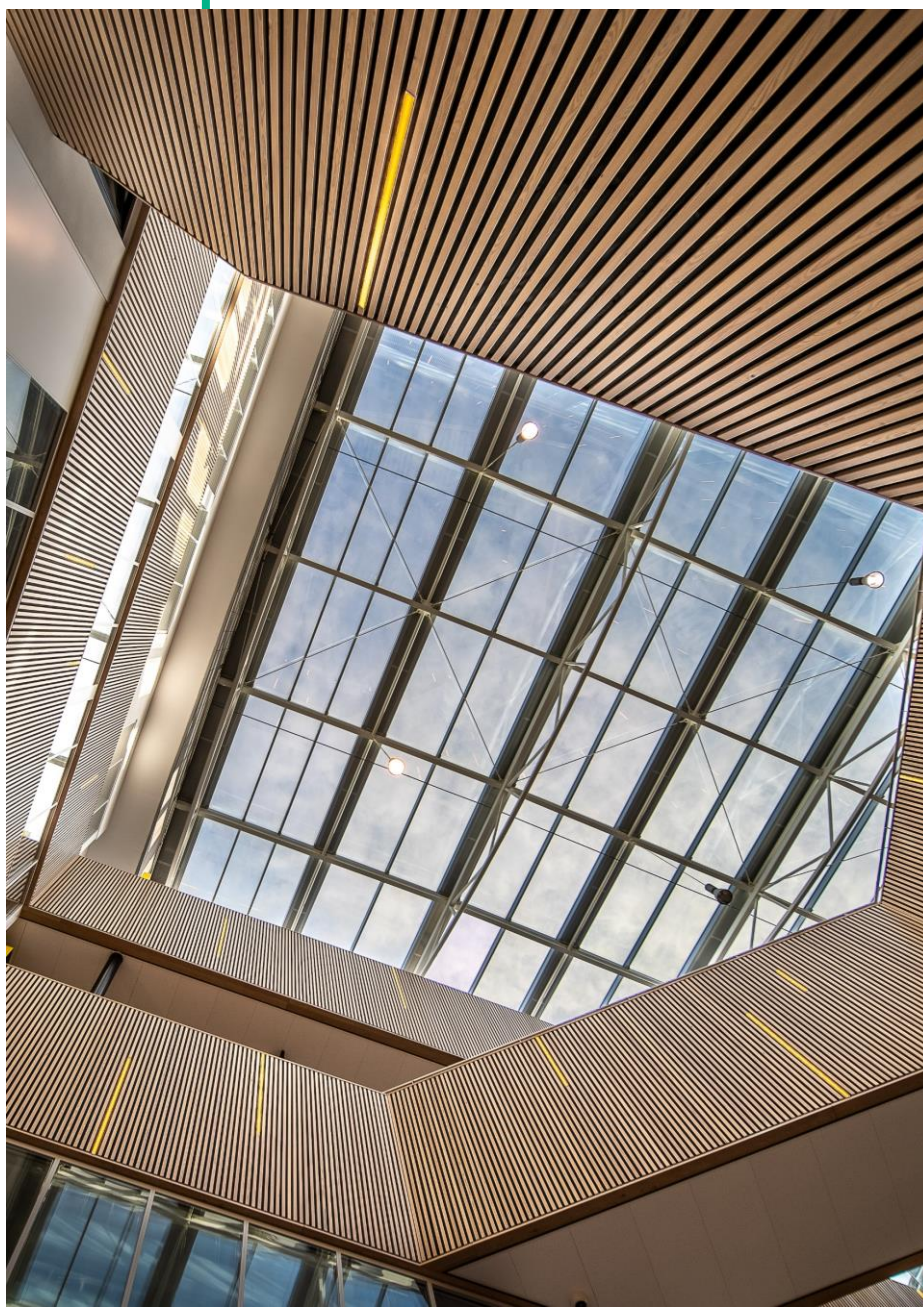


TAX

RESIDENCE PERMIT FOR INVESTMENT ACTIVITY: AMENDMENTS TO THE INVESTMENT REQUIREMENTS

VdA EXPERTISE



February 2021

Decree-Law 14/2021, of 12 February 2021 ("DL 14/2021") amended the legal framework of residence permits for investment activity to encourage investment in inland areas, the creation of jobs and urban and cultural heritage re-qualification.

DL 14/2021, published last Friday, introduced relevant amendments to the framework of residence permits for investment activity (commonly known as "Golden Visa")

Among other things, the newly introduced provisions restrict the eligibility of real estate investments for the issue of golden visas and increase the minimum thresholds of most remaining eligible investments.

REAL ESTATE INVESTMENT

Only the following investments are now eligible for a residence permit:

- Acquisition of property for **EUR 500k** or more;
- Acquisition of 30+ year-old property or property located in urban renewal areas for refurbishing, for **EUR 350k** or more.

Although DL 14/2021 left the minimum investment threshold unchanged, it does restrict eligible investments to the acquisition of **residential property** located "*in the Autonomous Regions of the Azores and Madeira or in inland areas*". The inland areas are listed in Administrative Order 208/2017, of 13 July 2017, which also identifies the areas where investments in residential property are still eligible for the purposes of this residence permit, including certain municipalities on the Alentejo Coast, Algarve, Douro and Serra da Estrela.

These **restrictions do not apply to the acquisition of non-residential property, namely property intended for commercial and industrial activities or services.**

OTHER INVESTMENTS

DL 14/2021 also increased the minimum thresholds for the following investments:

- Capital transfer (from EUR 1M to **EUR 1,5M**);
- Investment in research activities (from EUR 350k to **EUR 500k**);
- Acquisition of units in investment funds to capitalize Portuguese companies (from EUR 350k to **EUR 500k**); and
- Incorporation/increase of the share capital of Portuguese companies, with creation/maintenance of 5 jobs (from EUR 350k to **EUR 500k**).

Only the rules on investment in job creation (**10 jobs**) and in artistic production, recovery or maintenance of national cultural heritage (**EUR 250k**) **remain unchanged.**

TRANSITIONAL PERIOD | RENEWAL OF THE GVP AND FAMILY REGROUPING

The **rules introduced** by DL 14/2021 apply to residence permit applications submitted **after 01.01.2022** only, which means that the current requirements and thresholds will apply between now and 01.01.2022.

The above amendments **do not affect** the renewal of the residence permit or any renewals made under the family regrouping framework, to the extent that the residence permit is granted pursuant to the legal framework applicable until 01.01.2022.

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