



Gil Figueira
& Devillet Lima
Advogados

Portugal 

A safe haven and a back up plan

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www.gfdl.legal

Porto

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- Population 10.4 million
- Gateway to Portuguese speaking countries
- Gateway to the E.U.
- Strategic location for business
- Excellent infrastructures
- Tax incentives



Lisboa

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- One of the safest countries
- Old world glamour
- Sophisticated banking & financial sectors
- No FX controls
- Whitelisted jurisdiction

Algarve

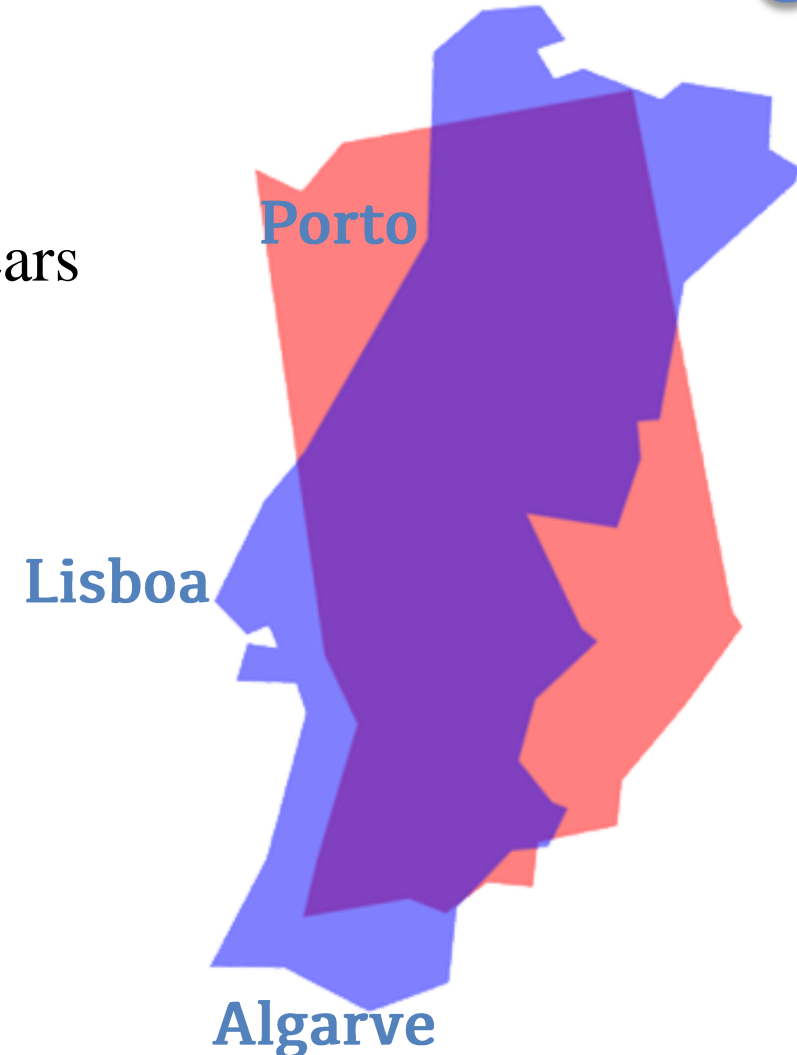
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- Subtropical Mediterranean climate
- Mild winters & warm summers
- Most sunshine hours in Europe
- Direct flights to America, Africa and Asia

Portuguese residency highlights



- Multiple paths for residence
- Possibility to apply for E.U. passport in five years
- Tax breaks for expats
- No wealth, estate or gift tax
- Excellent quality of life and health care
- Affordable lifestyle





Immigration

Investing or relocating



Visa vs Residency Permit vs Tax



- Entering – for a single purpose
- Staying – fixed or indefinite length of time
- Tax Residence – taxing rights





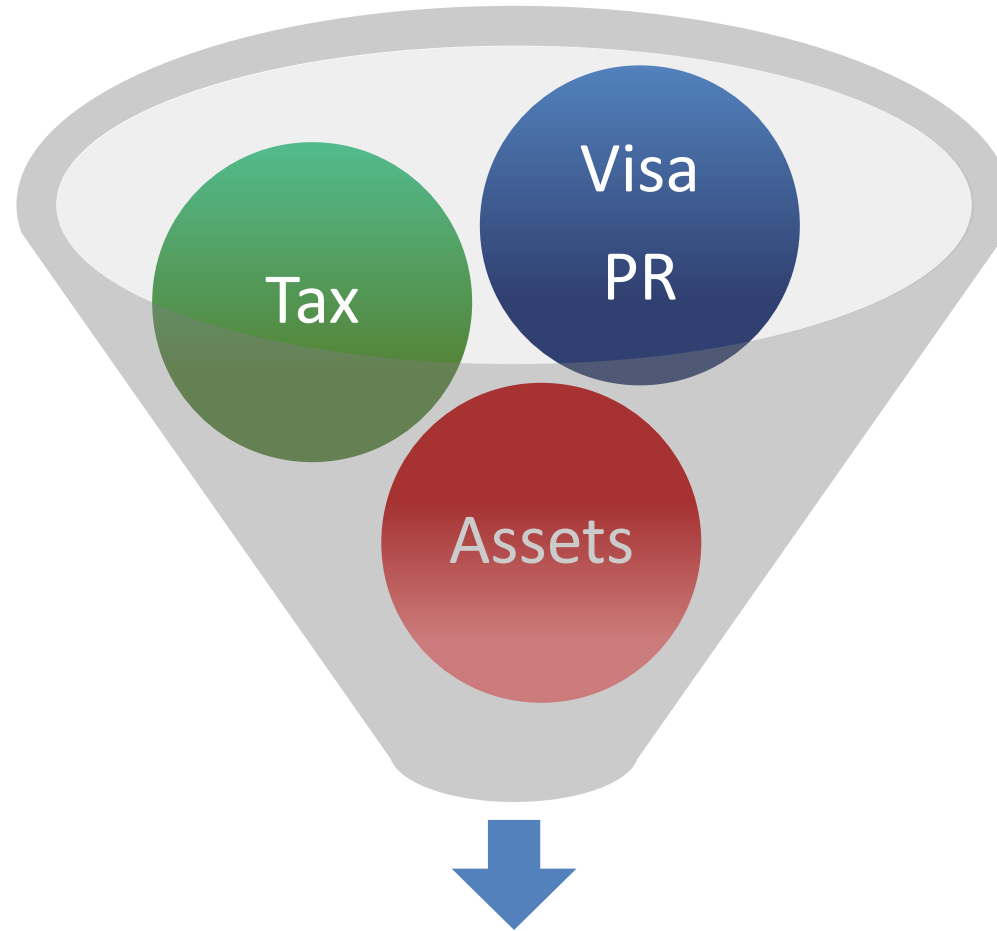
Objectives and paths

Investors
Non resident

- Investment required
- Low stay requirements
- Second passport

Expats
Resident

- No investment
- High stay requirements
- Second passport



Each case is worthy of a bespoke solution.

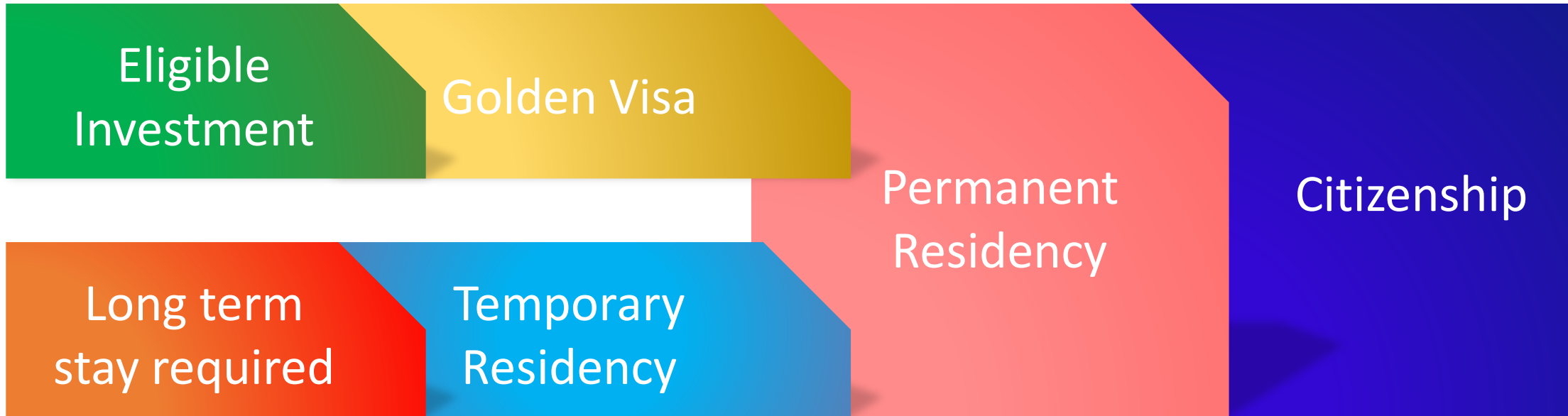


Portugal: Backup Plan or Plan A

- Create a foothold in the E.U.
- Make the most of your investment
- Apply for Portuguese citizenship
- Move to a low tax jurisdiction in the E.U.
- Family regrouping



Types of residency





A. Golden Visa

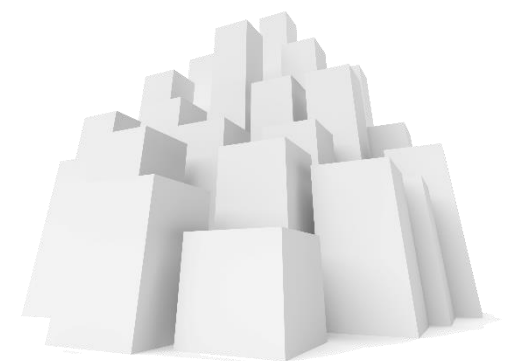
- Investment residence permit for non E.U. citizens
- Access to Schengen Area
- Low stay periods
- Residence Permit & Citizenship





Real Estate Investments

- Euro 500,000 - Standard minimum investment
- Euro 350,000 – 30 years or urban rehabilitation area
- Euro 400,000 and Euro 280,000
 - 20% discount in low income / density areas





Business Investments

- Capital investment or transfer – Euro 1,000,000
- Corporation – Euro 350,000 + 5 jobs (3 years)
- Creation of 10 jobs
- Investment or venture capital funds – Euro 350,000
 - Capitalization of Portuguese companies + 60% Invested in PT



Other Investments

- Euro 350,000 – Scientific & education research
- Euro 250,000 – Art and national cultural heritages



Structuring investments

- Initial steps depend on the:
 - Type of investment – real estate or financial assets;
 - Type of investment vehicle – Corporate vehicle or individual.
- International tax planning considerations.





The process

- Professional advice and legal representation
- Trigger the investment process
- File documentation and apply
- Minimum Stay + Apply for Renewals





B. Temporary Residence Permits

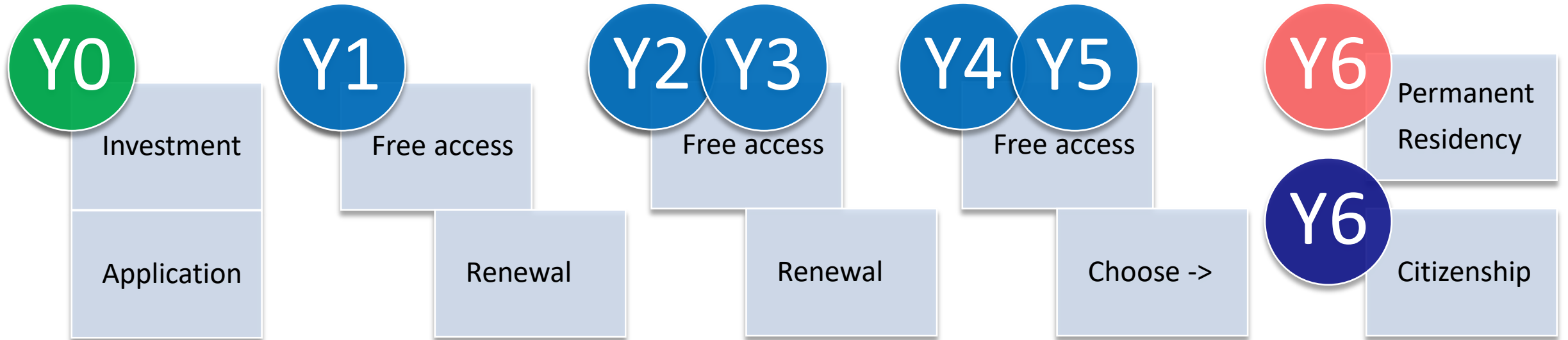
- Employees
- College Professors and Researchers
- Self-employed individuals & Entrepreneurs
- Students
- Family regrouping
- Passive Income Earner Residence Permit



The PIERP

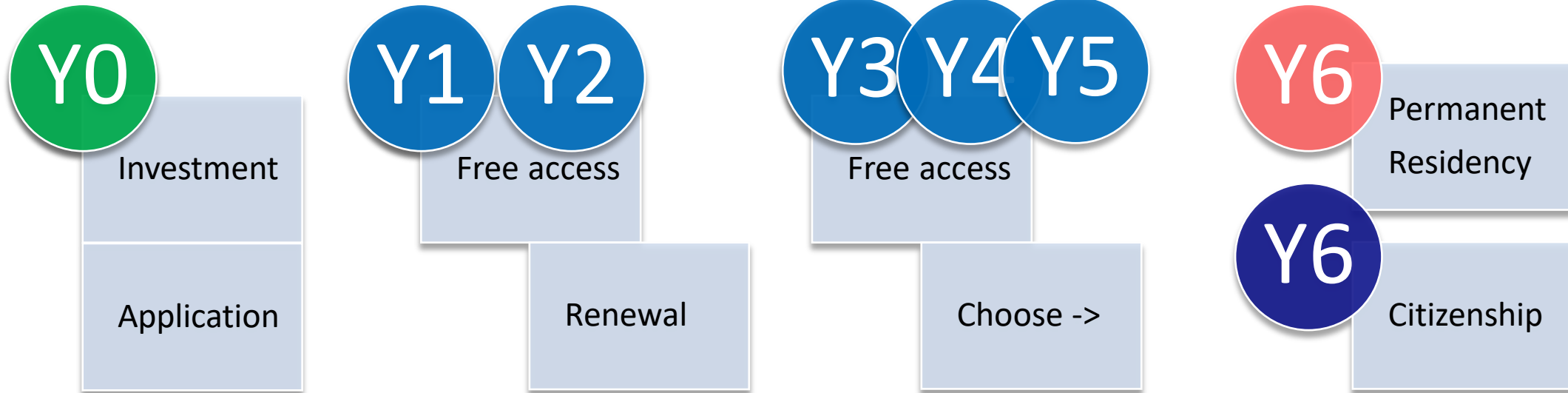
- Passive Income Earner Residence Permit
- Minimum income per month
- Start application before travelling to Portugal
- Two stage process – Entry Visa + Residence Permit
- Minimum stay requirements

Timetable





Timetable in 2020 (provisional)





Portuguese Citizenship

Second passport and a backup plan





Paths to citizenship

- Naturalization
 - Portuguese ancestry (1st, 2nd degree)
 - Marriage or civil partnership (3 years)
- Born in Portugal*
- Residence in Portugal
 - **Legal – Five years**
 - Illegal – Ten years
- Sephardic Jewish Ancestry
- Communities of Portuguese Ancestry





Benefits

- Multiple citizenships allowed
- No citizenship or wealth tax
- E.U. & Schengen area free access
- Access to 185 countries visa free
- Whitelisted jurisdiction





Taxes

Tax benefits for resident individuals



Tax residency in Portugal



- Qualifying criteria for tax residency
 - 183 days in Portugal; or
 - Hold a dwelling on any given day of the fiscal year.



Key aspects

- Special Income Tax Regime
- Eligibility: Nonresident for the last five years
- 10 years
- Lower rates for earned income
- Exemptions for foreign passive income



Tax benefits

- **A. Lower tax rates**

- High Value-Added Activities 20% or exempt
- Foreign pensions 10%

- **B. Exemptions** (foreign source income)

- Dividends
- Interest
- Royalties
- Rental Income
- Capital gains on the sale of real estate
- Salaries taxed at source





Income liable to tax

- Capital Gains on shares/bonds – 28%
- Capital Gains on the sale of Portuguese property
- Portuguese rental income
 - Long term – 28% / 26% / 14% / 10%
 - Short term – Half of income not taxable
- Portuguese earned income – Progressive rates or 20% (HVA)
- Tax havens without a Tax Treaty – 35%



Taxes on investments

Nont resident investors





Taxes at source

- Rental income – 28%
- Short term rental income – 25% on 35% of gross income
- Capital Gains on the sale of Portuguese real estate – 28%
- Dividends and interest – 28% (15%)
- Salaries and Self-employment income – 25%
- Tax Treaties with more than 70 countries.



Questions & Answers





**Gil Figueira
& Devillet Lima**
Advogados

Offices

**Rua Rodrigues Sampaio 97 – 4^o
1150-279 Lisboa - Portugal**

Tel.: +351 210 997 356

Te.: +351 210 200 076

Tel.: +1 646 760 56 61

E-mail: hello@gfdl.legal

Web: www.gfdl.legal

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