Portugal - the new IFC?

Speaking at Hubbis' Vietnam Wealth Management Forum 2017 – Afonso Vieira of Total Wealth Management explains why Vietnamese families are now using Portugal as an international financial centre (IFC).

Wealthy Vietnamese families are increasingly choosing Portugal as a destination for their investment migration planning, according to Afonso Vieira, managing director and head of investments at Total Wealth Management.

There are a number of benefits of taking this route, he explains. For example it gives clients access to the 28 countries in the EU, 26 in the Schengen Area and 19 in the Eurozone.

Other advantages include Portugal's robust banking regulations, favourable tax system and an environment that is generally considered safe, stable and friendly, he adds.

From a tax perspective, Vieira says Portugal taxes on local revenue only, and doesn't apply worldwide taxation. Further, there is no inheritance tax, nor gift tax to children and spouses. To make the most of this opportunity, Vieira says that an investment of EUR400,000 or more in real estate gives an individual a local resident card.

Vietnamese families to date have not transferred money directly from Vietnam, but rather have travelled to Portugal to open a bank account, and then asked contacts who are based in other (regulated and recognized) markets to transfer the money on their behalf to Portugal.

After obtaining a resident card, they can then apply for family reunion at no additional cost – including children, spouse, parents and spouse's parents – to obtain resident cards for all.

After six years of maintaining the property and adhering to the local residency regulations, the individual can pass a Portuguese language written test; it is then possible to apply for a passport to get citizenship. ■

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