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Portugal 

A safe haven and a back up plan

Offshore Wealth Online Summit  
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[www.gfdl.legal](http://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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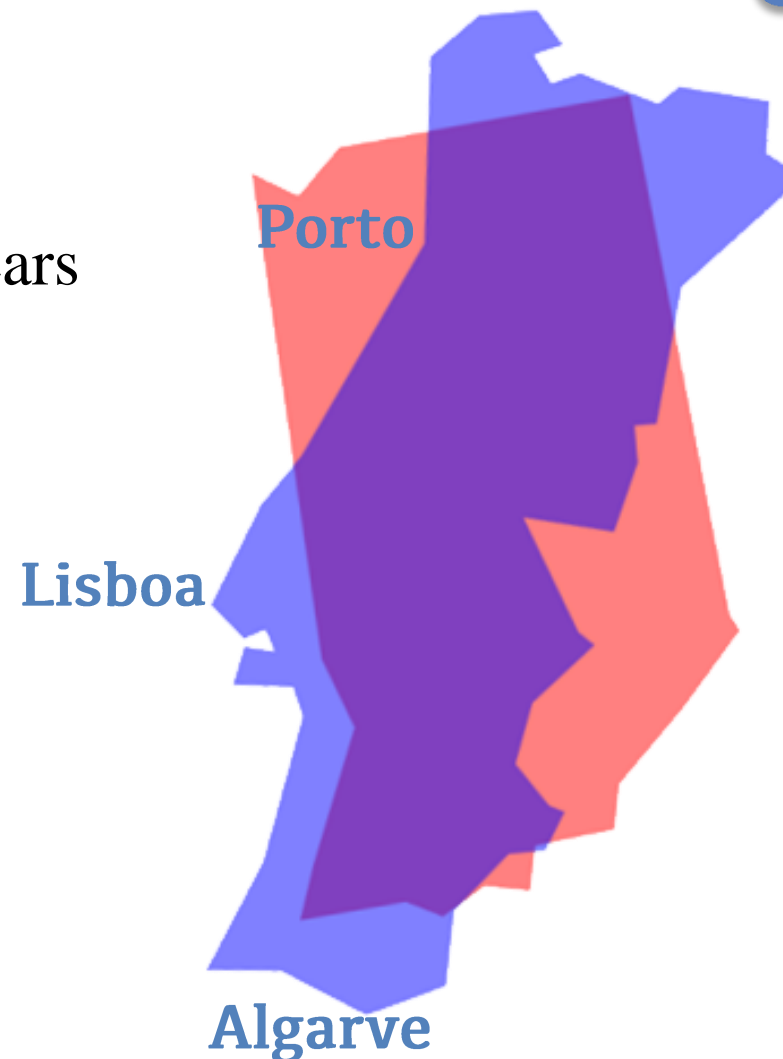
- Mediterranean climate
- Mild winters & warm summers
- Most sunshine hours in Europe
- Direct flights to America, Africa and Asia



# 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



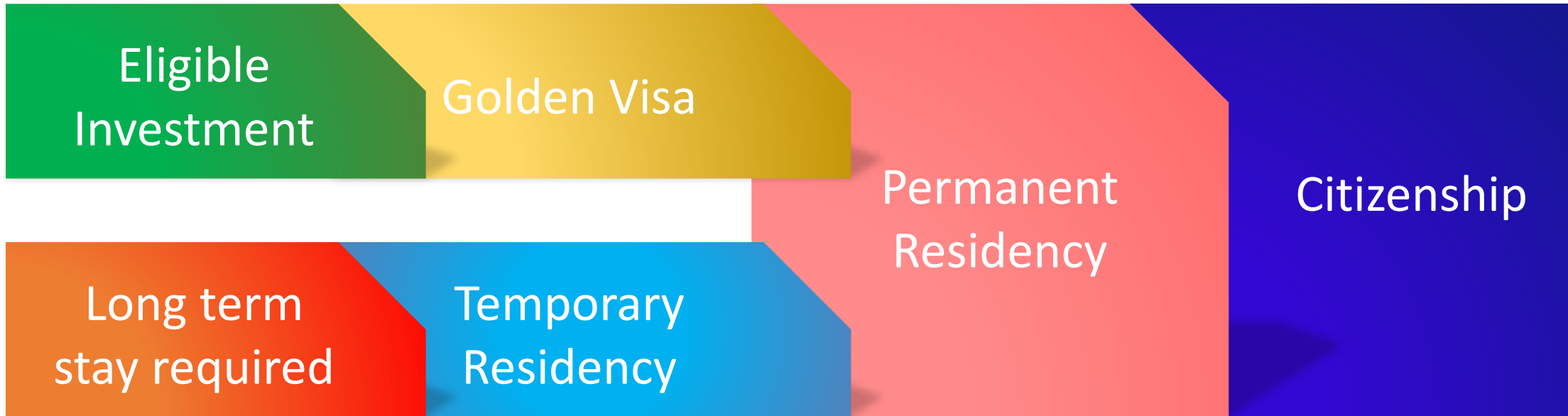


# Portugal: Backup Plan or Plan A

- 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 residency permit for non E.U. citizens
- Access to Schengen Area
- Low stay requirements
- Residency Permit & Citizenship
- 2021 vs 2022

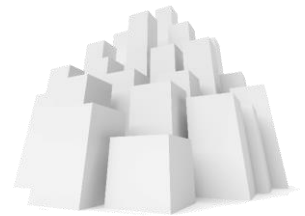






# GV Real Estate Investments

- Standard threshold – Euro 500,000
- Lower threshold – Euro 350,000 (> 30 years / urban rehabilitation)
- 20% discount for property in low density areas.
- Restrictions in 2022 - Eligibility restricted to the Azores and Madeira Autonomous Regions or inland districts, as per specific ordinances
- Investment in commercial property is not geographically limited.





# GV Business Investments

- Capital investment or transfer – 1m EUR (1.5m)
- Corporation – 350,000 (500,000) + 5 jobs (3 years)
- Creation of at least 10 jobs
- Investment or venture capital funds
  - Euro 350,000 (500,000)
  - Capitalization of SMEs + 60% Invested in PT





# GV Other Investments

- Funding scientific research – Euro 350,000 (500,000)
- Sponsorship – Euro 250,000
  - Art production or restoration of national cultural heritage



# 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.





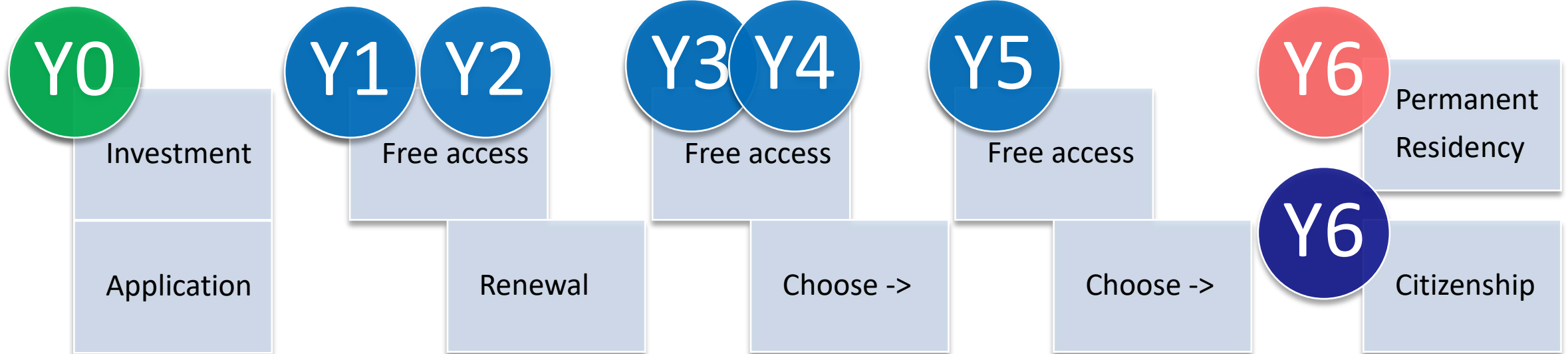


# The process

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



# Timetable GV







## B. Temporary Residence Permits

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



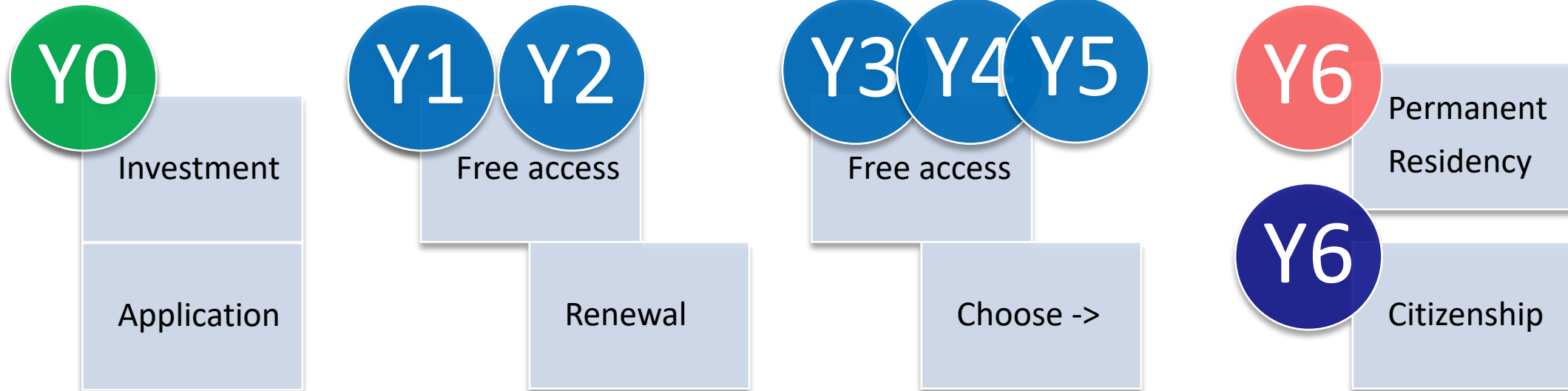
# The PIERP

- 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 PIERP





# Portuguese Citizenship

## Second passport and a backup plan





# Paths to citizenship

- Naturalization
  - Portuguese ancestry (1<sup>st</sup>, 2<sup>nd</sup> degree)
  - Marriage or civil partnership (3/6 years)
- Be born in Portugal (other requirements apply)
- 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.





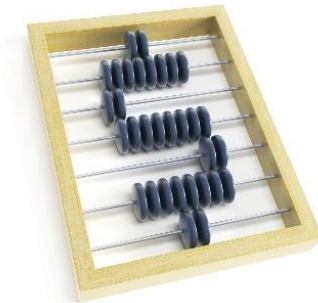
# Key aspects

- 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
- Cryptocurrencies?





# 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

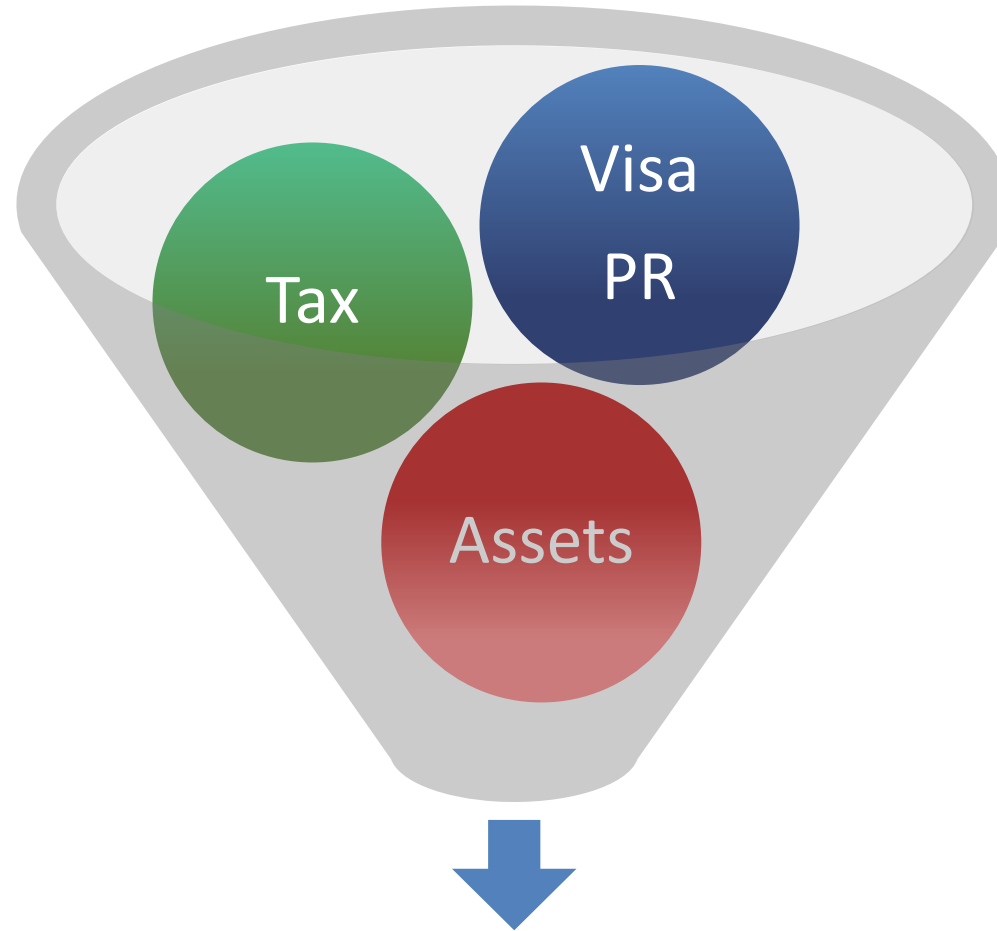
## Nont resident investors





# 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.



**Each case is worthy of a bespoke solution.**





# Questions & Answers







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