

Tax benefits for resident individuals



Tax residency in Portugal



- Qualifying criteria for tax residency
 - 183 days in Portugal; or
 - Hold a dwelling on any given day of the fiscal year.



NHR - Key aspects

- Special Income Tax Regime
- Eligibility: Nonresident for the last five years
- 10 years
- Lower rates for earned income
- Exemptions for foreign passive income





Tax benefits

- **A. Lower tax rates**
 - High Value-Added Activities 20% or exempt
 - Foreign pensions 10%
- **B. Exemptions** (foreign source income)
 - Dividends
 - Interest
 - Royalties
 - Rental Income
 - Capital gains on the sale of real estate
 - Salaries taxed at source
- Cryptocurrencies?





Income liable to tax

- Capital Gains on shares/bonds – 28%
- Capital Gains on the sale of Portuguese property
- Portuguese rental income
 - Long term – 28% / 26% / 14% / 10%
 - Short term – Half of income not taxable
- Portuguese earned income – Progressive rates or 20% (HVA)
- Tax havens without a Tax Treaty – 35%



Questions & Answers





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