



NEWSLETTER #9

Residence Permit for Investment Activity (A.R.I.)

“Golden Visas”

1 – ABOUT DANTAS RODRIGUES & ASSOCIADOS

Dantas Rodrigues & Associados, Sociedade de Advogados, R.L., is a Portuguese law firm formed by a group of lawyers, in full time, interacting with a network of professional lawyers of recognized merit.

This law firm is guided by great professionalism in the services provided, whose commitment and respect for the quality of services to their customers is also characterized by the effective response time.

An extensive partnership with some offices worldwide allows us greater breadth of expertise and ethical behavior, always modeled by respecting different legal cultures.

2 – RESIDENCE PERMIT FOR INVESTMENT ACTIVITY IN PORTUGAL, AS KNOW AS A.R.I.

2.1 - What is it?

The special arrangements for visas, created by the Ministry of Foreign Affairs, better known by the name of 'Visa Gold', provides for the granting of residence permits to citizens outside the EU, who have legally entered into Portuguese territory. According to the law they have to fulfill one of the following three conditions:

1. The transfer of capital in an amount equal to or greater than one million EUR;
2. The creation of, at least, 10 jobs in Portugal;
3. The acquisition of property of a value equal to or greater than EUR 500.000,00.
Thus, citizens outside EU acquires open access of its import / export business in the Schengen territory.

2.2 - How to apply?

The application for the ARI should be submitted to the Foreigners and Borders Service (S.E.F.)

To this end, should be scheduled a meeting, previously, to submit the application and the following documents:

- Passport or other valid travel document, valid for, at least, three months;
- Schengen valid visa or valid short stay visa;
- Proof of legal entry and stay in the national territory;
- Request for consultation of the Portuguese Criminal Record by SEF;
- Absence of conviction for a crime in Portugal punishable by deprivation of liberty for more than 1 year;
- Criminal Record Certificate of Country of Origin;
- Declaration of Commitment of honor;
- Proof of regularized contribution situation (Tax Authority and Social Security);
- Proof of one of the 3 types of investment in the country, identified above.

To the granting of residence permits for investment through the acquisition of property is still required to submit the following documents:

- Final deed of sale or purchase and sale of real state, accompanied by a statement from a financial institution with exercise in Portugal, where stating the effective transfer of capital for the acquisition or realization of sign, equal or exceeding the amount of EUR 500.000,00;
- Updated Permanent Building Certificate, stating the registration.

2.3 - Minimum periods of residence in Portugal

The investment activity in the country should be maintained for a minimum period of 5 years from the date of grant of ARI.

At that time, a valid residence permit is granted for a period of 1 year, renewable for periods of 2 years (up to 5 years),

verifying compliance with the following conditions, and, also, the maintenance of investment activity:

- Minimum period of stay of 7 days, consecutive or not, in the 1st year.
- Minimum period of stay of 14 days, consecutive or in subsequent periods of two years.

3 – LEGAL ADVICE

Dantas Rodrigues & Associates has a team of lawyers, skilled in residence permits and real estate law at your disposal.

Prior to the new ARI, Dantas Rodrigues & Associados was already providing legal services related to rights of foreigners, including obtaining visas and other legal commitments concerning the entry and stay of foreigners, authorization for temporary or permanent residence in the national territory and acquisition of Portuguese nationality.

In ARI MATTERS, we treat the complete service for your purchase, informing and clarifying any questions that may arise.

With real estate connections across the country, we provide an extensive portfolio of properties in great locations and huge profitability.

In particular, as regards the acquisition of Portugal property:

- We follow the entire process of trading until the signing of the purchase agreement;
- We analyze all documentation (land, tax and city council) regarding the ownership of the property;
- We proceed to obtain the Portuguese taxpayer number, in the the Tax Authority.
- Representing fiscally, if appropriate, our customers, in Portugal.
- We provide all types of documentation, including powers of attorney, deed of purchase and sale agreements, purchase and sale contracts and their terms of authentication.
- We register the property in the Land Registry and still held the endorsement in the Tax Authority.

Representing the Client / Owner of the property in any public or private entities, during the process and after the conclusion of the sale.

Preparation the ARI submission, at the SEF, and monitoring the entire process.

Arrange and take care of the whole process of renovation of ARI;

Proceed to the application for a permanent residence permit and granting of Portuguese citizenship after 5 years of the investment.

We undertake to save and manage all legal documentation relating to the acquisition of real estate and other proceedings at SEF services.

Legal advice on post-purchase, namely, management and maintenance of assets, where includes the drafting of leases, issuing receipts, tax settlement.

More, we represent our client along with the insurance companies and with the condominium of the property acquired by participating in designated meetings, signing and making all that is convenient for this purpose.

4 – FEES AND EXPENSES

Stage 1

- Legal advice - EUR 175,00 plus IVA (VAT).
- File Opening to grant A.R.I. - EUR 1.500,00 plus VAT.
- Fees - EUR 7.200,00 plus VAT.

Not included: notary and registration, taxes, fees and extra services.

Stage 2

- Annual amount (5 years) paid in January of each year, in the amount of EUR 5.100,00 plus VAT.

Not included: notary and registration, taxes, fees and extra services.

5 – FEES DUE

According to Ordinance nº 305-A/2012 of 4 October, the following fees are payable for the granting of residence permits to third-country nationals for the purposes of carrying out an investment activity:

- a) For the receipt and analysis of the application for grant or renewal of a residence permits for investment activity in accordance with Article 90 - A of Law No. 23/2007 of 4 July - EUR 513,75;
 - b) For the issuance of a residence permit for investment activity in accordance with Article 90 - The Law No. 23/2007, of 4 July - EUR 5.137,50;
 - c) For the renewal of permits for investment activity in accordance with Article 90 - The Law No. 23/2007, of 4 July - EUR 2.568,75;
 - d) For the residence permit for family regrouped with the holders of residence permits for investment activity in accordance with Article 90 - The Law No. 23/2007 of July 4th - EUR 5.137,50.
- In the case of buying property in Portugal to grant ARI are still owed the following taxes:

- Municipal Tax on Transfer of Property (IMT) - the tax payable is calculated on the value of the act or contract, or if higher, on the taxable value of the property, constant in the property book. The rates applied vary depending on the purpose for the property. Thus, for purposes of an urban building and permanent applies a progressive rate from 6% to 6.5% for properties worth more than EUR 500.000,00. For urban buildings for commercial or land for construction, the rate will be 6.5%. Finally, the rate for farm buildings will be 5%.
- Stamp Duty - For the acquisition of property the tax is paid at the rate of 0,8%.
- Municipal Property Tax (IMI) - This tax is levied on the value of the property at a rate ranging between 0,3% and 0.5% (depending on the City Council) and 0,8% for farm buildings.
- Notary and Registration Fees - The buyer will have to bear the notary and registration fees, at time of execution of the deed of purchase and sale of the property. The amount of the charges will be approximately EUR 850,00.