

Dear partners and clients,

Following the legislative authorization granted by the State Budget Law of 2020, whose validity would expire on December 31, 2020, the Portuguese Government decided to modify the residence permit by investment program (ARI), commonly known as "Golden Visa".

**The expected decision for the amendment to the law was made and announced Tuesday, December 22, 2020, at the Council of Ministers, through the approval of a decree-law that will change the legal regime of residence permits by investment. The purpose is to promote and increase foreign investment in low-density regions, mainly through urban rehabilitation, cultural heritage, high environmental or social value, productive investment, and job creation.**

According to the statements made at the end of the Council of Ministers, **the new regime will come into force on July 1, 2021, with a transitional period foreseen until 2022.**

**Nevertheless, the renewals of already granted residence permits approved under the current regime, including new requests for family reunification, will not be affected.**

Thus, the granting of "golden visas" will cease to be possible through direct real estate investments located in coastal and metropolitan areas (Lisbon and Porto), being only eligible when the real estate acquisitions are carried out in Portugal's inner regions and in the autonomous regions of Madeira and Azores.

It should be noted that, although the final legal diploma has not yet been released, it is expected that these changes will reinforce the growing trend of investors in search of alternative investment options, specifically investment in venture capital funds, investment funds for companies, cultural and research activities.

This is a summary of the announcement made by the council of ministers.

Once the final legal diploma is published, we shall return you the full detailed review of the law changes.

Happy holidays!