



**Gil Figueira
& Devillet Lima**
Advogados

Private Client
September 2023

About the Passive Income Earner Residence Permit, aka the D7 Visa

Synopsis

Portugal has a rich seafaring past and is one of Europe's well-preserved gems with its land of traditional villages, vibrant and tech-enabled cities, and a countryside strewn with historical treasures.

A member of the European Union ("E.U.") since 1986, Portugal is one of the popular countries in which to live in Europe.

There are several residence programs available. However, the Passive Income Earner Residence Permit, also known as the D7 Visa, is an increasingly popular option for residing in Portugal.

Entry and residence in Portugal for non-EU citizens

Portugal allows citizens from many countries to visit the country as tourists for a period of up to 90 days, allowing travelling to other Schengen countries. These tourist visas can be extended further, but travelling will be restricted to the country issuing such an extension.

In some cases, non-EU nationals must apply personally for a tourist visa if a visa-free scheme does not apply at a Portuguese Consulate in their country of origin or residence.

Extending a tourist visa repeatedly can, in some instances, be considered fraudulent behavior. Therefore, we strongly advise against this practice. Longer stays or settling in Portugal requires undertaking a specific process to apply for a residence permit.

The PIERP aka D7 Visa

The Passive Income Earner Residence Permit (PIERP), also known as D7 Visa, is a temporary residence permit available to non-EU citizens with the financial means to reside in Portugal without needing an employment contract with a Portuguese company or seek Government Social Aid or welfare.

It is considered one of the best alternatives to obtain residence in Portugal and does not require investing, contrary to the Golden Visa. Nevertheless, it is only a proper choice for those who want to live in Portugal over an extended period, as compliance with minimum stay requirements will likely trigger tax residency.

It is particularly attractive for retirees and investors who derive income from pensions, social security payments, IP rights, financial assets/investments, or real estate outside of Portugal.

The PIERP requires the completion of a two-step process, starting with the application for an entry visa in the country of origin, and will be finalized in Portugal with the issue of a residence permit.

Step 1 – Obtaining an entry visa

The D7 entry visa must be issued by the Portuguese Consulate of the country of origin or residence. Some countries have outsourced part of this process to third-party visa processing centers.

The process and paperwork vary in each country but often include an interview, the filing of forms, and the need to provide documentation.

To apply for a PIERP / D7 Visa, proof of financial means above a legal minimum threshold is required. Minimum income thresholds are indexed to the Portuguese minimum wage.

At the time of writing of this document, the following minimum thresholds apply:

1. Applicant Euro 9.120,00 per year
2. Spouse Euro 4.560,00 per year
3. Dependents Euro 3.040,00 per year

Portuguese Authorities have discretionary powers to approve residence permits and visas. Therefore, the higher the income, the greater the chances of approval.

As a rule, the D7 entry visa is valid for 120 days.

Step 2 – Obtaining a residence permit

The applicant must travel to Portugal and complete the residence permit application process within 120 days of the date of issue of the D7 visa.

The visa allows two entries into Portugal and to stay in Portugal for up to 120 days. The process must be completed before the Foreigners and Borders Authorities.

The PIERP holder should not leave Portugal for more than six consecutive months or eight non-consecutive months during the validity period of the residence permit. However, travelling abroad is allowed for justified professional and personal reasons.

A PIERP must be renewed at the end of the second year for another three years. By reaching the fifth year, the applicant may proceed for permanent residency and/or citizenship if further requirements are met.

Consular Registration in Portugal

Consular registration, though optional in Portugal, is important as it enables the Embassies to assist its citizens more efficiently when certificates are required and to contact residents speedily, if necessary.

Benefits of the Portuguese PIERP / D7 Visa

PIERP holders may reside in Portugal for any period and travel within other EU and Schengen area countries (and other territories with open borders within Europe).

A PIERP entitles its holder to apply for the regrouping of family members who are part of the household and/or are dependents, as follows:

1. Spouses or partners
2. Children (minors or adults who are single and studying and qualify as dependents)
3. Parents (if qualifying as dependents)
4. Minor siblings under the tutelage of the residence permit holder (additional requirements may apply).

PIERP holders are entitled to the same level of health care services and education, and social security rights as Portuguese citizens and other residents.

A PIERP does not preclude the holder from exercising a professional activity in Portugal.

PIERP holders may apply for permanent residence and/or citizenship after five years. Portugal allows multiple citizenships, and citizenship applicants are not required to renounce prior citizenship.

Taxes

When meeting the minimum stay requirements, PIERP holders and their families are expected to qualify as tax residents in Portugal.

Resident individuals can apply for tax residency in Portugal under the non-habitual tax residence regime. The NHR grants new residents a more beneficial tax regime than those falling within the scope of the existing concept of ordinary tax residency.

About GFDL

Gil Figueira & Devillet Lima Advogados is a Portuguese law firm.

We advise corporations and individuals with complex needs, attractive projects, and challenging requirements.

Our lawyers are often engaged to provide comprehensive legal advice for businesses and private clients across several industries.

Let's get in touch.

Industries

Private Equity
Fintech & Blockchain
Private Client & Asset Protection
Global Talent Advisory
Media Sports & Performing Arts
Manufacturing & Retail
Hospitality & Leisure
Real Estate & Construction

Practices

Corporate & Commercial Contracts
Capital Markets
Tax & Social Security
Immigration & Citizenship
Intellectual Property
Litigation
Public Law
Labour & Employment

Contacts

Rua Rodrigues Sampaio 97 – 1^o
1150-279 Lisboa
Portugal

Tel.: +351 210 997 356
Tel.: +351 210 200 076
Tel.: +1 646 760 56 61
E-mail: hello@gfdl.legal
Web: www.gfdl.legal

Insights

This publication or document contains general information and is not intended to be comprehensive nor to provide legal or tax advice or services. It should not be acted on or relied upon or used as a basis for any decision or action that may affect you or your business. Professional legal advice should be requested for specific cases. We do not undertake any continuing obligation to advise on future legal amendments, or of the impact on the conclusions herein. Prior results do not guarantee a similar outcome. The contents of this publication or document may not be reproduced, in whole or in part, without the express consent of GFDL.