

Why India is in top 5 nations globally to obtain Portugal Golden visa in 2022

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For the first time, India has emerged as one of the top four nations to obtain the Portugal Golden Visa in 2022, an investor visa programme that benefits individuals and families, providing them the right to live, work, study, and/or retire in Portugal and the European Union.

Top 5 Nationalities to Receive the Portugal Golden Visa in 2022



United States



China



Brazil



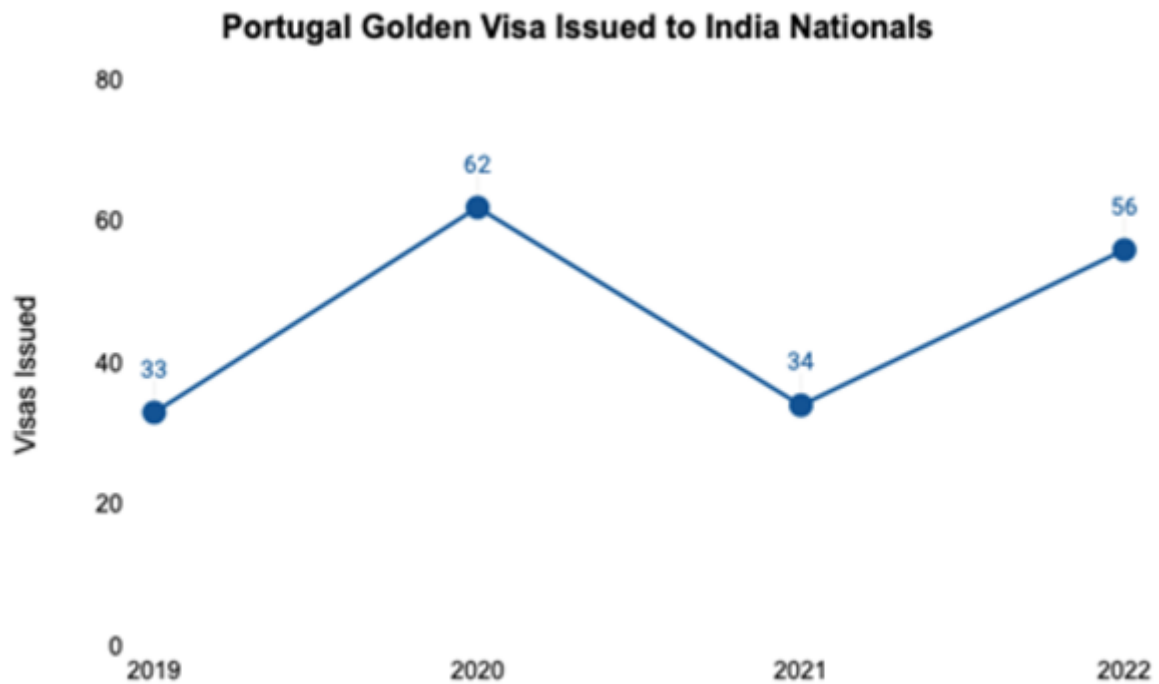
India



United Kingdom

Since the program's inception in 2012, more than 130 visas have been issued to Indian nationals. The Portuguese Golden Visa Residence Permit (ARI) is a residency by investment program designed to encourage investment in Portugal from non-EU/EEA citizens. It provides a quick way to get a residence permit in Portugal.

India has risen in the ranks among successful applicants for the Portugal Golden Visa, climbing to 4th place in 2022 from 5th place in 2021 and 9th place in 2020. From just 33 visas in 2019, the number of ultra-rich Indians who have opted for the programme has jumped to 56 in 2022, shows data analysed by LCR Capital Partners - a global private investment and advisory services firm . These ultra-high net worth individuals have shelled out anywhere between Euro 350,000 and Euro 600,000 in the last year to invest in apartments in Lisbon suburbs or in less expensive locations to obtain residency permits.



Such visas were most commonly issued to Indian nationals to allow them to perform professional activities (78.9%) and to reunify their families (14.2%).

In order to qualify for Portugal's Golden Visa, a qualifying investment has to be made. Investment categories include real estate, venture capital fund, transfer of capital, company formation, and donation.

"The Portugal Golden Residence Permit Program is in high demand, enjoying top spot on Henley & Partners' Global Residence Programs Index in 2022. With a minimum contribution of 200,000 euros in three to six months you can acquire residence rights in Portugal and visa-free access to Europe's Schengen Area," said Nirbhay Handa, managing director and head of global South Asia Team, Henley & Partners.

The program also has a real estate option, where a minimum 350,000 euros property investment has the additional advantage of enhancing your options for relocation or retirement (or both). After five years of residence, you are eligible to apply for citizenship of this EU country," he said.

Why are Indians opting for this visa?

Tax Reliefs

One other reasons why people from India prefer to live in Portugal is the tax relief.

Portugal offers many tax breaks for expats. For example, for expat homeowners, there is no taxation on wealth tax, inheritance tax, or gift tax.

Portugal has also signed a Double Taxation Agreement (DTA) with more than 60 countries. Algeria, United Arab Emirates, India, Israel, Kuwait, Morocco, Pakistan, Qatar, Tunisia, and Turkey are among them. You can benefit from the agreement at both individual and corporate levels. Basically, if you pay taxes for your foreign income in your country of origin, then you won't pay the same tax in Portugal. However, you need to prove to the Portuguese authorities that you are already paying taxes in the other country.

Residency:

The Portugal Golden Visa has granted 10,515 residency permits since its introduction in

2012. It's a residency by investment scheme that presents investors with residency rights in the country either through property acquisition or other investment routes. In addition, the residency permit is issued in less than 10 months after visa application. The fastrack visa for non-European Union nationals mandates a minimum investment of around Rs 4.35 crore in real estate, making a capital investment or creating employment opportunities.

"Portugal Golden Visa seems to be more attractive to rich Indians in comparison to the Dubai Golden Visa as the climatic conditions are much better in Portugal. Further the Portugal Golden Visa opens the gate for 188 European Union Countries for the purpose of travel, work and study. So a visa holder has a great opportunity not only in Portugal but other EU countries as well. Further after holding a Portugal golden visa for 5 years, one can apply for citizenship however in case of Duabi, this time period is 10 years," said Tushar Agarwal, advocate Supreme Court of India.

Biggest USP: You don't have to move to Portugal to keep your residence permit. You have to stay in the country for seven days on average per year. You can be eligible to apply for Portuguese citizenship in five years. This is one of the quickest in Europe. Once you become a Portuguese citizen, you get visa-free access to 188 countries.

Opens doors to Europe: The Portugal Golden Visa also allows investors and their family members to have access to professional development and educational opportunities in all European Union countries, with the ability to apply for Portuguese permanent residency and citizenship after five years, said Suresh Rajan, executive chairman and founder of LCR Capital Partners.

The reason most Indian High networth Individuals and families have been lately opting for the Portugese Golden Visa scheme is the fact that it gives the visa holder a freedom to access any of the Schengen countries, part of the European Union. The eligibility criterias are relatively simpler as it involves a quantified amount of investment either in Real Estate or investment funds. In comparison to Dubai, which has been a favourite for years, Portugal gives an option to eventually avail Portugal citizenship on completion of five years of holding the Visa. Even though Dubai on the other hand maybe a more convenient destination in terms of connectivity to India, there is no option, so far to secure a citizenship in the UAE for Indians by virtue of holding its Golden Visa," said Zaheer Memon, Partner, Vesta Legal.

"What is more, the stark polarization of politics in many developing countries, ongoing speculation about fiscal policies, and changing stances in bilateral trade relations with each new political term are exposing entrepreneurs to risk and leaving many unsure about what the future holds for their businesses. This has piqued their interest in diversifying their domiciles so that their futures are not dependent solely on geopolitical developments in their home countries," said Handa.

The rich want a better quality of life

India continues to experience a boom in wealth generation, with the number of HNWIs increasing exponentially every year. "The traditional base of industrialists is unchanged, but joining their ranks is a new generation of tech entrepreneurs, who are keen to diversify a portion of their wealth in jurisdictions offering a slew of incentives and high tax efficiencies. The appeal of a higher standard of living, including better educational and health facilities for the family, also continues to be a key driver, perhaps even more so in

the wake of Covid. Increasingly stringent tax residency rules (introduced in 2020 and 2021), with no relief in individual taxation rates for HNWIs, coupled with a desire for visa-free travel are also consistent primary motivators for alternative residence and citizenship," said Bijal Ajinkya, Partner in the Direct Tax, Private Client and Investment Funds Practices of Khaitan & Co.

Changes that you should be aware of?

However, if you are opting for the visa now through the real estate investment route, there are same limit the locations where you can invest in a property for a Golden Visa now. The minimum investment amounts remain the same, while there are geographical restrictions on the qualifying areas. You are no longer able to get residential property in major cities such as Lisbon or Porto or in coastal towns of the mainland. Only property investments inland and possibly rural or low-density areas are eligible. The changes will not be retroactive to anyone who submitted a Golden Visa application before December 31st, 2021.