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PORTUGAL



TTN USA Conference

Portuguese Non Habitual Residents and the Golden Visa

Miami, 04th May 2018



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Non-Habitual
Residents?

Golden
Visa

NHR



NON HABITUAL
RESIDENTS

NON HABITUAL RESIDENTS **NHR**

- INTRODUCED IN 2009 AND ENHANCED IN 2011
- ATTRACT HIGHLY QUALIFIED NON-RESIDENT PROFESSIONALS AND HNWIS
- SIMILAR TO TAX HOLIDAY
- APPLICABLE FOR 10 YEARS
- IF NOT TAX RESIDENT IN PORTUGAL IN THE PRECEDING 5 YEARS
- THE INDIVIDUAL BECOMES TAX RESIDENT IN PORTUGAL



NHR TAX RESIDENCE RELEVANT CRITERIA

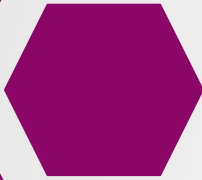
STAYING IN PORTUGAL FOR MORE THAN 183 DAYS,
CONSECUTIVE OR OTHERWISE, IN ANY 12-MONTH PERIOD
STARTING OR ENDING IN THE CALENDAR YEAR CONCERNED

OR

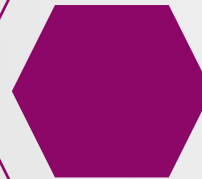
POSSESSING A HOME UNDER CIRCUMSTANCES WHICH IMPLY
THE INTENTION TO KEEP AND OCCUPY IT AS PERMANENT
RESIDENCE, ON ANY DAY DURING THE PERIOD MENTIONED
ABOVE



NHR ADVANTAGES






TAX **EXEMPTION** FOR FOREIGN SOURCED INCOME IF CERTAIN CONDITIONS ARE MET



REDUCED INCOME TAX RATE OF **20%** FOR CERTAIN CATEGORIES OF DOMESTIC INCOME



NHR INCOME SOURCED IN PORTUGAL

-  **20%** on employment and self-employment income, when derived from high value added activities performed in Portugal
-  **28%** special autonomous rate or withholding flat tax rate on interest, dividends and/or capital gains
-  **Other income** liable to tax according to the rules applicable to ordinary tax residents (progressive rates method)



NHR INCOME SOURCED ABROAD

EMPLOYMENT EXEMPT IF

It is **effectively taxed** in the source state, in accordance with the DTT between Portugal and such state

OR

In the absence of such agreement, if it is **taxed** in the source state and may not be deemed earned in Portugal in accordance with the rules set out in the Personal Income Tax (PIT) Code

SELF EMPLOYMENT EXEMPT IF

Potentially taxed in the source state, in accordance with the DTT between Portugal and such state

OR

In the absence of such agreement, if **potentially taxed** in the source state in accordance with the OECD model tax convention on income and on capital, and is not deemed to be earned in Portugal, and source state is not a tax haven



NHR INCOME SOURCED ABROAD

PENSIONS EXEMPT IF

Potentially taxed in the source state in accordance with a DTT between Portugal and such state.

OR

Pursuant to the rules in the PIT code, they are not deemed to be earned in Portugal.

PASSIVE INCOME EXEMPT IF


Potentially taxed in the source state, in accordance with the DTT between Portugal and such state

OR

In the absence of such agreement, if potentially taxed in the source state in accordance with the OECD model tax convention on income and on capital, and is not deemed to be earned in Portugal, and source state is not a tax haven



NHR HIGH VALUE ADDED ACTIVITIES



Doctors
Architects
Engineers
Senior managers
Tax consultants
University professors
Computer Programmers
Activities related with IT
Scientific research and development
Theatre, ballet, cinema, radio and television artists



NHR OTHER TAX ASPECTS

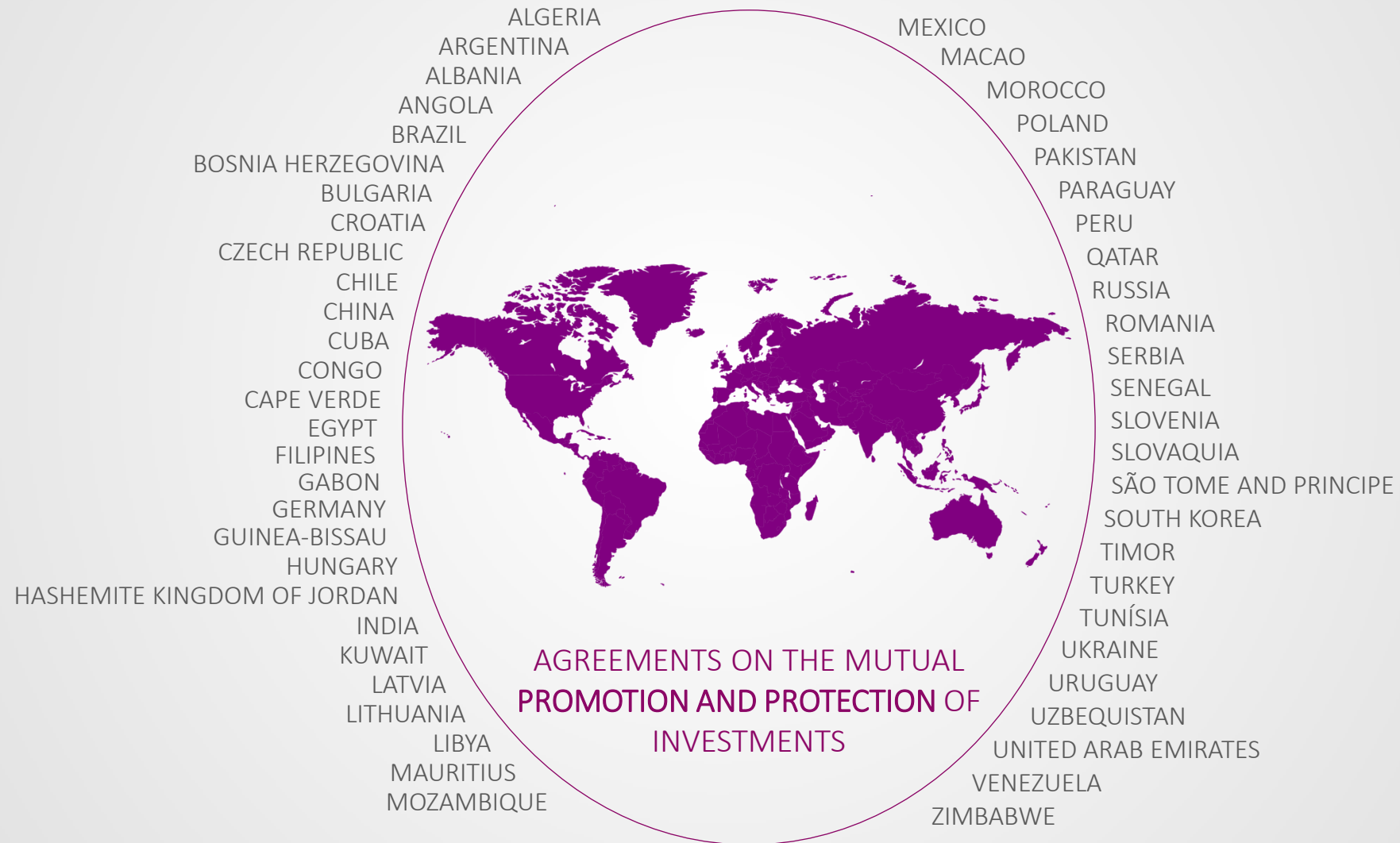
- NO WEALTH TAX
- CAN BE COMBINED WITH THE PORTUGUESE **GOLDEN VISA**
- **GIFTS AND INHERITANCES** ARE EXEMPT FROM STAMP DUTY BETWEEN ASCENDANTS, DESCENDANTS AND SPOUSES
- EU NATIONALS DO NOT REQUIRE ANY SPECIAL AUTHORIZATION FOR RESIDENCE, JUST A REGISTRATION AT THE MUNICIPALITY



DOUBLE TAXATION AGREEMENTS



PROTECTION OF INVESTMENTS AGREEMENTS



GV > GOLDEN
VISA

GOLDEN VISA FOR WHOM?

FOR PEOPLE WHO WISH TO
HAVE A RESIDENCE PERMIT IN
PORTUGAL AND TO CIRCULATE
FREELY WITHIN THE SCHENGEN
SPACE



GOLDEN VISA ADVANTAGES

POSSIBILITY OF
APPLYING FOR
PORTUGUESE
CITIZENSHIP, BY
NATURALIZATION

VISA EXEMPTION
FOR TRAVELLING
WITHIN THE
SCHENGEN AREA

FAMILY
REUNIFICATION

LIVING AND
WORKING IN
PORTUGAL

RESIDENCE VISA
WAIVER FOR
ENTERING
PORTUGAL

POSSIBILITY OF
APPLYING FOR
PERMANENT
RESIDENCE



GOLDEN RESIDENCE PERMIT

PROGRAMME(ARI) | data from the 08th of October 2012 to the 28th february 2018

5876

Residence permits
for pursuing investment activities
(ARI)

2012 - 2
2013 - 494
2014 - 1526
2015 - 766
2016 - 1414
2017 - 1351
2018 - 323

9861

Residence permits
to family members
(family reunification)

2013 - 576
2014 - 2395
2015 - 1322
2016 - 2344
2017 - 2678
2018 - 546

Total investment

3.601.816.556,15€

337.062.493,99€
by capital transfer

3.264.754.062,16€
by purchasing
a real estate property

Main Nationalities

China – 3709
Brazil – 507
South Africa – 234
Russia - 206
Turkey – 158

5553

ARI by
acquiring real estate
(5439 by article 65-A (1) (c)
and 114 by article 65-A (1)
(d)) Order 15-A/2015 of
September

314

ARI by
transferring capital

9

ARI by creating, at
least, 10 job positions



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MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS
DIRECÇÃO GERAL DOS ASSUNTOS CONSULARES E
DAS COMUNIDADES

Ministry of Foreign Affairs



aicep Portugal Global
Trade & Investment Agency

SEF SERVIÇO
DE ESTRANGEIROS
E FRONTEIRAS

Immigration and Borders Service

GOLDEN VISA INVESTMENT REQUIREMENTS

REAL ESTATE

PURCHASE OF **PROPERTY** WITH
A VALUE EQUAL TO OR ABOVE
€500,000

PURCHASE OF **PROPERTY**, WITH
CONSTRUCTION DATING BACK FOR
OVER 30 YEARS OR LOCATED IN
DESIGNATED URBAN RENEWAL
AREAS, INCLUDING THE COSTS OF THE
RENOVATION THEREOF, FOR A TOTAL
VALUE EQUAL TO OR ABOVE **€350.000**

This type of investment can be carried out, personally or through a Portuguese company



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GOLDEN VISA INVESTMENT REQUIREMENTS

CAPITAL TRANSFER

€ 250,000

Investment in artistic production or supporting the arts, for renovation or maintenance of the national cultural heritage, through the local and central authorities

€ 350,000

Investment in research activities conducted by public or private scientific research institutions that are part of the national scientific or technological system

€ 1,000,000

Investment of capital in a Portuguese company **OR** to purchase shares in the Portuguese Stock Market **OR** to be deposited into a bank account in Portugal

This type of investment can be carried out, personally or through a Portuguese company



GOLDEN VISA INVESTMENT REQUIREMENTS

JOB CREATION

Investment of **€350,000**, in the incorporation of a new Portuguese company combined with the creation of 5 permanent jobs **OR**, share capital investment in an existing company, with the creation or maintenance of a minimum of 5 permanent jobs (for a minimum period of 3 years), respectively.

CREATION OF A MINIMUM
OF **10 JOBS**

This type of investment can be carried out, personally or through a Portuguese company



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GOLDEN VISA INVESTMENT REQUIREMENTS

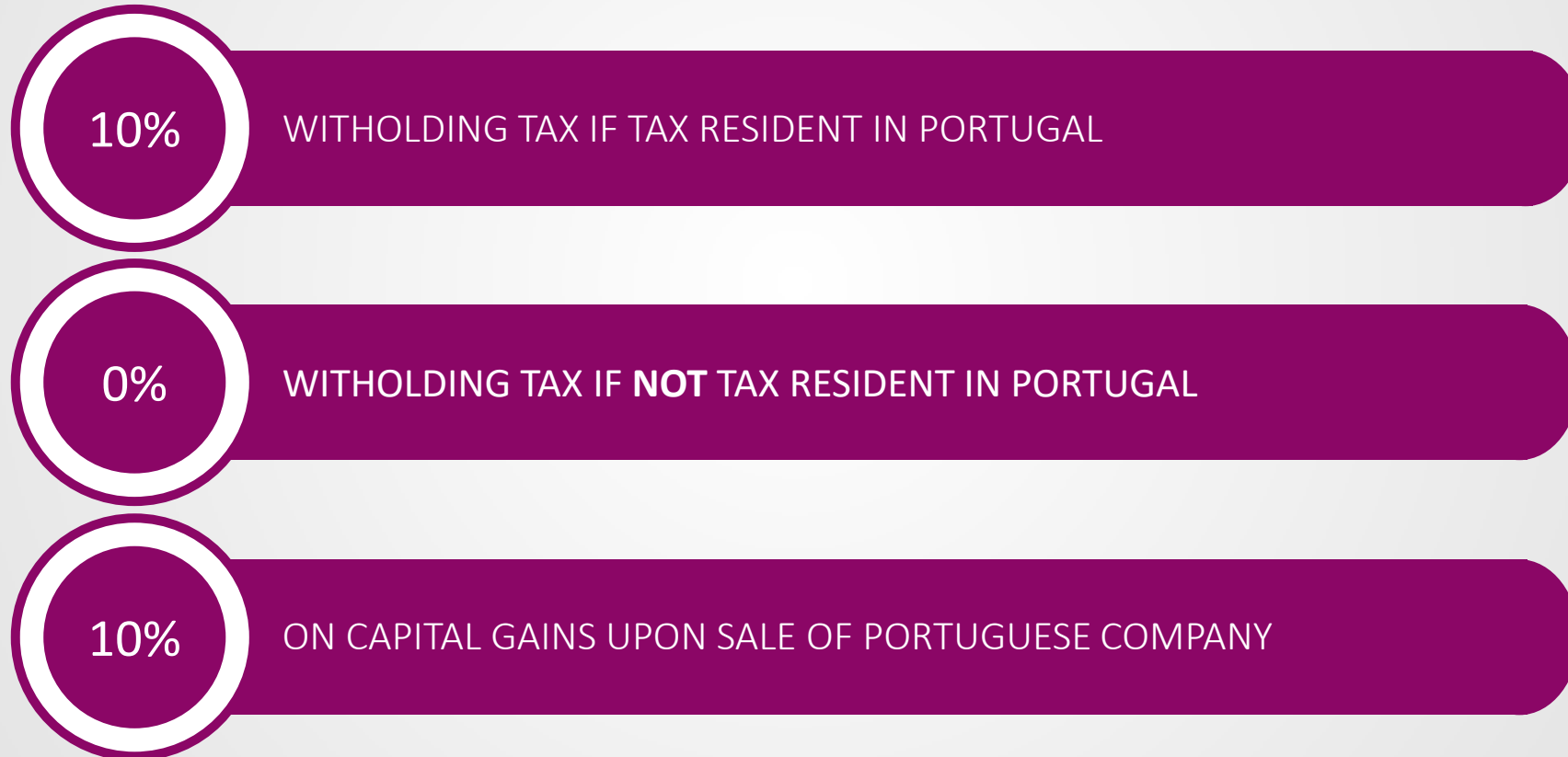
VENTURE CAPITAL FUNDS

€350,000, Acquisition of **Units of investment funds** or in **venture capital funds** aimed at capitalizing companies, whose maturity at the time of investment is of five years at least and, at least 60% of the investment is realized in commercial companies with head office in national territory

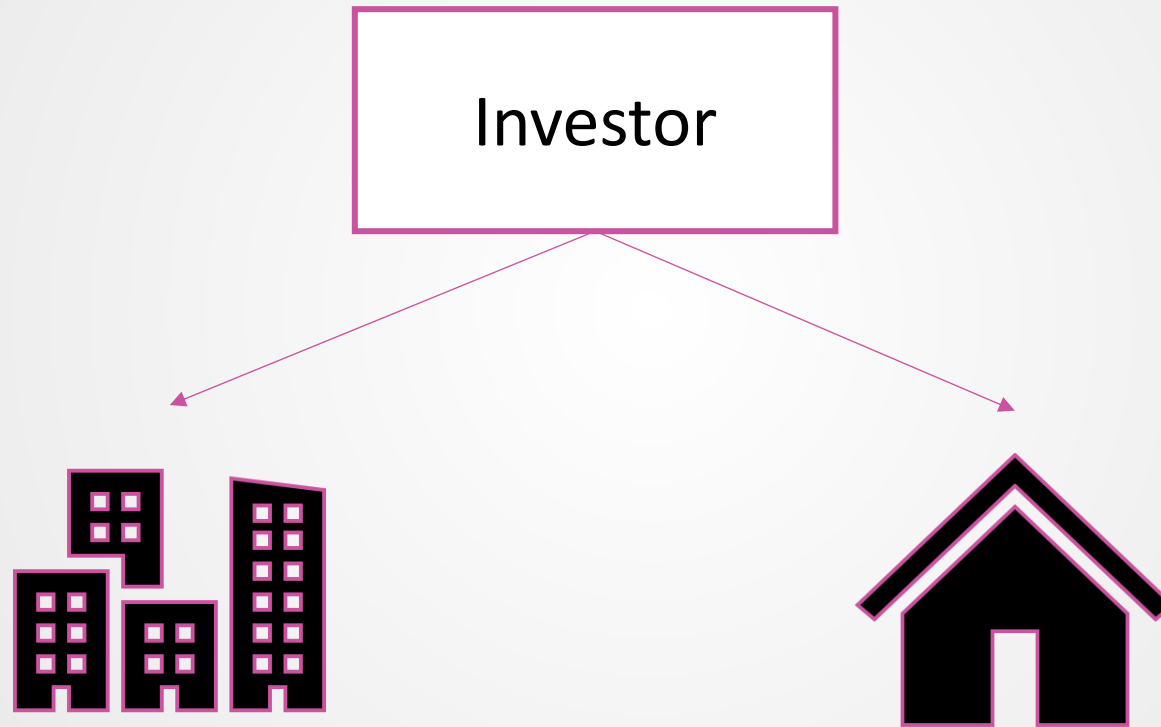


GOLDEN VISA INVESTMENT REQUIREMENTS

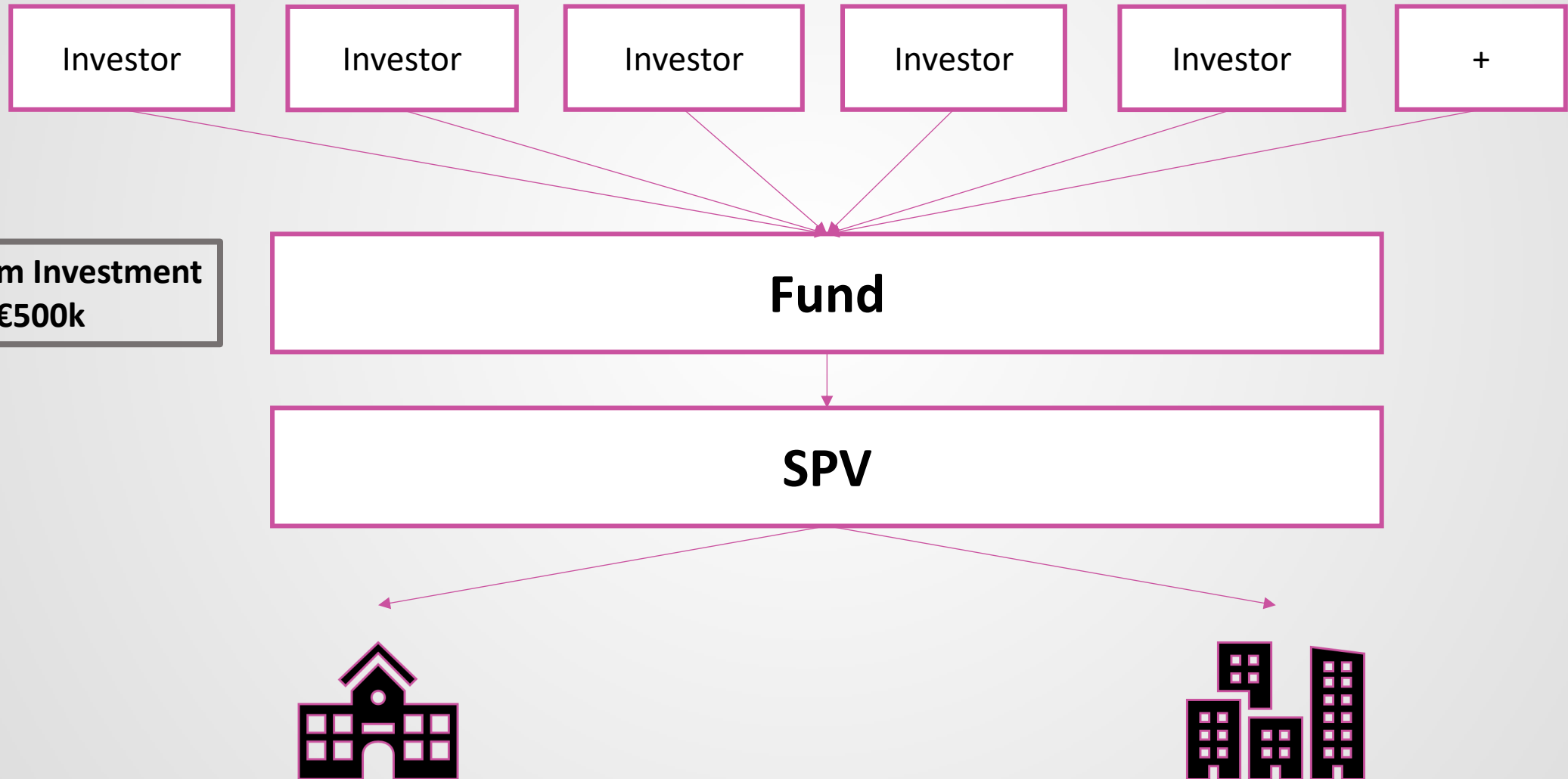
VENTURE CAPITAL FUNDS



GV €500k Investment in a Portuguese property



GV Portuguese Venture Capital Fund



GV Portuguese Venture Capital Fund



ALSO CALLED “PRIVATE EQUITY FUNDS, ARE AUTONOMOUS ASSETS, CHARACTERIZED BY THE NON-EXISTENCE OF A LEGAL FORM



USED TO FUND COMPANY’S FINANCIAL NEEDS



THE MANAGING COMPANY WILL ASSUME ITS TAX REPRESENTATION



GV Portuguese Venture Capital Fund - Taxation



WITHHOLDING TAX:

- If tax residents in Portugal – 10%
- If tax residents outside of Portugal – 0%



CORPORATE INCOME TAX

- Exempt when established and operating under national legislation



CAPITAL GAINS

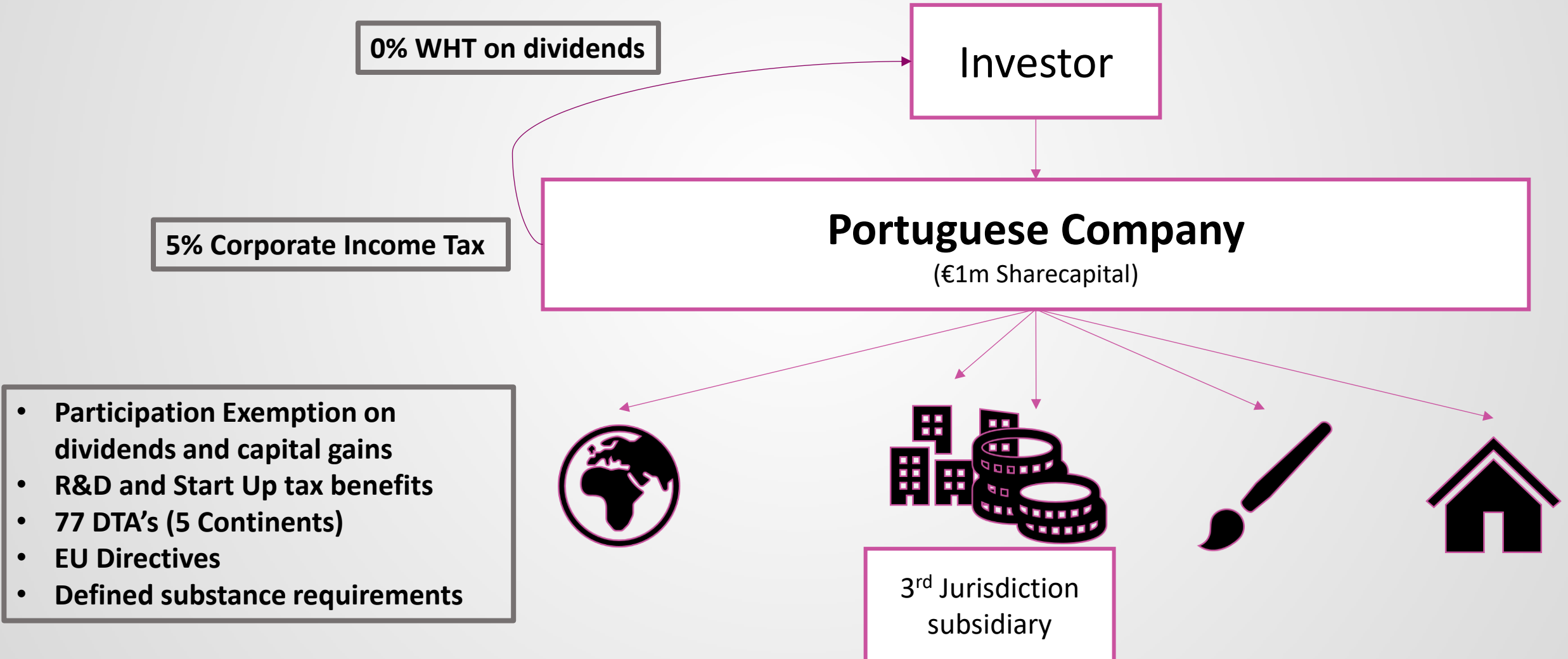
- Capital gains derived from the sale of participation units are taxed at a 10% rate





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GV €1m Investment in a Portuguese (Madeira) company



GOLDEN VISA DURATION OF THE RESIDENCE PERMIT

7

7 DAYS IN THE FIRST YEAR

14

14 DAYS IN THE SUBSEQUENT PERIOD OF TWO YEARS
(5 IN YEARS TOTAL) – i.e. average 7 days per year



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GOLDEN VISA DURATION OF THE RESIDENCE PERMIT



THE INVESTMENT MUST BE KEPT FOR THE PERIOD OF **5 YEARS**

AFTER THE **6TH YEAR** THE INVESTOR CAN APPLY FOR CITIZENSHIP AND IF GRANTED OBTAIN A **PORTUGUESE / E.U. PASSPORT**





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THANK YOU

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www.dixcart.com