

Date: 6 March 2023

RE: Public Consultation – More Housing (“Mais Habitação”)

Dear Sir or Madam,

We thank you for the opportunity to contribute to this public consultation and our comments will specifically address the announced termination of the Golden Visa Programme on the 16th of February 2016.

Kore Partners is a law firm focused on legal advice for individuals, with the law services focused on the family and its businesses, organization of their investments in Portugal and abroad, and, as such, we are in position to offer an international perspective on this topic that we hope may prove useful.

We should start by highlighting that a residency by investment scheme is a helpful policy as it allows third-country nationals obtain a fast-track residency by making a significant investment. For Portugal it serves as a useful complement from an emigration standpoint to a policy of attracting high net worth individuals to reside and live in Portugal under the non-habitual resident regime (NHR).

Based on our experience, this type of investment programmes if effectively designed can also be a very useful instrument to promote the local economy, indirectly create local jobs and generate additional revenue for the government if the investment criteria are adequately focused on foreign investors that have business interests or want to expand their investments in Portugal.

We understand the intention announced by the Government to end the Golden Visa as being centred on its policy of relieving pressure on the real estate sector and increasing access to local housing, but this termination must have a concrete transitional and appropriate plan to allow investors currently investing under the current ARI program to benefit from the rules in effect at the time of their investment.

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We note that legal certainty is a basic principle of any society and the trust conveyed to foreign investors must prioritize those principles. Therefore, in **Annex I (below)** we include what we consider are the key elements that are essential in the legal design of transitional rules and that should provide for a transition period.

We also ask the Portuguese Government to redesign of the residence permit program for entrepreneurial immigrants – the so-called Start-Up Visa (Article 89 of Law 102/2017) in order to cover investors with high potential and wealth in a format insulating any risk of contagion for what the government mentions as being the critical reason for ending the Golden Visa program – the imbalances in the real estate sector.

For example, the residency program can be adjusted to cover only investment in future sectors of the national economy, such as infrastructure projects or investment funds in the technology area, excluding investments in real estate. A program designed in this way would reduce the so-called indirect pressure on real estate prices and at the same time allow offering a diverse investment portfolio and attracting financing for sectors currently targeted by development.

We also believe a reduction in investment options associated with a slight increase in financial investment thresholds may allow the residence permit program for entrepreneurs to function more robustly, maintaining a satisfactory and timely response from the authorities (currently burdened by the number of applicants).

In fact, the available data indicates a continuous and significant interest in this type of programs from North America, United Kingdom and Latin American countries, which should be captured as they may contribute to the economic growth.

In short, we propose that Portugal launches a redesigned “Innovation Investment Program” within its Start-Up Visa program that could add the following investment routes:

1. **Sectorial Innovation Route** – Investors, with an entrepreneurial career and net worth of more than €1.5 million, could access the residence permit program provided they invest and maintain a shareholding of 50% or more in a company incorporated in Portugal operating in one of the 10 economic areas of the future and with an annual turnover of at least €250,000 during the period of validity of the residence permit. The investment would make it possible for the investor to live and work in Portugal, with a minimum stay of 30 days in Portugal each year. The 10 eligible investment sectors would be:
 - i. **Cleantech** - technology that promotes sustainability and reduces the impact of human activity on the environment (e.g. solar, wind, and hydro power);
 - ii. **Edtech** - technology that enhances learning and education, including e-learning platforms and educational software;
 - iii. **Biotech** - technology that uses living organisms to develop and manufacture new drugs and treatments for diseases;
 - iv. **Greentech** - technology that reduces the environmental impact of industrial processes, including energy-efficient buildings and sustainable transportation systems;
 - v. **Robotic process automation** - technology that automates repetitive tasks using software robots, freeing up human workers to focus on higher-value tasks;
 - vi. **Legaltech** - technology that uses automation and artificial intelligence to improve the efficiency and accuracy of legal services;
 - vii. **Regtech** - technology that helps financial institutions comply with regulatory requirements, including data management and risk assessment;
 - viii. **Medtech** - medical technology used in healthcare to diagnose, monitor, and treat medical conditions;
 - ix. **Agtech** - agricultural technology designed to improve agricultural production and sustainability; and
 - x. **ICT** - Cyber security and advanced digital technology, data science, and information and communications technology.

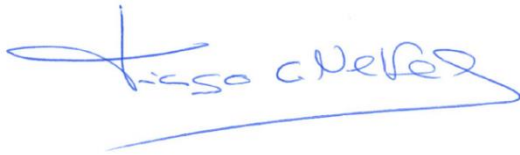
2. **Investment in Innovation Route** – Investors must invest at least €750,000 in bonds issued by Portuguese companies in eligible infrastructure projects for the period of validity of the residence permit (5 years). Bonds would be issued under the terms of the regime set out in Decree-Law 193/2005 (Special Regime for Securities Representing Debt). This investment would allow the investor to reside and work in Portugal, having to, at a minimum, remain in Portugal for a period of no less than 30 days each year. Eligible infrastructure projects would be:
 - i. **Renewable energy projects:** funds obtained from the bonds can be used to finance the development of renewable energy projects, such as wind farms, solar parks and hydroelectric power plants;
 - ii. **Public transport systems:** Funds raised from the bonds can be used to fund the development of public transport systems, such as airports, transit systems, light rail, and bike sharing programs;
 - iii. **Green projects:** Funds raised from the bonds can be used to finance the development of green office and industrial building projects, such as energy efficient buildings duly certified by external entities;
 - iv. **Smart city projects:** Funds raised from the bonds can be used to fund the development of smart city projects, such as smart street lights, smart parking systems, and smart waste and water management systems; and
 - v. **Projects for the conversion of cultural property:** funds obtained from bonds can be used to finance the conversion of property classified as being of national interest, public interest or municipal interest.

We also suggest reassessing the concession process, which, for example, involves the following: (i) initial application via electronic submission of documents, conclusion of investment and issuance of a 9-month temporary visa issued by the Portuguese consulate closest to the investor's residence; (ii) approval process by Portuguese immigration officials within a maximum period of 9 months after the initial application and conversion into a residence permit valid for a period of 5 years; (iii) automatic renewal process through submission of investment maintenance documentation.

By incorporating these features, a residency by investment programme under the Start-Up Visa can become a useful and internationally competitive tool and allow for financing designed to promote long-term economic growth by focusing on sustainable projects or future industries and at the same time target high potential investors, whilst insulating them from real estate.

We thank you for your attention and remain available, should you have any question on our contribution.

Yours faithfully,



Tiago Cassiano Neves
Managing Partner of Kore Partners

ANNEX I – KEY ASPECTS FOR EFFECTIVE TRANSITIONAL REGIME FOR GOLDEN VISA

- A. All applicants for the granting a residence permit under investment activity who have submitted their applications electronically through the dedicated platform up to and including December 31, 2023, will be considered eligible for the program and will have their orders processed in accordance with the legislation currently in force.
- B. All requests for family reunification resulting from applications for a residence permit to carry out an investment activity submitted before December 31, 2023, will continue to be processed under the law in force, even if they are submitted after that date.
- C. The termination of the residence permit program to carry out an investment activity does not affect the rights of applicants who have already obtained the respective residence permits and their families, and they will be authorized to keep the residence permit in Portugal under the conditions specified in their said authorisations.
- D. The renewal of a residence permit for real estate investment activity (residential only) depends that the properties allocated to the investment: (i) are leased for residential purposes for a period not less than the expiry period of investor residence permit; or (ii) are being used for the applicant permanent residence or of their descendants or ascendants; or (iii) were put on the rental market to a licensed mediation company at a market rent value taking into account location and characteristics of the property (with independence of being rented or not).
- E. All applicants for a residence permit to carry out an investment activity who have received authorizations under the law in force will be authorized to replace/substitute their investments within the 5-year holding period with other investments eligible under the law currently in force, provided that the monetary minimums thresholds are met.