



JCG
ADVOGADOS

Excellence, Transparency & Efficiency



Golden Visa & Non Habitual Tax Residents

Main features and opportunities

The Golden Visa and the Non-Habitual Tax Residency regime (NHTR) can be combined, offering great benefits

GOLDEN VISA

- Immigration regime applicable to non-EU passport holders
- Grants visa exemption for working in Portugal and for travelling in Schengen area
- Chance of obtaining permanent residency permit and nationality

NON HABITUAL TAX RESIDENCY

- Tax regime applicable to people who change their tax residency to Portugal
- Reduced tax rates on domestic income and exemptions applicable to (certain items of) foreign income
- Applicable for 10 years

Golden Visa allows non-EU nationals to work in Portugal and travel in Schengen and obtain full citizenship

BENEFITS OF THE GOLDEN VISA

- Residence visa waiver for entering Portugal
- Living and working in Portugal, under condition that the person stays in Portugal for a period of 7 or more days, in the first year, and 14 or more days, in the following (no need to become a resident)
- Visa exemption for travelling within the Schengen Area¹
- Opportunity for family reunification
- Possibility of permanent residence (after 5 years of temporary residence permit)
- Possibility of Portuguese citizenship (after 6 years of temporary residence permit)

¹ Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland

The investment requirements are more favourable, when compared to similar regimes in other countries

GOLDEN VISA INVESTMENT REQUIREMENTS

- Purchase of real estate property with a value of at least € 500.000 (most common and simpler program)
- Capital transfer of at least € 1.000.000;
- Creation of, at least, 10 job positions;
- Purchase of specific real estate property for refurbishing, with a value of at least € 350.000
- Capital transfer of at least € 350.000 for investment in R&D
- Capital transfer of at least € 250.000 for investment in artistic output or supporting the arts, reconstruction or refurbishment of national heritage
- Capital transfer of at least € 500.000 for purchasing shares in investment funds or in venture capital geared to capitalize small and medium companies

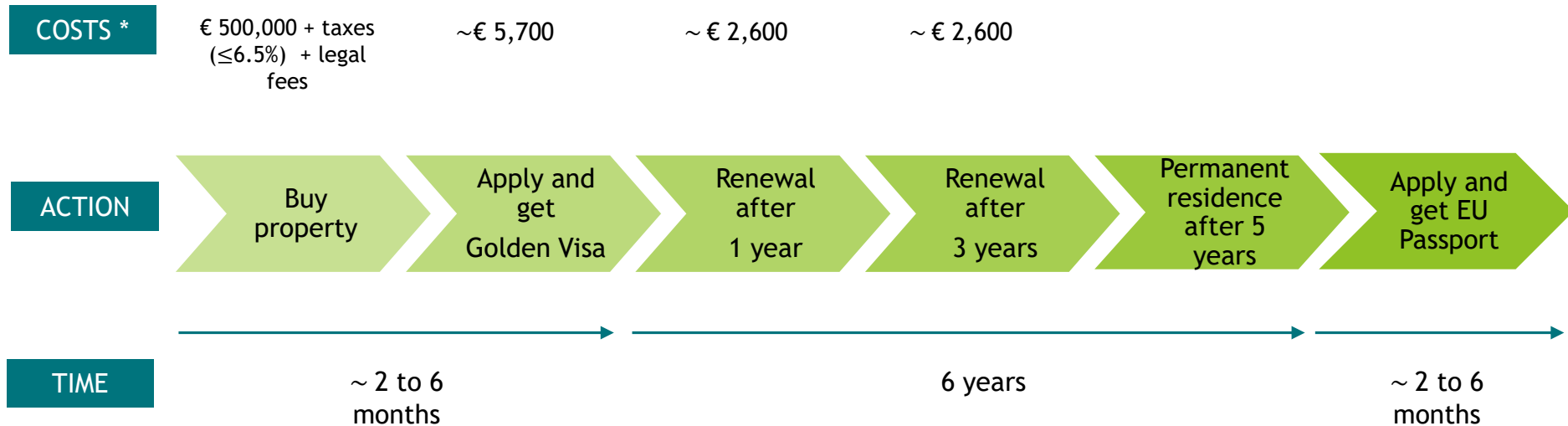
Golden Visa is subject to specific procedures and fees

GOLDEN VISA FORMAL REQUIREMENTS

- Tax clearance certificate issued by the Tax Authorities and Social Security
- Sworn statement by the applicant stating that he will comply with all investing requirements
- Valid passport
- Criminal record issued by last country of permanent residence
- Health insurance
- Proof of payment of application fee

Application for Golden Visa can take up to 6 months, depending on the fulfilment of the procedures

GOLDEN VISA PROCESS DIAGRAM FOR REAL ESTATE INVESTMENT



The NHTR regime offers very interesting tax advantages that can be used by Golden Visa holders

NHTR TAX ADVANTAGES

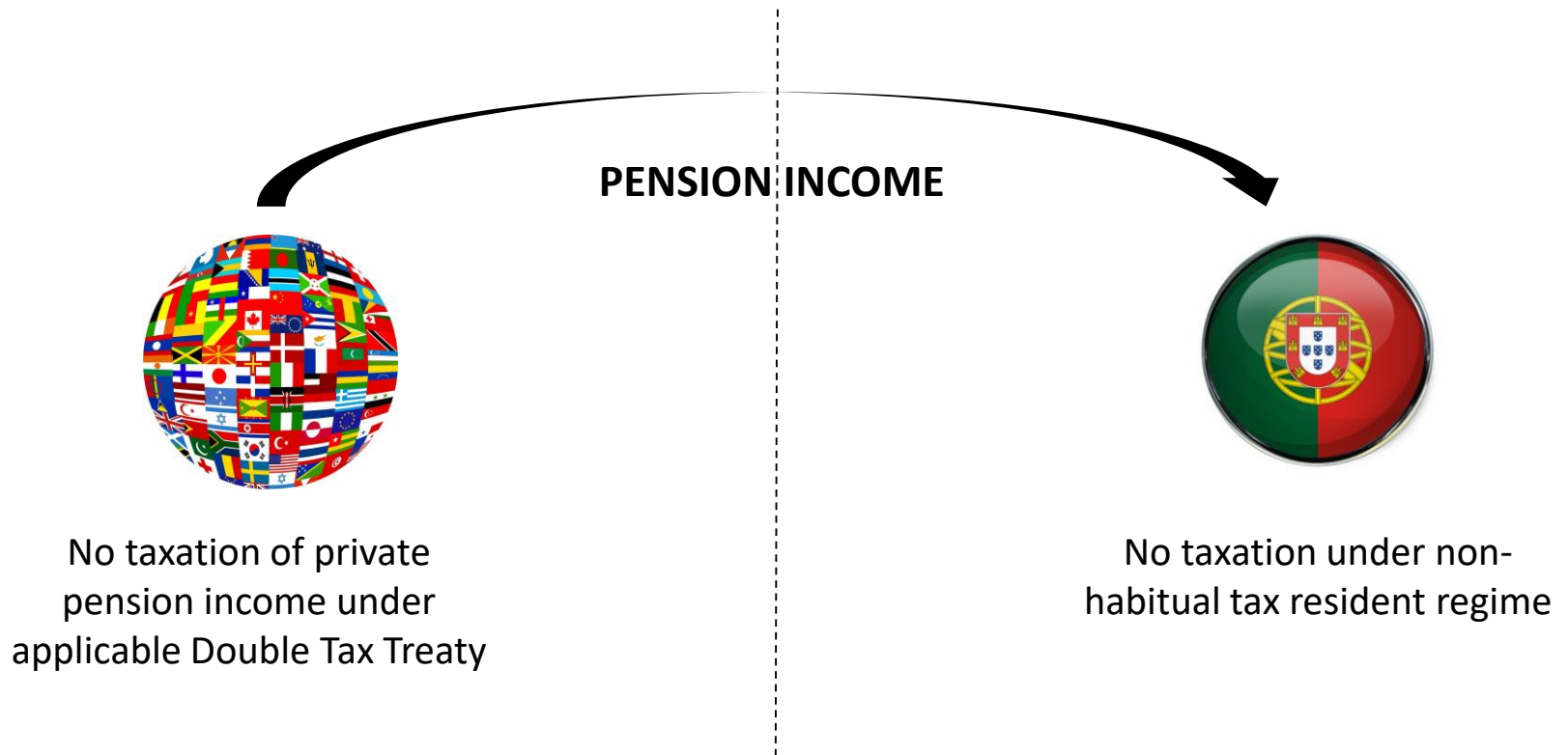
- **20% flat tax** (as opposed to a maximum 56,5% progressive tax rate) on **Portuguese employment income** from value added activities (see the full list in the Annex)
- **20% flat tax** (as opposed to a maximum 56,5% progressive tax rate) on **Portuguese business income** from value added activities (see the full list in the Annex)
- **Exemption on foreign income** provided that it is subject to tax (in most cases, even if not effectively taxed) in the source country according to Portuguese rules or the applicable Double Tax Treaty (allows for legitimate double non-taxation)

Some NHTR issues shall also be taken into account for a proper tax planning

NHTR TAX ISSUES

- Portuguese employment income and business income (be it from sources in Portugal or abroad) not from value added activities is excluded from this regime being taxed at standard rates. Proper management may also possible depending on the particular situation
- The reduced tax rate applicable on domestic employment and business income from high value added activities does not exclude the applicability of the 3,5% extraordinary surtax (this is however a temporary surtax bound to be eliminated in the coming year)

For specific items of income the NHTR regime allows for double non-taxation



The NHTR procedures are relatively simple although it is very important to be 100% compliant

NHTR PROCEDURES

- 1 Analysis of applicable tax regime and implications in home country
- 2 Obtaining a non-resident tax number
- 3 Registration as a resident taxpayer
- 4 Submission of application for the NHTR regime
- 5 Obtaining non-resident tax certificates from country of origin
- 6 Sign up for the electronic mail box (mandatory)
- 7 Compliance with tax obligations (filling of annual tax returns)

Generic information can also be obtained from the Tax Authorities website:

http://info.portaldasfinancas.gov.pt/NR/rdonlyres/D0C80C76-3DA8-4B90-A1E4-FF53BD34EF95/0/IRS_RNH_EN.pdf