



SPANISH RESIDENCY VISA FOR THE PURCHASE OF PROPERTY OF 500,000 EUROS

On 27th September 2013 the Spanish parliament published law 14/2013 to support entrepreneurs with their international expansion and to bring more foreign investment into Spain. As part of the measures to assist entrepreneurs, non-EU citizens can purchase Spanish property or properties with a value in excess of 500,000 euros in exchange for a visa. Below is an explanation of the visa entry requirements and its duration.

The visa is being established for investment purposes and here I am specifically looking at the requirements based on purchase of property. However, if a non-resident deposits 1 million euros in a Spanish bank account, invests a similar sum in private Spanish companies or acquires 2 million euros of state debt, visas can also be granted.

Prior to considering applying, the applicant will have to meet the following requirements:

- Prove they have not entered Spain irregularly or with an existing expired visa
- Be over the age of 18
- Prove they do not possess a criminal history or record from the country or countries where the applicant has resided in the last five years.
- Prove they are not considered as an undesirable individual within any of the states with which Spain has a treaty to that effect
- To be able to count on public or private health insurance with an authorised insurance operator in Spain
- Prove sufficient income and capital to provide for the applicant and their immediate family
- Pay the visa application fees

- Prove family links of family members to be included in the application by producing marriage and birth certificates

Spouses and children under the age of 18 who are not capable of providing for themselves and who accompany the applicant will also need to comply with the above requirements and can apply together at the same time.

The investor will have to prove that he has sufficient income to live on each year and for the first year he will have to deposit the sum of approx. 26.000 euros (reviewed annually) in a Spanish bank account and if he has children or spouses approx. 6,390.13 euros for each family member.

Once the applicant has purchased property or properties over the value of 500,000 euros, all of which should be free of charges, a certificate confirming ownership from the Land Registry where the property is located should be provided and this will contain an electronic code to verify the ownership. The property up to 500,000 euros should be free of charges. Any property over this value can be mortgaged or charged. If the property is in the process of being registered, proof of the presentation of the deeds to be registered at the Land Registry shall be sufficient with its relevant code along with proof of payment of the purchase taxes.

The local Spanish Government will issue residency visa for investors for up to one year if the above requirements are met. If the investor wishes to stay longer than one year, then an authorisation for residency for investors can be applied for. This lasts for two years and can be extended for a further two years. The application to extend the one year visa to a two year authorisation for residency for investors should meet with the requirements set out above as well as those set out below.

Application for two year authorisation for residency for investors

In order to apply for this authorisation, the applicant must:

- Be able to show that they were granted a one year investor's visa and submit their application within 90 days of the expiry of the one year visa
- Prove that they travelled to Spain at least once within the period that the visa was granted
- Prove that the applicant still owns the property or properties up to a value of 500,000 euros free of charges

Once the applicant submits the above proof, a two year authorisation for residency for investors will be granted which can be extended within 90 days of its expiry for a further two years. Once the initial five year period has been elapsed, the investor can decide whether or not to apply for long term residency. If the investor has remained in Spain for more than four years and two months and continues to comply with the entry requirements, then it is likely that the long term residency will be issued. However, if the investor has not been in Spain for at least four years and two months, then they will have to

apply for a renewal of their two year residency, which we are advised will be granted subject to compliance with the requirements set out above.

Once the authorisation for residency has been issued, this allows the holder to work in Spain and they would have to register with the social security department.

There is no obligation to reside in Spain for a specific period of time, but you have to bear in mind that the Spanish tax return years runs from 1st January to 31st December. If a non-E resident becomes a Spanish tax resident by spending more than 183 days in Spain, then they will be obliged to submit a tax return the year after arrival and declare their worldwide assets and income. It is highly advisable to carefully plan entry to Spain and to take tax advice before becoming a Spanish tax resident.

If you have any queries about the investor and residency visa and would like a conversation with one of our specialist lawyers, please contact us by email at enquiries@mylawyerinspain.com or by telephone.

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