

LIVING IN PORTUGAL: HOW TO INVEST AND LIVE IN PORTUGAL GUIDE

Portuguese Visas and Real-Estate Investments



I. BRIEF NOTES ON THE PROPERTY ACQUISITION PROCESS IN PORTUGAL

A. Brief Introduction

Portugal is considered a safe country, with a mild and sunny climate, world-famous cities and stunning landscapes. The country wins the hearts of many foreigners looking to buy a property in Portugal. What's more, its booming property market means that buying a property in Portugal is seen as a safe investment by many foreigners.

In Portugal there are no restrictions on foreigners buying property. Therefore, a foreigner of any nationality can buy a property in Portugal, whether they are resident or non-resident, in any part of the country and regardless of the purpose for which they wish to obtain the property.

However, there are certain requirements and bureaucratic conditions that must be met before a foreigner can purchase a property, which we'll explain below. We'll also try to summarise the main points of the process of buying a property in Portugal below.

B. Obtaining a portuguese tax identification number (NIF)

The first step will be to obtain a **portuguese tax identification number (NIF)**, which is mandatory for buying property in Portugal.

Any national or foreign person, resident or non-resident in Portugal, can obtain a portuguese tax identification number (NIF). The NIF must be obtained from the Tax and Customs Authority, which is the competent authority for this purpose.



The NIF can be obtained by applying online through the Finance Portal ("*Portal das Finanças*") or in person at a Tax Office. The application for a NIF can be submitted by an authorised representative, usually a lawyer, and this is mandatory if you choose to apply online via the Finance Portal. Applying for a NIF is free of charge and therefore does not require payment of any fees. Once the application has been submitted, the NIF is usually issued within 2-3 weeks.

The documents required to submit an application for a NIF, in the case of a non-European foreigner, are as follows: (1) civil identification document, in particular the passport; (2) proof of address; and (3) instruments appointing a tax representative in Portugal, who may be a lawyer. In the case of nationals resident in the European Union, Iceland or Norway, the appointment of a tax representative is optional, however, it is still advisable to appoint a tax representative, especially to ensure that all notifications sent by the Tax and Customs Authority are properly received.

C. Property acquisition process in Portugal

Once the NIF has been obtained, the conditions are in place to start the **process of purchasing** a property in Portugal.

The process will naturally begin by looking for the ideal property to buy. For this search it is normal to enlist the help of a real estate agency, which will have knowledge of the property market and the properties available on it, helping you to find the property that fulfils the conditions and characteristics you want.

Once the ideal property has been found and the necessary visits have been made, the purchase proposal is presented to the owners. Once the offer has been accepted, or even together with it in some cases, it often happens that a **reservation agreement** is made, in which an amount that usually doesn't exceed 5% of the price is paid to reserve the property for a certain period of time, during which time it is withdrawn from the property market.



This reservation agreement is not compulsory and is not common in most cases. However, it can happen and, in that case, it's important that the terms of the reservation agreement are clearly defined, so as to guarantee that if the deal doesn't go ahead for any reason, the amount paid for the reservation will be returned. If a reservation agreement has been made and the deal is in fact concluded and finalised, the amount paid at the time of the reservation is deducted from the price of the property to be paid, and therefore serves as an advance on the payment of the price.

The next step is to sign the **promissory contract of purchase and sale**. This contract is not compulsory either, but it is advisable and happens in practically 99% of property purchase processes. Basically, the promissory contract of sale is an agreement between the seller and the future buyer when there is an intention to buy or sell a property. It aims to safeguard the rights of both parties and serves as a guarantee of the deal until the deed is signed. In this contract, the parties establish, for example, the purchase price of the property and the method of payment, the deadline for executing the public deed of purchase and sale, the obligations of the parties and the consequences in case of non-compliance with these obligations, among other conditions. With this contract, a deposit is usually paid, corresponding to 10% of the purchase price of the property. The contract must be signed by both parties - the seller and the buyer - and the signatures must be recognised by a notary, lawyer, solicitor or other entity with the necessary powers.

It should be noted that during the process of buying a property, especially if the buyer is a foreigner and has no real knowledge of portuguese legislation from the outset, it is important to be accompanied by a lawyer or other competent professional. In fact, it is even advisable for a portuguese citizen to be accompanied, in order to avoid problems with the negotiation process and also to avoid the need to resort to legal means as much as possible.

The essential **property documentation** relating to the property that must be analyzed and provided to the buyer is as follows: land registry certificate ("*certidão do registo predial*"), property tax cadastre ("*caderneta predial*"), energy certificate, usage license, if



applicable, and technical data sheet of the dwelling, if applicable. Depending on the specific case of the property in question, additional documentation may need to be obtained and verified.

Once all the conditions are met, it is time to grant the **public deed of purchase and sale**. It is with the signing of the deed that the right of ownership of the property is transferred. The deed can be done by a Notary, a Lawyer or a Solicitor. Once the deed has been signed by the parties, the Notary, Lawyer or Solicitor will register the acquisition with the Land Registry Office and the Tax and Customs Authority, so that the new owner can be listed as such on the property's documents.

D. Taxes associated with the purchase of property in Portugal

The main tax to consider when buying a property is the **IMT** ("*Imposto Municipal sobre as Transmissões Onerosas de Imóveis*"). IMT is the tax paid to the State on onerous transfers of property rights, i.e. it is the tax paid whenever there is a financial transfer of the purchase and sale of a property in Portuguese territory. This is the main tax to consider when buying a house, as it is the most expensive. This tax is paid on the day of the public deed of purchase and sale.

The amount of this tax is not the same in all cases. The IMT varies according to the property's deeded acquisition value or the property's tax value (whichever is higher, as the acquisition value is usually higher than the tax value), the rate to be applied and its purpose, and there may be cases in which you are exempt from paying this tax.

For example, if today you buy a property for your own permanent residence for the price of €500,000.00, the IMT payable will be in the amount of €26.809,86. If the same property is bought for the same price with the intention of living in a secondary home or renting it out, the amount of IMT will be €27.829,03.



Note that the IMT exemption for young people up to the age of 35 was recently approved in Portugal. According to this new legislation, young people up to the age of 35 who buy their first home for their own permanent residence do not pay IMT if the price of the property is up to €316.772,00. If the price of the property exceeds this amount, IMT will only be payable on the remaining part of the price. For example, for a property bought for €500.000,00, the amount of IMT payable will be €14.658,24. This exemption applies to young people regardless of their nationality, as long as they fulfil all the requirements laid down in the legislation in force.

On the day of the public deed of sale, you will also have to pay **Stamp Duty**. The Stamp Duty is the oldest tax in the portuguese tax system. This tax is also payable when buying a house and corresponds to a rate of 0,8% of the price of the property or the taxable value of the property (whichever value is greater). Therefore, on a property whose price is €500.000,00 the Stamp Duty payable will be €4.000,00.

Also in this case, according to the new legislation in force, young people up to the age of 35 are exempt, for properties whose price does not exceed €316.772,00. For properties that exceed this price, Stamp Duty is only applied to the remainder of the price. In the example we have used, if the property has a price of €500.000,00, the Stamp Duty payable will be €1.465,82.

The last tax that is important to take into consideration is the **IMI** ("*Imposto Municipal sobre Imóveis*"). The IMI is a fee that is charged every year to property owners and the revenue from which goes to the Municipal Councils, which is one of the sources of financing for local authorities. Therefore, this tax is paid by the owner and, therefore, after having acquired the property.

The value of this tax is stipulated annually, with the Government defining maximum and minimum ceilings, the final rate of which is determined by each municipality. The tax in question is levied on the value at which the property is registered with the Tax Authority,



that is, on the Tax Asset Value (VPT). Current legislation grants temporary exemptions from paying this tax, depending on the specific case.

II. BRIEF NOTES ABOUT PORTUGUESE VISAS

A. Brief Introduction

In Portugal, in general, there are two types of **national visas**: temporary stay visas, and residence visas.

National visas can either be for a temporary stay in Portugal or residence visas, in order for the candidate to obtain a residence permit. Depending on the length of the stay, they entitle the holder to stay in Portugal according to the intended reason: study, internship, work, medical treatment, among others.

The **temporary stay visa** is designed to allow entry for stays in Portugal of less than a year. It is valid for the duration of the stay and for multiple entries into national territory.

The **residence visa** is valid for two entries and for four months, during which time the holder must apply to the Aliens and Borders Service for a residence permit.

Once the visa application has been accepted, it will be stamped in the passport. It will be stamped in the passport and with it an appointment will be made with the Foreigners and Borders Service, already in Portugal, ideally within four months, to collect biometric data and obtain a residence permit.

It is only after obtaining the residence permit that the applicant is legally authorised to stay in Portugal for the purpose of residence. Afterwards, they can renew their authorisation for successive periods of two years.



Please note that **all residence permits allow family reunification**. Normally, family reunification is requested once the applicant has obtained a residence permit. However, when applying for a visa at the Portuguese Consulate, an accompanying visa may be requested, for the family members who can be reunited, so that the household can travel to national territory at the same time.

Except for duly justified personal or professional reasons, holders of residence permits may not be absent from portuguese territory for a period of 6 consecutive months or 8 interpolated months during the validity of the residence permit.

In conclusion, residence Permit beneficiaries can:

- Enter Portugal without a residence visa;
- Reside and work in Portugal;
- Travel within the Schengen area without the need for a visa;
- Benefit from family reunification;
- Apply for a Permanent Residence Permit;
- Apply for Portuguese nationality by naturalisation.

National visas are required for all third-country nationals wishing to stay in Portugal for more than 90 days. However, this requirement does not apply to nationals:

- Of a member state of the European Union;
- Of a state party to the European Economic Area or of a third country with which the European Community has concluded an agreement on the free movement of persons;
- Family members of portuguese citizens or of the foreign citizens mentioned above.

In this brochure, we will introduce you to different national visa options, for those who intend to live, work and/or invest in Portugal.



B. GOLDEN VISA

Our current **Golden Visa** programme allows all Third Country Nationals carrying out an **investment activity**, personally or through a company incorporated in Portugal or in another EU State and with a permanent establishment in Portugal, to apply for a Residence Permit for Investment (ARI) in one of the following possibilities:

- The creation of at least 10 jobs;
- Transfer of capital in the amount of 500 thousand euros or more, which is invested in research activities carried out by public or private scientific research institutions, integrated into the national scientific and technological system;
- Transfer of capital in an amount equal to or greater than 250 thousand euros, which is applied in investment or support for artistic production, recovery or maintenance of national cultural heritage, through central and peripheral direct administration services, public institutes, entities that are part of the public business sector, public foundations, private foundations with public utility status, intermunicipal entities, entities that are part of the local business sector, municipal associative entities and public cultural associations, which pursue attributions in the area of artistic production, recovery or maintenance of national cultural heritage;
- Transfer of capital in the amount of 500 thousand euros or more, intended for the acquisition of shares in non-real estate collective investment undertakings, which are set up under Portuguese law, whose maturity, at the time of the investment, is at least five years and at least 60% of the value of the investments is made in commercial companies based in Portugal;
- Transfer of capital in the amount of 500 thousand euros or more, intended for the incorporation of a commercial company with registered office in Portugal, combined with the creation of five permanent jobs, or for the reinforcement of the share capital of a



commercial company with registered office in Portugal, already incorporated, with the creation of at least five permanent jobs or the maintenance of at least ten jobs, with a minimum of five permanent jobs, and for a minimum period of three years.

The major benefit of the Golden Visa programme is that it gives to its candidate a ticket for the granting to a portuguese residence permit, which means that if the legal requirements are all fulfilled, the candidate will automatically have a residence title, without the need of requesting one after, as it happens with the other residence visas.

Be aware that the needed documents for the Golden Visa request depend on the type of the investment made. In general, the candidate must always have a clean criminal record.

It is also mandatory, after the residence permit is granted, to fulfil the time requirement: a minimum stay in national territory of no less than 7 days in the first year and no less than 14 days in subsequent years.

C. DIGITAL NOMAD VISA

This visa is adequate for foreigners who work remotely from Portugal, under an employment contract or as self-employed workers, for a natural or legal person whose domicile or registered office is outside national territory.

General documentation:

- Two identical photographs, passport size or digitally taken facial image, as the case may be, in color and plain background, current and in good condition to identify the applicant;
- Passport or other valid travel document;



- Criminal record certificate issued by the competent authority of the applicant's country of nationality or the country in which the applicant has been residing for more than one year;
- Valid travel insurance to cover necessary expenses for medical reasons, including urgent medical assistance and possible repatriation;
- Proof of the existence of means of subsistence.

Specific documentation:

a) In situations of subordinate work, one of the following documents:

- i)** Employment contract;
- ii)** Employer's statement proving the employment relationship;

b) In situations of self-employment, one of the following documents:

- i)** Company contract;
- ii)** Contract for the provision of services;
- iii)** Document showing services provided to one or more entities;

c) Proof of average monthly income earned in the exercise of subordinate or independent professional activity in the last three months of a minimum value equivalent to four guaranteed minimum monthly remunerations (currently, approximately €3.280,00);

d) A document certifying your tax residence.

The digital nomad visa can either be a short-term visa or a residence visa. In this last case, the visa has a duration of four months and, afterwards, the candidate will be able to apply for a residence permit, which does not happen with the short-term visa.

With the short-term digital nomad visa, for a temporary stay of one year the candidate can travel multiple times to Portugal, with no entry or exit restrictions (please be aware that



the documentation list presented only concerns to the residence visa requests, since short-term visas have different requirements).

D. HIGHLY QUALIFIED ACTIVITY VISA FOR SUBORDINATE WORK

The Highly Qualified Activities Visa is specially designed for professionals who already have an employment contract or a promise to work in Portugal, with the purpose of developing that activity.

General documentation:

- Two identical photographs, passport size or digitally taken facial image, as the case may be, in color and plain background, current and in good condition to identify the applicant;
- Passport or other valid travel document;
- Criminal record certificate issued by the competent authority of the applicant's country of nationality or the country in which the applicant has been residing for more than one year;
- Valid travel insurance to cover necessary expenses for medical reasons, including urgent medical assistance and possible repatriation;
- Proof of the existence of means of subsistence.

For the purposes of proof of means of subsistence, means derived from a labour contract or promise of a labour contract must be taken into account.

Proof of means of subsistence can be provided by means of a term of responsibility with a recognised signature signed by the host organisation.

Specific documentation:



- Valid employment contract or promise of employment contract of at least one year's duration, corresponding to an annual remuneration of at least 1.5 times the national average gross annual salary or three times the social support index value (IAS).
- For the purposes of employment in professions belonging to major groups 1 and 2 of the International Standard Classification (ISCO), indicated by a Resolution of the Council of Ministers, following a prior opinion from the Standing Committee on Social Dialogue, as professions particularly in need of workers from third countries, the salary threshold provided for in paragraph 1(a) must correspond to at least 1.2 times the national average gross salary, or twice the value of the IAS. or,
- In the case of a regulated profession, hold high professional qualifications, duly attested in accordance with the provisions of Law no. 9/2009, of 4 March, or a specific law on the recognition of professional qualifications, necessary for access to and exercise of the profession indicated in the employment contract or promised employment contract;
- In the case of a non-regulated profession, hold high professional qualifications appropriate to the activity or sector specified in the employment contract or promised employment contract.

The highly qualified activity visa can either be a short-term visa or a residence visa. In this last case, the visa has a duration of four months and, afterwards, the candidate will be able to apply for a residence permit, which does not happen with the short-term visa.

With the short-term highly qualified activity visa, for a temporary stay of one year the candidate can travel multiple times to Portugal, with no entry or exit restrictions (please be aware that the documentation list presented only concerns to the residence visa requests, since short-term visas have different requirements).



E. ENTREPRENEURS VISA/START UP VISA

General documentation:

- Two identical photographs, passport size or digitally taken facial image, as the case may be, in color and plain background, current and in good condition to identify the applicant;
- Passport or other valid travel document;
- Criminal record certificate issued by the competent authority of the applicant's country of nationality or the country in which the applicant has been residing for more than one year;
- Valid travel insurance to cover necessary expenses for medical reasons, including urgent medical assistance and possible repatriation;
- Proof of the existence of means of subsistence.

For the purposes of proof of means of subsistence, means derived from a contract or promise of a labour contract, a company contract; or, a written contract or proposal for a contract to provide services must be taken into account.

Proof of means of subsistence can be provided by means of a term of responsibility with a recognised signature signed by the entity hosting the workers.

Specific documentation:

a) Independent Professional Activity

- Company contract or written proposal for a contract to provide services in the liberal professions;
- If applicable, a declaration issued by the competent authority stating that you are authorised to exercise the activity in Portugal.



This visa can either be a short-term visa or a residence visa. In this last case, the visa has a duration of four months and, afterwards, the candidate will be able to apply for a residence permit, which does not happen with the short-term visa.

With the short-term visa, for a temporary stay of one year the candidate can travel multiple times to Portugal, with no entry or exit restrictions (please be aware that the documentation list presented only concerns to the residence visa requests, since short-term visas have different requirements).

b) Entrepreneurial Immigrants

- It is mandatory to have carried out investment operations;
- Prove that they have financial means available in Portugal, including those resulting from financing obtained from a financial institution in Portugal, and demonstrate, by any means, their intention to carry out an investment operation in Portuguese territory, duly described and identified.

c) StartUp Visa Programme

- Declaration from IAPMEI - Agência para a Competitividade e Inovação I.P., proving that the incubation contract has been signed with a certified incubator, in accordance with Article 6 of Normative Order no. 4/2018 of the Minister of Economy, of 2 February, which regulates the 'Startup Visa' programme.

F. PENSIONER VISA

It can be granted to any non-EU/EEA/Swiss citizen who has a regular passive income. This income can be retirement income, or another source of passive income, whether through intellectual property, property investments or financial investments.



General documentation:

- Two identical photographs, passport size or digitally taken facial image, as the case may be, in color and plain background, current and in good condition to identify the applicant;
- Passport or other valid travel document;
- Criminal record certificate issued by the competent authority of the applicant's country of nationality or the country in which the applicant has been residing for more than one year;
- Valid travel insurance to cover necessary expenses for medical reasons, including urgent medical assistance and possible repatriation;
- Proof of the existence of means of subsistence.

Specific documentation:

- When talking about **retired people**, a document proving the amount of the pension received;
- When talking about **people living on their own income**, a document proving income from movable or immovable property, intellectual property or financial investments.

The pensioner visa can either be a short-term visa or a residence visa. In this last case, the visa has a duration of four months and, afterwards, the candidate will be able to apply for a residence permit, which does not happen with the short-term visa.

With the short-term pensioner visa, for a temporary stay of one year the candidate can travel multiple times to Portugal, with no entry or exit restrictions.



G. SUBORDINATE WORK VISA

General documentation:

- Two identical photographs, passport size or digitally taken facial image, as the case may be, in color and plain background, current and in good condition to identify the applicant;
- Passport or other valid travel document;
- Criminal record certificate issued by the competent authority of the applicant's country of nationality or the country in which the applicant has been residing for more than one year;
- Valid travel insurance to cover necessary expenses for medical reasons, including urgent medical assistance and possible repatriation;
- Proof of the existence of means of subsistence.

For the purposes of proof of means of subsistence, means derived from an employment contract or promise of an employment contract must be taken into account.

Proof of means of subsistence can be provided by means of a term of responsibility with a recognised signature signed by the host organisation.

Specific documentation:

- Employment contract or promise of employment contract or individualised expression of interest;
- Proof that you are qualified to practise the profession, when it is regulated in Portugal (if applicable).



H. CPLP VISA

The CPLP visa constitutes an exceptional regime, applicable to nationals of a State in which the Agreement on Mobility between the Member States of the Community of Portuguese-Speaking Countries (CPLP Agreement) is in force.

All citizens from the Community of Portuguese-Speaking Countries – Angola, Brazil, Cape Verde, Guinea-Bissau, Equatorial Guinea, Mozambique, São Tomé and Príncipe and East Timor – are eligible for this wide scope visa, that allows them to live, work and/or invest in Portugal.

Documentation:

- Two identical passport-sized photographs, up to date and in good enough condition to identify the applicant;
- Proof of legal status, if you are of a nationality other than that of the country where you are applying for a visa, valid beyond the expiry date of the visa you are applying for;
- Criminal record certificate from the country of origin or the country where the applicant has lived for more than one year (children under 16 are exempt from presenting criminal record documents), with Hague Apostille (if applicable) or legalised;
- Proof of the existence of means of subsistence.

CPLP citizens are exempt from presenting means of subsistence as long as they present*:

- A notarised statement of responsibility signed by the host organisation for trainees or workers, as well as by the organisation responsible for student or volunteer exchange programmes; or,
- A liability document with a recognised signature, signed by a Portuguese citizen or a qualified foreign citizen with a residence document in Portugal, guaranteeing the



visa applicant's food and accommodation, as well as covering the costs of removal in the event of an irregular stay.

*Proof of the financial capacity of the signatory may be requested.

The information provided in this document does not eliminate the need for consultation with a lawyer and a careful analysis of the specific case.

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