



# Portuguese Government Ends Golden Visas in Lisbon and Oporto

The Portuguese Government decided to put an end to Golden Visas in Lisbon and Oporto and, as from July 2021, in all Portugal except for inland regions, Madeira and the Azores.

On December 22, the Portuguese Ministers' Council approved a new regulation that will progressively put an end to golden visas, first in the metropolitan areas of Lisbon and Oporto, and, from July 2021 onwards, in the entire coast regions of Portugal. In the future, this residency permit will only be granted in the inland regions of Portugal, as well as in the autonomous regions of Madeira and Azores. This means that foreign investors intending to acquire a Portuguese residence permit will have to do so investing in real estate outside the country's major cities.

The change will enter into force on July 1, 2021, but between 2021 and 2022 there will still be a transitional period during which the application of these new rules will be progressive, in the sense that the required investment amounts in metropolitan areas will be progressively higher and the possibility of application in these areas will be reduced over time. These investment amounts, however, have not yet been revealed.

This measure was included in the State Budget for 2020, but, because of the COVID-19 pandemic, has been postponed, and returns now slightly modified, in the Portuguese government's view, to keep up with the economic recession the country is presently going through.

## ✉ Contactos

André Dias  
ADias@macedovitorino.com

Simona Segundo  
ssegundo@macedovitorino.com

The Council of Ministers' press release mentions that the purpose is to promote and increase foreign investment in the interior and low-density regions of Portugal, mainly in "urban requalification, cultural heritage, activities of high environmental or social value, productive investment and job creation".

This decision worries most real estate market players who fear it will push foreign investors away from Portugal and to other countries where there are no restrictions.

The Portuguese Association of Real Estate Promoters and Investors said the end of golden visas in Lisbon and Oporto means the loss of €700 million in investment per year by the National economy.

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