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# The top 5 EU residency programmes for South Africans

James Bowling, chief executive officer of residency and citizenship by investment facilitator, Monarch&Co, elaborates on the top five European Union (EU) residency programmes that investors can apply for to hedge their lifestyles abroad.

“This year, we saw interest in EU programmes corresponding with renewed economic confidence across the continent. With the Euro Zone economy growing significantly since 2016, unemployment dropping to single digits and job creation accelerating to a nine-year record at the beginning of 2017, we can expect to see heightened investor interest in the EU next year,” notes Bowling.

What does residency entail and how does it differ from citizenship?

## Residency

“Residency, in general, refers to a person’s visa status, and is usually divided into temporary and permanent residency. By achieving residency, a person may reside within a country (of which he or she is not a citizen) for a set, valid period that differs from country to country,” explains Bowling.

Commenting on EU residency programmes, Bowling says it provides investors with the opportunity to live, study and work or operate a business in one of the EU countries or member states of their choice, and travel visa-free throughout the 26 Schengen countries for up to 90 days in a six-month period.

## Citizenship

“By obtaining citizenship in another country, the investor becomes a citizen of that country, which entitles them to carry that country’s passport,” explains Bowling. Depending on the countries involved, the investor will be able to keep their existing citizenship and passport, and thus the new passport becomes their second passport.

Citizenship of the EU is afforded to qualifying citizens of the 22 EU member states. “EU citizens enjoy legal protection under the EU law, and have the right to free movement, settlement and employment across the EU,” says Bowling.

Citizens may trade and transport goods, services and capital through EU borders with no restrictions on capital movements or duty-fees. They also have the right to vote in and run as a candidate in local elections in the country where they live, and have the right to consular protection by embassies of other EU member states.

## EU residency programmes



“Once you have determined what the key drivers are, e.g. health, safety, education or work and business opportunities, it will be easier to choose the right programme for you,” says Bowling.

According to Bowling, the following EU residency programmes offer investors and their qualifying dependent family members a taste of the EU lifestyle at an affordable price:

**1. Malta**

This programme builds on the success of the former Maltese programmes. The main benefit is that residents don’t have to pay tax on foreign sourced income not remitted to Malta - the tax rate for foreign source income remitted to Malta is a flat rate of 15% for personal, and 35% for business or investment income. “This can, however, be reduced substantially through structuring,” notes Bowling.

Applicants must invest a minimum of €320 000 in Maltese real estate, unless the property is situated in Gozo or in the South of Malta, in which case the minimum value is lowered to €270 000. “Alternatively, a residency applicant may rent property in Malta for a minimum of €12 000 per year.”

Should the property, however, be situated in Gozo or in the South of Malta, this is lowered to €10 000 per year,” he adds.

**2. Portugal**

Launched in October 2012, Portugal’s Golden Visa programme has generated just over €3 billion in Foreign Direct Investment, and continues to be an attractive choice for those seeking a programme that leads to citizenship with minimal stay requirements.

“The most attractive option for Golden Visa applicants is purchasing a property with a minimum value of €500 000, or €350 000 for renovated properties older than 30 years and situated in urban regeneration zones,” elaborates Bowling.

The Global Peace Index rates Portugal the third safest country in the world.

**3. Cyprus**

As one of the sunniest and safest locations in Europe, Cyprus is an ideal location for both EU and non-EU nationals looking for a high-quality standard of living.

The Cyprus residency programme requires a minimum property investment of €300 000 and a minimum capital deposit of €30 000. “The Cyprus programme is especially attractive because of its quick processing times - applicants can receive permanent residency in as little as two to three months,” says Bowling.

Investors are required to visit Cyprus only once every two years.

**4. Greece**

This is the least costly option given recent political and economic instability within Greece and its wider relationships with the other EU nations.



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“By participating in the Greek Golden Visa programme, non-EU citizens buying a property worth €250 000 or more can obtain a five-year period of residence, which can be renewed indefinitely provided that the investment is held,” says Bowling.

After having lived permanently in Greece for seven consecutive years, one can apply for citizenship.

## **5. Mauritius**

Given the fact that Mauritius is only a four-hour flight from South Africa, South African investors will find this magical island with its tranquil lifestyle and ever-evolving financial business centre especially attractive.

“Non-Mauritian citizens are eligible for a residence permit upon the purchase of a property under the Property Development Scheme (PDS) programme with a minimum value of US\$500 000,” explains Bowling.

Finally, Bowling notes that the first port of call for investors looking to apply for residency via one of the programmes discussed above, would be to do a basic assessment of their personal needs, expectations and requirements.

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