Tax Consequences of Golden Visa Investments

Understanding the difference between legal residency (from the Golden Visa) and tax residency is the first and most important step.

By **Catarina Sardinha**, 11th August 2025

Understanding the difference between legal residency (from the Golden Visa) and tax residency is the first and most important step. Both carry very different meanings, benefits, and responsibilities.

Residency versus Tax Residency in Portugal: A Critical Distinction

Holding a Portuguese Golden Visa grants you the legal right to reside in Portugal, but it does not automatically make you a tax resident.

Separate and independent to legal residence, your tax obligations are driven by your tax residency status and the nature of the income you earn.

In Portugal, you are generally considered a tax resident if you:

- Spend more than 183 days (consecutive or not) in the country during a 12-month period.
- Have a “habitual residence” in Portugal, which is a permanent home that you intend to maintain as your primary abode and registered accordingly in Portugal.

This distinction is fundamental because it determines whether your worldwide income is subject to Portuguese taxation and filing requirements.

Tax Treatment on Golden Visa Investments

Qualifying Investments Under the Portuguese Golden Visa Program *(either current or grandfathered from previous Golden Visa Legislation)*	**Tax Resident in Portugal**	**Non-Tax Resident in Portugal**
Collective Investment Scheme Funds (distributions: dividends, interest, and capital gains) *Mostly current funds eligible for investment under the current golden visa legal framework.*	**Taxed** with a fixed rate of 28% (exception: capital gains held for less than 1 year are taxed at progressive rates). **Tax filing** is optional except for capital gains; however, declaring your dividend income using the progressive tax rates, using the 50% relief thereon, may provide a lower effective tax rate than the standard 28%.	**Exempt** in Portugal – provided the criteria are met and you are not a tax resident in a blacklisted country. Also, check with your local lawyer/accountant regarding taxes applicable in your country of tax residency. **Tax filing** is not required –provided the fund is Portuguese domiciled.

Venture Funds (distributions: dividends, interest, and capital gains) *Mostly relating to older golden visa funds under the grandfathered legislation.*	**Taxed** with a fixed rate of 10%. **Tax filing** is optional except for capital gains; however, declaring your dividend income using the progressive tax rates, using the 50% relief thereon, may provide a lower effective tax rate than the standard 28%.	**Exempt** in Portugal – provided the criteria are met and you are not a tax resident in a blacklisted country. Also, check with your local lawyer/accountant regarding taxes applicable in your country of tax residency. **Tax filing** is not required.
Property (*for those who invested when this route was valid and now grandfathered*)	**Taxed.** Various taxes apply regardless of tax residency and depend on the stage of the transaction (buy or sell), the nature the property is used for (to rent, as a primary home, other) and the value of the property (which will affect more than one type of property tax). More information here – including **tax filing** requirements.	
Other notes	Taxed exclusively on Portuguese-sourced income.	Taxed on world-wide income – double taxation agreements, if available, may limit double taxation. If qualified, the favourable NHR tax regime may be applicable.

Avoiding Withholding Tax on Portuguese Fund Distributions

For beneficiaries of distributions from Portuguese venture or investment funds, banks typically withhold tax at the source. To avoid this withholding, non-tax resident investors must provide their bank with a valid tax residency certificate from their country of tax residence.

Submitting this certificate annually, before any distributions are made by the fund, ensures that amounts are paid gross. This process is not applicable, however, to those who are tax resident in Portugal or who reside in a jurisdiction on Portugal's tax blacklist, as these investors are subject to withholding tax – the latter, at an additional mark-up of 35%.

It is important to note that even with withholding tax applied at the source, no further tax filing with the Portuguese tax authorities is required for the distribution itself (whether tax resident in Portugal or not – with exception to investment funds that are Portuguese domiciled). However, for investors with tax residency outside Portugal, understanding and complying with their tax obligations in their country of tax residence is required (contact your local accountant/lawyer for guidance).

Contact Us

Please contact Dixcart Portugal for more information: advice.portugal@dixcart.com.

Note that this is not tax advice and is for discussion purposes only.