

Golden Visa Fund Portugal \ The Complete Guide



LINCE Capital

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What are Golden Visas

Golden Visa programs are a mechanism through which countries attract injections of foreign capital (as well as valuable human capital) by **providing the right of residence & citizenship to the investors in exchange.**

Also known as ‘golden passports’ and ‘citizenship by investment’, these schemes can be traced as far back as the 1980s. One of the most popular programs in the world though only started in Portugal in 2012. As a response to the challenging circumstances of the 2008 economic crash, the Portuguese government tried to experiment with new policies to **attract more foreign direct investment and business people.**

Given the attractive conditions of the program, as well as the significant benefits of being a resident of Portugal, [the program has managed to raise more than €5 billion while providing visas to over 8500 investors](#) (and 15,000 of their family members).

The officially titled ‘**Residence Permit for Investment Activity**’ (ARI) has proved to be highly popular with non-EU citizens due to the low barriers to entry and high reward of European Union residency in a very desirable destination that consistently offers high rates of returns on investments. The program has also remained popular with the government of Portugal, having been introduced by a conservative ruling party and then expanded by a socialist coalition.

Portugal Golden Visa Programme

Portugal's Golden Visa Program is enduringly popular with participants and the government due to the low levels of complexity and high levels of reward on offer. The rules of eligibility and application are clear, the process transparent and speedy, and of course the benefits are striking.

Qualifying for the Portugal Golden Visa

In order to qualify for a Portugal Golden Visa as a non-EU citizen you must either make an investment in Portugal, make a capital transfer, purchase a company or create jobs. These investments need to be made before you apply for the visa.

- **Invest €500,000 in an investment fund:** These must be qualifying funds as regulated by the Portuguese Securities Market Commission (CMVM);
- **Purchase residential properties worth €500,000:** Properties in Porto, Lisbon and the Algarve no longer qualify. If your properties are in a low-density area or if you are investing in a rehabilitation project, then the value of these properties must be worth at least €350,000;



- **Purchase commercial properties worth €500,000:** You can buy commercial real estate anywhere in the country. If the commercial property is in a low-density area or if you are investing in a rehabilitation project, then the value of these properties must be worth at least €350,000;

- Purchase company shares, invest in a company or make a capital transfer totalling at least €1,500,000;
- Create at least 10 jobs for Portuguese nationals, investing a minimum value of €500.000: This means being able to offer full-time contracts to people enrolled in the Portuguese Social Security systems;
- Make a capital transfer of at least €500,000 to scientific research institutions or €250,000 to arts or national heritage institutions.



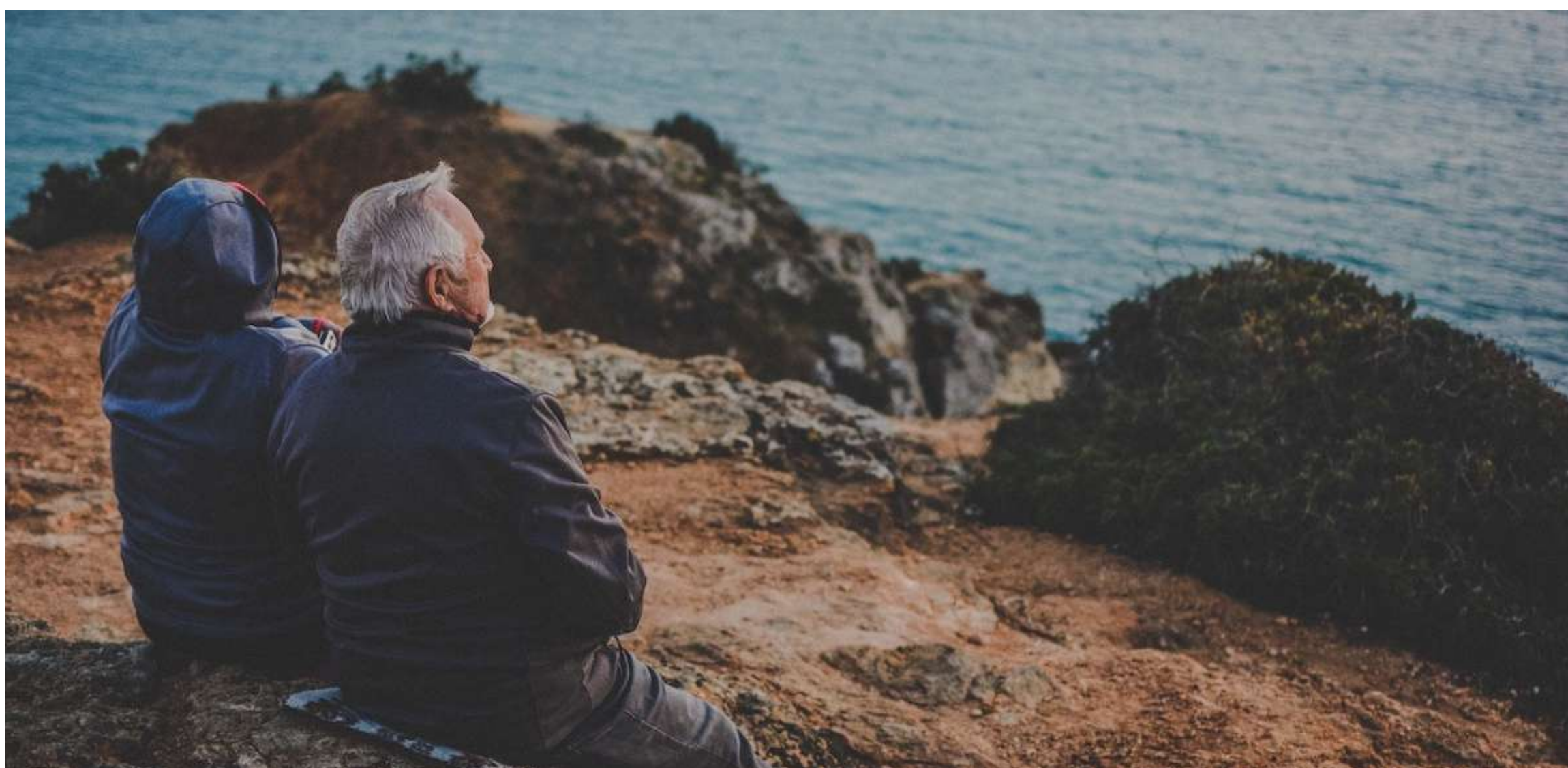
Applying for a Portugal Golden Visa

So long as you are over 18, are a non-EU national and own the money you plan to invest, then the process of applying for a Portugal golden visa is also straightforward. Make your investment, pre-register through [SEFs online platform](#), [submit all the relevant documents](#) and deliver the biometric information, and then pay the relevant fees once approved.

One of the great advantages of the Portuguese Golden Visa process is that you can also **include children and spouses automatically**, while parents and children can be included with proof that they remain dependent on you.

Maintaining a Portugal Golden Visa

Once you have your hands on a Portugal Golden Visa, you are on a well-trodden **5-year path to permanent residence**. The initial visa will last for a year, at which point you only need to make sure to:



- **Renew the visa in two-year intervals**, at 50% of the original application fee (€2663);
- Spend a minimum of just **7 days per year in Portugal** in the first year, and then 14 days in two year cycles;
- Keep a **clean criminal record**;
- **Maintain private medical insurance** (although your family member will have full access to the Portuguese public health system);
- Maintain the **same level of investment** in the first year;
- Maintain the same level of investment **every 2 years after**.

Benefits of the Portugal Golden Visa

The principal reason for the immense popularity of the Portuguese Golden Visa is that there are clear benefits to both being a resident of Portugal and also investing in a vibrant EU economy.

- Residency permit allows you to work and live in Portugal, with the possibility of **full residency or Portuguese citizenship in just 5 years**;
- [Visa waiver travel](#) throughout the **27 country Schengen Area of the European Union**;
- A minimum stay requirement of **7 days per year** gives people the flexibility to run their businesses around the world;
- There is a strong possibility to capitalize on your investment and see **substantial returns**.



**Portugal
Golden Visa:
What are
the
benefits?**

The benefits of Portugal's Golden Visa go beyond ease of application and Schengen free travel. There are other strong reasons to consider making investments, running your business or raising a family in Portugal.

Investor Benefits

When investing potentially over €3,000,000 in Portugal's Golden Visa program, it's important to know that your money is well looked after. As an investor, there are various benefits to the program that Portugal offers:

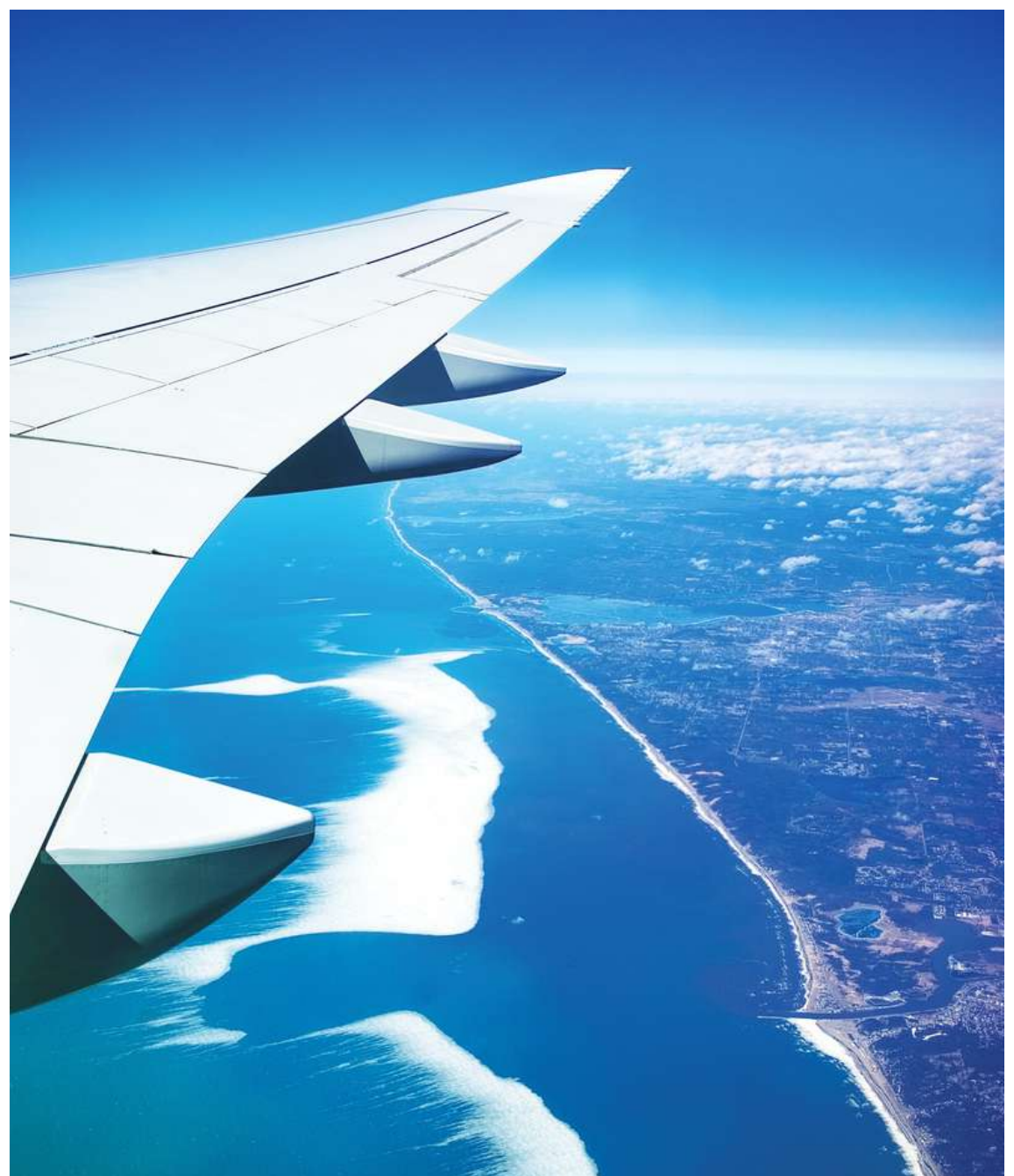


- There are no taxes on income for the **first ten years of residency**, and investors who obtain Non-habitual Tax Residency status will only pay 28% tax on income derived in Portugal. You will only be taxed on worldwide income if you are resident in the country for more than 183 days per year;
- Inheritance tax is set to 0%, property tax is between 0.3-0.8% and [capital gains tax is only 28%](#), which translates as a **very light tax burden** for Portugal Golden Visa investors;
- [Portugal has a vibrant economy within the European Union](#), meaning that the **potential for high returns** when capitalizing on your investment is greater than in other schemes.

Lifestyle Benefits

Portugal is a well developed and safe society, where most people speak English and with well over **300 days of sunshine a year**. With this in mind, the Golden Visa Portugal program offers fantastic associated benefits for people who intend to take full advantage of the residency benefits.

- [Low costs of living](#) with great beaches and cosmopolitan cities;
- Families of investors get full access to **Portugal's health, education and public services**;
- **Visa-free travel** to all countries in the Schengen area;
- Citizens can relocate and move to any EU country of their choosing once they have **full citizenship in 5 years**.



**Who may
apply for a
Portuguese
Golden
Visa?**

In order to apply for a Portuguese Golden Visa you need to be a **non-EU, EEA or Swiss national**. Although historically this program has been popular with Chinese and Brazilian investors, nationals from the US are becoming more interested in the program owing to the **tax benefits of investing in property and funds abroad**. Likewise, following Brexit, UK nationals are now also exploring the program.

Provided you also are **over the age of 18**, have a clean criminal record and do not have to borrow the funds needed for investments from any Portuguese bank or lending institution, then you are entirely eligible to apply for the Portuguese Golden Visa.



**Golden Visa
Portugal
Investment
options**

There are a **variety of Golden Visa Portugal Investment options available**. While all set you on a 5-year path to Portuguese and European Permanent Residency and Citizenship, they provide applicants with different levels of risk, investment and return. There are 8 principal ways to invest in Portugal, ranging from real estate purchases to Investment Fund Golden Visa.

1 - Investment in a Private Equity Fund for €500,000

The Portuguese Golden Investment Fund Visa option allows for investors to **use private equity fund instruments to qualify for residency**. Provided the fund is approved for the program by the CMVM, the fund isn't capitalized within 5 years and that at least 60% of the investments have their headquarters based in Portugal, then such an investment makes investors eligible for the Portugal Golden Visa. Companies like [Lince Capital](#) are experts in managing such funds for hand-off investors who need to know that their investments will comply with the necessary rules.



2 - Capital Investment of €1,500,000.

The lifetime figure for capital transfer investors since the program's creation stands at 565, reflecting the high initial outlay required for this particular method. In essence, investors for this route are asked to **transfer €1,500,000 into a Portuguese bank account** (or approved investment option like a Portuguese Public Debt Instrument), with associated top-ups with each visa renewal.



3 - Real Estate Purchases for €500,000 (Excluding Porto, Lisbon and the Algarve Coast after Jan 2022 for residential properties)

Real estate investments were once the main option for people applying for Portugal's Golden Visa, but following a surge in prices in Lisbon, Porto and the Algarve, residential real estate will no longer qualify for a Golden Visa in these areas.

This is to encourage investors to look outside well developed urban areas, but as a consequence, more investors are looking to investment funds to increase the likelihood of a return when they capitalise on their investment. Nevertheless, commercial real estate, including hotels and certain types of tourist apartments, still qualifies for a Golden Visa wherever it is located in Portugal.

4 - Real Estate Development for €350,000

A variation of the Real Estate Purchase option is to instead invest in residential properties that are either **older than 30 years old or are based in an area of urban regeneration**. In order to encourage more development outside of Portugal's more prosperous zones, and to have older buildings revitalised, investors are able to include the costs of renovation with the original purchase price in order to meet this threshold.

5 - Investment or capital transfer in Science or Technology Research Institutions for €500,000

Approved public or private entities who are part of the national scientific or technological system **can also qualify investors for a visa**. If investors make a transfer capital of €500,000 (reduced by 20% in areas with less than 100 inhabitants per km²) to investigative programs, then they too can apply for a Portuguese Golden Visa.

6 - Donation in support of Artistic Productions or in the Recovery and/or Maintenance of National Cultural Heritage for €250,000

A capital transfer of €250,000 in support of **preserving Portuguese heritage or supporting Portuguese Arts** (reduced by 20% in low-density areas) can also qualify you for a Portuguese Golden Visa. This option requires the lowest outlay, but of course the scope for capitalisation at the end of the 5 year period is significantly minimised.

7 - Create Ten Jobs for Portuguese Nationals

One of the key attractions of the Portugal Golden Visa Program is that investors are only required to spend **7 days per year in the country**. As such, the option to gain a visa by creating 10 jobs is usually under-utilised as it generally requires an investor to spend more time and effort in managing a workforce. For people who want a visa in order to expand their business in the EU though, this could represent an attractive option. Provided your corporate entity can provide 10 work contracts to people enrolled with the Portuguese Social Security system (a number reduced to 5 in low-density areas), then you can qualify through this route.



8 - Corporate Investment for €350,000 and Create 5 Jobs for Portuguese Nationals

This option combines **job creation with capital transfers**. Either you can create a brand new company that creates 5 jobs, or you can invest in an existing entity while also safeguarding 5 positions for a minimum of 3 years.

**What is a
qualified
Golden Visa
Portugal
Investment
Fund**

Property and real estate investments have traditionally been the most popular option for Portugal golden visa applicants. However, as the government puts stringent rules on where and which types of property are available, **people are increasingly looking for the lower cost investment fund option.**

Not just any fund will do though. A **qualified Portugal golden visa fund** needs to be what is locally known as a “fundo de capital de risco” (Private Equity/Venture Capital Fund). These have a few rules to be eligible, so it’s important to make sure you invest in the right instrument.

- The maturity of the point of investment **needs to be at least 5 years;**
- 60% of the investments need to be in **companies with head offices in Portugal;**
- No asset, company or equity can account for more than **1/3 of the portfolio;**
- It can’t guarantee a **stable dividend;**
- It needs to be compliant with the Portuguese Securities Market Commission and be **regularly audited by a third party.**

Although the rules are a bit more complex than the other options, the total and initial amounts needed to be invested are **substantially smaller than the other routes to obtaining a visa.** If you can find a trusted fund manager, like Lince Capital, then they can walk you the minutiae of complying with the rules, while also helping you to **maximise potential returns on your investment** when you have obtained your permanent residency.

**Why invest
with Lince
Capital?**

[Lince Capital](#) is an ideal partner for anyone wishing to pursue an Investment Fund Golden Visa. Our investment funds not only qualify you for a Portuguese Golden Visa but are **specifically designed to return the highest possible return** within the rules of the program.

Drawing on [over 40 years of experience](#), our expert team at Lince Capital is trusted by over 240 people to manage over **100 million euros of subscribed Capital**. As a premier Portuguese Private Equity and Venture Capital fund management company, Lince Capital is **fully regulated by the Portuguese Securities Market Commission (CMVM)**.



[Lince Capital manages several funds](#) that qualify investors for Portuguese investment fund golden visas. These require a lower initial outlay than required when compared to other investment routes, such as real estate or capital transfer option while offering a **more consistent capitalisation option**.

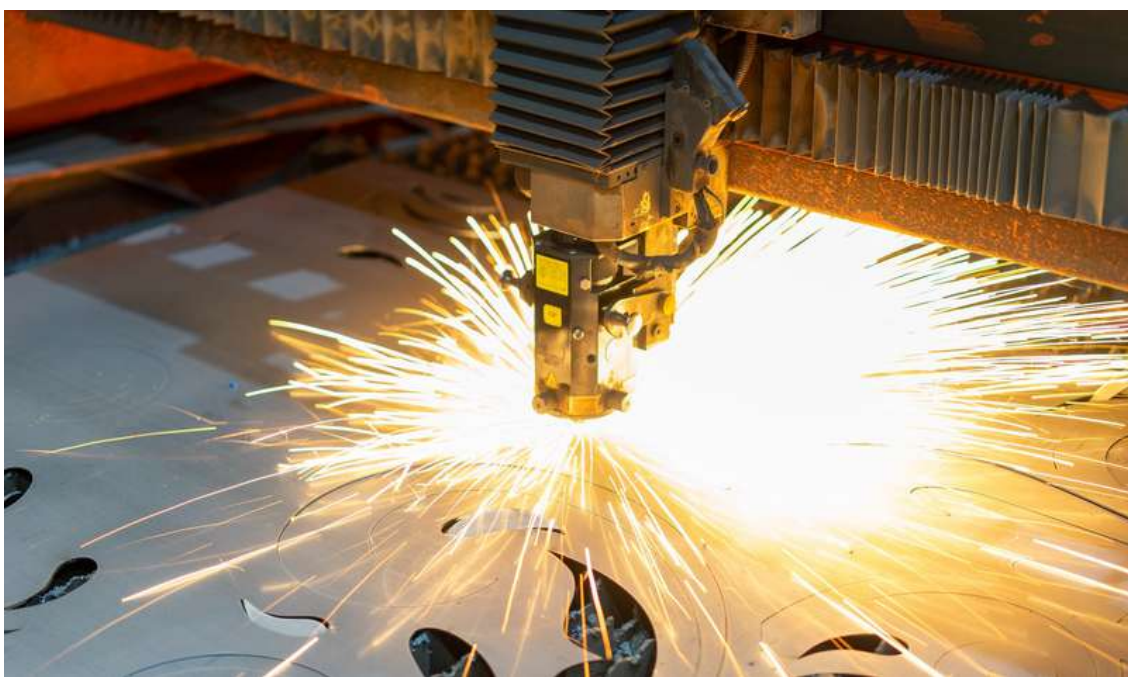
Additionally, these funds are subject to **rigorous oversight from Portuguese authorities** like the CMVM; the Bank of Portugal, and the Portuguese Tax authority. At the same time, for non-tax residents, there is a high possibility for tax exemption status, leading to a higher level of tax efficiency.

**Lince
Golden Visa
Qualified
Funds**

Lince's funds are diversified, have consistent potential yields and are fully managed, meaning that investors can take a **hands-off approach with almost no risk**. As experts in securing Portugal Golden Visas through the Investment Fund option, we can carefully navigate you through the process. **Depending on your investor profile, Lince has two standout funds to consider which are still open to subscription.**

Lince Innovation Fund

The Lince Innovation Fund is focused on research and development projects across a wide range of sectors such as health, IT and industrial. **The minimum investment in this fund is €100,000 and the term lasts for 8 years.**



Lince Navigator II

Lince Navigator II is exclusively focused on real estate development projects in the high-value central Lisbon area. **The minimum investment for this fund is €100,000 and the term lasts for 7 years.**

**2022
Golden Visa
changes in
Portugal**

From 1 Jan 2022, there were some **changes to the Portuguese Golden Visa program** that you should be aware of:

- The minimum investment for investment funds **will rise to €500,000**;
- The threshold investments for investing in science and technology, as well as capital transfers, will **increase to €500,000 and €1.5M respectively**;
- Given the huge demand for property in Portugal's major cities, there will be substantial restrictions in the qualifying investment zones. Also from 1 Jan 2022, you **won't be able to invest in residential property in Lisbon, Porto and the Algarve coast** and still be eligible for a Portugal Golden Visa. Commercial real estate, however, including hotels and certain types of tourist apartments, still qualifies for a Golden Visa wherever it is located in Portugal.



Golden Visa Portugal Process and Costs

As long as you are over 18, are a non-EU national and own the money you plan to invest, then the process of applying for a Portugal golden visa is also straightforward.



- Execute your investment and make sure all the **completed activities are properly registered;**
- Pre-register for the process by submitting your documents through [SEFs online platform](#). The process to be pre-approved takes 1 month and will cost **€533,90 for the investor** as well as **€83,30 for each family member included;**
- Apply formally by booking an appointment with SEF to submit all the relevant documents and deliver the biometric information of yourself and your family members. **You can expect this process to take no longer than a month too;**
- SEF will approve your decision within 3 months at which point you will have to pay **€5336,4 per person and family member.**

Once approved your visa will **last for 1 year** at which point you will need to renew it in two-year intervals. Each renewal is at 50% of the original fee.

FAQs about Golden Visa Portugal Program

Do I need to speak Portuguese?

For the application process, all documents need to be in either Portuguese or English. But as an applicant, you will only be **tested on your personal level of Portuguese when you apply for permanent residency or citizenship**. It should be noted that the level of Portuguese required in these exams is minimal.

Do I need to register with Portuguese Social Security?

No, unless you wish to **use public services like SNS**.

Do I have to pay taxes?

One of the great advantages of the Portuguese golden visa program is the **minimal tax burden**. Unless you spend more than 183 days a year in Portugal you won't become a tax resident there, and if you do you can become a non-habitual tax resident and not be obligated to pay tax for 10 years.

Can I do the process remotely?

The initial application can be made online, but after this, you will need to travel to Portugal to **deliver biometric information**.

Has Covid affected the processing times for visas?

The average processing time during Covid has extended from 9 months on average.

Do all investments have to be made as an individual?

No. Investments can be made **through legal entities** provided you are the sole owner and it is based in the EU.



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If you would like more
information about
Golden Visas or would
like to explore how to
invest in Portugal,
please feel free to
[contact us.](#)

www.lince-capital.com