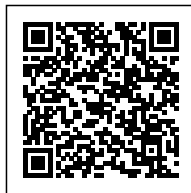


# NEW VISA AND RESIDENCE PERMIT FOR INVESTORS- ECIJA

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**On May 24<sup>th</sup>, 2013, the Spanish Government approved a draft bill that includes a new kind of visa and residence permit for investors.**

Under the draft bill, applicants eligible for such a visa and residence permit are non-EU investors who make any of the following three categories of investment into Spain.

First, an investment for a value above €2m in Spanish public debt (bonds), an investment of €1m in Spanish shares or a placement of €1m in a bank deposit in a Spanish financial entity.

Second, the acquisition of real estate representing a net investment above €500,000.

Third, a business project considered as "of general interest", implying the creation of employment, a socio-economic impact on the geographical area in which the activity will be performed and a relevant contribution to scientific and/or technological innovation.

While the draft bill is yet to become law, the possibility of acquiring Spanish residency through the purchase of real estate has already had a wide international impact. According to the draft bill, a real estate investor who wishes to apply for the visa and/or acquire residency at a later stage must prove ownership of one or several properties in Spain (the draft does not specify whether of a residential or commercial nature) purchased with an overall net investment contribution above €500,000. Amounts in excess of €500,000 may be financed.

Proof of the investment is made through a certificate of ownership delivered by the relevant Property Registry. If the ownership title is not yet registered, such proof may be made through a copy of the public deed of acquisition and proof of its filing at the Registry.

Under the draft bill, the date of acquisition of the property is not relevant, as opposed to investments in equities or in public or private debt, which are required to have been made within a certain period prior to the application.

The applicant will be entitled to obtain a new kind of visa enabling them to enter and stay in Spain for a maximum period of one year, thus increasing the maximum stay period for non-residents, which is currently at 90 days. The visa will enable the beneficiaries' unrestricted capacity to move within the Schengen area.

The applicant can also obtain a new kind of two-year residence permit renewable for additional two-year term. This permit will not require the beneficiaries to have a minimum residence period of 183 days a year so as to be able to renew it. This means that the holder of this permit may be authorised to maintain its tax residence outside Spain.

It is worth mentioning that the draft bill expressly states that the holding of the residence authorisation for investors will not be enough to have access to Spanish long-term residence or nationality. For this, effective residence in Spain (more than 183 days a year) during the period requested by the relevant law will be requested.

The draft bill clarifies that both a visa and a residence permit may be extended to the purchaser's family, including children under 18 year of age, through the same investment. Under the current wording, it is unclear whether a joint investment made by spouses, for example, will result in the amount invested being divided amongst them or not, something that is relevant for the purpose of fulfilling the €500,000 direct investment requirement.

The draft bill does not place any restriction on the possibility of investors renting the properties they have acquired.

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