

# AMENDMENTS TO THE PORTUGUESE GOLDEN VISA PROGRAM AND THE IMPACT OF THE CURRENT PANDEMIC

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*Changes to Portugal's program are set to start Jan. 1, 2022. Learn what and where investments can be made.*



**T**he Portuguese Golden Visa program was recently amended due to political pressures. However, contrary to what had been enunciated by the Portuguese government, these amendments will only be in force on Jan.1, 2022, which means that, until then, the existing rules and requirements continue to be applicable to all investors.

The amendments to the Golden Visa program are focused on two main aspects: increase the minimum amounts of investment of certain investment options and define the specific areas where some real estate investments can be performed.

## UPDATES TO THE PORTUGUESE GOLDEN VISA PROGRAM IN 2022

Amongst the most relevant amendments, we highlight the following investment options:

1. Transfer of funds to Portugal in an amount equal to or above 1.5 million euros - previously, that amount was 1 million.
2. Transfer of funds in an amount of, at least, 500,000 euros (previously, 350,000 euros) for the acquisition of participation units in investment funds or venture capital funds aiming to the capitalization of companies,



incorporated according to Portuguese law, whose maturity, at the time of the investment, is of, at least, five years and, at least 60% of the value of the investments is carried out in commercial companies based in Portugal.

3. Transfer of funds in an amount of, at least, 500,000 euros (previously, 350,000) for the incorporation of a commercial company with registered address in Portugal, together with the creation of five permanent jobs, or to reinforce the share capital of an existing commercial company with registered address in Portugal, with the creation or maintenance of a minimum of five permanent jobs and for a minimum period of 3 years.

For the acquisition of real estate properties, the investment amounts were not increased, having the investment to be of, at least, 500,000 or, at least, 350,000 if the construction was completed, at least 30 years ago or is located within an urban rehabilitation area and rehabilitation works will be performed. However, after Jan. 1, 2022, the Golden Visa will only be granted for housing purposes if the real estate asset is located within the Autonomous Regions of Azores or Madeira or in less densely populated areas, listed and identified in specific legislation.

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## INVESTMENTS IN ALLOWED GEOGRAPHICAL LOCATIONS IN PORTUGAL

Despite the aforementioned future investment restrictions for housing purposes, some less densely populated areas near the sea will remain eligible for the Golden Visa.

Even though these amendments have the purpose to promote investments in less densely populated areas, which can be less attractive, from an investment perspective, we consider that the Portuguese Golden Visa program will continue to attract investors, as there will be other, less expensive, investment options. Since properties located in less densely populated areas can be considerably cheaper and less attractive, fund investment options may become more attractive from now onwards.

The acquisition of real estate not intended for housing purposes will continue to be eligible for the Golden Visa program, regardless of the location of the real estate property (namely Lisbon and Porto).

The recent amendments to the Golden Visa Regime do not prevent the possibility to renew existing applications according to current rules and requirements. Similarly, the amendments do not prevent the possibility to grant or renew

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residence permits for family reunion whenever the Golden Visa was granted according to the legal regime in force until Jan. 1, 2022.

### THE IMPACT OF COVID ON PORTUGAL'S GOLDEN VISA

The COVID-19 pandemic has had a big social and economic impact in Portugal. Additionally, Portugal, as well as many other countries worldwide, implemented unprecedented border controls and travel restrictions, with a huge impact on international mobility.

These restrictive measures have been varying, with different levels of severity, since the beginning of the pandemic, including entry prohibitions for people from certain countries considered to be at a greater risk of infection, like Brazil and the UK. After the increase of COVID-19 cases after last

Christmas holidays, the Portuguese Government banned entry to non-Portuguese or EU citizens or residents, with few exceptions such as humanitarian flights.

In addition to the impact directly felt in the migration processes, the Portuguese Foreigners and Borders Control services – SEF – have been suspended and several appointments rescheduled due to the pandemic.

With the recent reductions of the number of new daily cases of those infected with COVID-19 in Portugal, and the consequent reduction in the number of hospital patients, as well as in the occupancy rate of intensive care units, the Portuguese Government has decided to create a step-by-step strategy for the lifting of some restrictive measures and an agenda with deconfinement phases.

The purpose of this agenda is to gradually open the Portuguese economy and, at the same time, to avoid the increase of COVID-19 cases, in order to guarantee that people will be able to travel to Portugal.



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