



GOLDEN VISA: NEW TYPES OF “INVESTMENT ACTIVITIES”

As we announced in an earlier newsletter¹, Law 63/2015 of 30 June came into force on 1 July 2015 and makes changes to the rules on foreign citizens entering, staying in and leaving Portugal and on their removal from the country (the “Residence Rules”).

The highlight of these changes is the addition of new “investment activities” that enable foreign citizens to qualify for an investment residence permit (known as a Golden Visa) and there are now seven types of activities rather than the previous three. Another innovation is the possibility for the minimum investment amount to be reduced by 20% in certain circumstances, in five of the seven types of activities.

The aims of this new law are to:

- Create investment opportunities in cultural, scientific and artistic areas in Portugal and rehabilitate the country’s cultural heritage
- Extend “investment activities” to urban rehabilitation and investment in financial entities
- Decentralise investment from large urban centres by offering a fair incentive

¹ The News Lextter PLMJ on the changes to Law no. 23/2007 of 4 July, which approves the rules on foreigners entering, staying in and leaving Portugal, as well as their removal from the country, is available here.

These changes confirm the Golden Visa as a vehicle to attract foreign investment with broad scope and the ability to bring capital to new sectors of activity.

■ NEW TYPES OF “INVESTMENT ACTIVITY”

A) URBAN REHABILITATION

This new “investment activity” covers (i) properties whose construction was completed at least 30 years ago or (ii) properties located in Urban Rehabilitation Areas on which the applicant carries out rehabilitation works.

To qualify for a Golden Visa, the applicant must invest a total of at least EUR 350,000 in one of the above property types.

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B) SUPPORT FOR PUBLIC AND PRIVATE ENTITIES DOING SCIENTIFIC WORK

This new “investment activity” covers financing of research and development activities by public or private institutions that are part of the national technological system.

To qualify for a Golden Visa, the applicant must invest at least EUR 350,000 in those activities.

C) PROMOTION AND FINANCING OF CULTURAL OR ARTISTIC ACTIVITIES, OR REHABILITATION OF CULTURAL HERITAGE

This new “investment activity” covers (i) the promotion and financing of public or private bodies activities that pursue cultural or artistic activities and (ii) the renovation and maintenance of national and municipal cultural heritage.

In the case of cultural or artistic activities, to qualify for a Golden Visa, the applicant must invest at least EUR 250,000 through an approved body and PLMJ’s specialised Golden Visa Team is available to advise you on the specific requirements.

In the case of renovation and maintenance of cultural heritage, the minimum investment requirement is also EUR 250,000.

D) INVESTMENT IN FINANCIAL ENTITIES

This new “investment activity” is expected to bring great benefits to Portuguese business. It covers investments made by buying units in investment or venture capital funds that provide capital to small and medium-sized companies. In return, these companies have to present a viable capitalisation plan.

To qualify for a Golden Visa, applicants must invest at least EUR 500,000.

■ ENCOURAGING DECENTRALISATION: PROMOTING INVESTMENT IN LOW POPULATION AREAS

One aim of the changes to the Residence Rules is to move investment away from the big cities and spread it across the whole country. To achieve this, the minimum investment requirement can be reduced by 20% whenever the “investment activities” are carried out in “Low Population Density Areas”, as officially defined.

However, this provision does not apply to (i) investments of EUR 1,000,000 or above, or to (ii) investments of EUR 500,000 or above in units in investment or venture capital funds that provide capital to small and medium-sized companies.

■ OTHER RELEVANT RULES AND RIGHTS

A) DEADLINES FOR DEALING WITH GOLDEN VISA APPLICATIONS: Although deadlines may be difficult to apply in practice, the new law has changed the periods for authorities to make decisions on Golden Visas. In the case of a first application, the deadline is now 90 days and, in the case of an application for renewal, the deadline is now 60 days.

B) FAMILY REUNIFICATION FOR ADULT CHILDREN OF GOLDEN VISA HOLDERS
The new Residence Rules make it clear that when the couple or one of the spouses holding with a Golden Visa are responsible for an adult child studying in Portugal or abroad, that child is considered to be a “family member”. As a result, he or she can benefit from the family reunification residence permit.

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