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“Uma Casa Portuguesa, Com Certeza” - Design of a Portuguese Sovereign Fund to upgrade the Portuguese Immigration Investment Programme

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Master in Finance

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October, 2023



**BUSINESS
SCHOOL**

Department of Finance

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ABSTRACT

At the end of 2022, the Portuguese Prime Minister announced that the Portuguese Golden Visa had already achieved its objectives and would soon be abolished. This Immigration Investment Programme (hereinafter “IIP”) has been in place since 2012 and was adopted during the global financial crisis of 2007-2009 to attract foreign investment. This thesis aims to evaluate the significance of an IIP for the country and its optimisation potential by examining international public policy models. A benchmark of international best practices and venture capital-based fund management models, such as the one developed by Banco Português de Fomento, were used to support the design of an alternative to the ARI programme in Portugal, establishing a sovereign wealth fund. The study collected opinions on the Residence Permit for Investment Activity (ARI) programme from a panel of experts with diverse political affiliations to enrich the data analysis. This approach, coupled with the analysis of statistical models, facilitated a comprehensive assessment of the programme's impact on the country's economy, highlighting the intricate relationship between the ARI programme and the housing market crisis. This thesis aims to encourage the design of new innovative public policies that improve the benefits of foreign investment, considering the associated risks and bolstering Portugal's sustainable economic development.

Keywords: Immigration Investment Programme; Residence by Investment Programme; ARI Programme; Golden Visa; Sovereign Wealth Fund

JEL Codes: F21; G28

RESUMO

No final de 2022, o Primeiro Ministro Português anunciou que o programa português vistos *gold* já tinha alcançado os seus objetivos e seria em breve abolido. Este Programa de Imigração por Investimento (doravante “IIP”) está em vigor desde 2012 e foi adotado durante a crise financeira global de 2007-2009 para atrair investimento estrangeiro. Esta tese tem como objetivo avaliar a importância de um IIP para o país e o seu potencial de otimização, examinando modelos internacionais de políticas públicas. Foram utilizadas referências de melhores práticas internacionais e modelos de gestão de fundos com base em capital de risco, como o desenvolvido pelo Banco Português de Fomento, para apoiar a conceção de uma alternativa ao programa ARI em Portugal, nomeadamente a criação de um fundo soberano. O estudo recolheu opiniões sobre o programa de Autorização de Residência para Atividade de Investimento (doravante “ARI”) junto de um painel de peritos com diversas filiações políticas para enriquecer a análise de dados. Esta abordagem, aliada à análise de modelos estatísticos, permitiu uma avaliação abrangente do impacto do programa na economia do país, destacando a intricada relação entre o programa ARI e a crise no mercado imobiliário. Esta tese visa promover a conceção de novas políticas públicas inovadoras que melhorem os benefícios do investimento estrangeiro, tendo em conta os riscos associados e reforçando o desenvolvimento económico sustentável de Portugal.

Palavras-Chave: Programa de Imigração por Investimento; Programa de Residência por Investimento; Programa ARI; Vistos Gold; Fundo Soberano de Riqueza

Classificação JEL: F21; G28

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LIST OF ABBREVIATIONS

AuM - Assets under Management

ARI - Residence Permit for Investment Activity

BPF - Banco Português de Fomento

BCTL - Central Bank of East Timor

CBI – Citizenship by Investment

CMVM - Portuguese Securities Market Commission

ECB – European Central Bank

GIC - Government of Singapore Investment Corporation

IIF – Immigration Investment Fund

IIP – Immigration Investment Programme

INE - National Statistics Institute

IMF - International Monetary Fund

KIA - Kuwait Investment Authority

RBI – Residence by Investment

SEF – Portuguese Immigration and Borders Service

SWF – Sovereign Wealth Fund

INTRODUCTION

On November 2nd, 2022, at the Web Summit's exit, the Portuguese prime minister, António Costa, questioned by journalists, stated: "There are programmes that we are currently re-evaluating. One of them is the golden visa, which has probably already fulfilled the function it had to fulfil, and at this point, it is no longer justified to maintain." (ECO, 2022, own translation)¹.

Additionally, on February 16th, 2023, after the Council of Ministers, António Costa announced that the Government would "eliminate the concession of new golden visas" and the "existing ones will only be renewed if they are for the owner's own and permanent residence and for that of his descendent, or if the property is placed permanently on the rental market."² (Público, 2023, own translation). On March 30th, he stated that there is no justification for having a special regime for golden visas, so the end of the golden visa programme will take effect on February 16th.

Based on these statements, a few questions arise: Why and if there should be a residence permit programme for investment in Portugal? If the programme is effectively dismantled, is there any alternative, an optimal design of this programme? What objectives should such a programme achieve according to international best practices?

Immigration Investment Programs (IIPs) involve exchanging national membership rights for immigrants' financial and human capital through options like "golden passports" or "golden visas." These programmes were created by governments to attract wealth and promote engagement (Gamlen et al., 2016). These visas allow a non-European citizen to enter and reside in a European Union (EU) member state for one year or more. Furthermore, these visas also enable free circulation within the 27 countries of the Schengen Area.

In Portugal, the Residence Permit through Investment – ARI - (commonly known as the Golden Visa) programme has been operating for a decade and has brought in 6 billion euros. It falls under the Residence by Investment (RBI) programmes, allowing foreign citizens to acquire a visa to enter Portugal and unrestricted movement within the

¹ “Há programas que, obviamente, estamos neste momento a reavaliar. Um deles é o dos vistos gold, que provavelmente já cumpriu a função que tinha a cumprir, e que neste momento já não se justifica mais manter.”

² “Quantos aos 'vistos gold' já concedidos, (...) só haverá lugar à renovação se forem habitação própria e permanente do proprietário e do seu descendente, ou se for colocado o imóvel duradouramente no mercado de arrendamento.”

Schengen Area in exchange for investments. These programs were initiated in response to the global financial crisis of 2007-2009. The Golden Visa programme was established in 2012 to attract investors and capital to Portugal, with the dual aim of fostering domestic investment and job creation while enhancing international relations.

Since its inception, the programme has undergone several changes. Currently, the Portuguese programmes present certain limitations, offering an opportunity for improvement and expansion by adopting the best practices observed in various countries worldwide. However, in June 2023, Eurico Brilhante Dias, the head of the Socialist Members of Parliament, announced the discontinuation of property-related golden visas, stating that the Socialist Party would engage in a two-year evaluation to determine the programme's relevance without property investment, both in direct and indirect channels such as investment funds and capital transfers (Partido Socialista, 2023).

The present dissertation will explore concerns and potential improvements related to Portugal's investment programme to retain the inevitable importance of foreign investment in Portugal's economy, highlighting the immediate benefits, such as the injection of capital and the indirect impacts that contribute to economic expansion and job creation. By drawing on international alternatives, this analysis has the main objective of accessing the benefits and proposing a reformulation of the current ARI programme in Portugal.

Five linear regression models were estimated to analyse the impact of the ARI programme as a dummy variable over the last two decades on the five variables considered most appropriate: Gross Domestic Product (hereinafter "GDP"), Trading Volume in the Housing Market, Bank Valuation of Residential Property, Municipal Revenues (Municipal Property Tax - IMI and Municipal Transaction Tax - IMT), as well as a variable representing New Family Housing Construction. In addition to the quantitative analysis, a questionnaire was employed to deepen the qualitative aspects of the data analysis. This allowed for the collection of opinions and viewpoints on the ARI programme from four experts³ with diverse political affiliations - the "popular left", the "liberal right", the "centre-left", and the "centre right", in order to understand what has been done by the current programme and to assess whether it would be more advantageous to reformulating it or discontinuing. A comparative analysis with IIPs from

³José Manuel Pureza, Ricardo Arroja, Paulo Campos and Pedro Castanheira Lopes, respectively. Biographical notes are included in Appendix N.

other countries was carried out to identify best practices and components of these programmes that Portugal's ARI programme could reformulate.

A brief overview of the recently approved Portuguese housing programme “Mais Habitação”, ⁴its potential relationship with the ARI programme, and the key factors influencing housing supply dynamics and elasticity, along the lines of Rodrigues et al. (2023), it is also provided.

After conducting this comprehensive analysis, a proposal has been formulated to upgrade the current ARI programme by establishing a Portuguese sovereign wealth fund named "Uma Casa Portuguesa, Com Certeza" (CPC2) in tribute to the housing bias of the participants in the original programme. This initiative aims to amplify and fortify the advantages derived from foreign investment. It offers a potential solution to the current programme's instability, contributing to improving innovative public policy in Portugal, aligned with the nation's requirements, and bolstering sustainable economic development. This initiative has the potential to become a valuable asset for policymakers.

The following framework will primarily outline the specific regulations for acquiring Portuguese citizenship and will also cover essential aspects related to sovereign wealth funds.

⁴ Literally “more housing”.

1. FRAMEWORK

1.1 LEGAL FRAMEWORK OF RULES FOR OBTAINING PORTUGUESE CITIZENSHIP

Citizenship is the legal status that defines an individual's relationship to a particular country or nation-state. It is the status of being a member of a political community and enjoying the rights and privileges afforded by that community, such as the right to vote, work, and receive protection from the government. Citizenship is a complement to nationality; besides belonging to a nation, having citizenship gives you the right to participate actively and politically in the country that welcomes you as a citizen. So, the significant difference between nationality and citizenship is in exercising the rights and obligations associated with the country.

Nationality, and in turn citizenship, is obtainable in various ways, exhibits significant variation from one nation to another and is often combined in mixed nationality systems (de Groot & Vonk, 2018).

Currently, in Portugal, citizenship can be reached in four ways: (1) birth, (2) descent, (3) marriage and (4) naturalisation.

Table 2.1 - Requirements for obtaining Portuguese Citizenship

#	Requirements	Latin Legal Terms	
1	Birth	Born in Portugal	<i>"ius soli"</i>
2	Descent	Child of a Portuguese Mother or Father	<i>"ius sanguinis"</i>
3	Marriage	Married to a Portuguese Citizenship	
4	Naturalisation	Work or Investment	

Source: Decree-Law 26/2022, own elaboration

To expound on these distinct modalities and according to the Portuguese nationality law with recent updates through Portuguese Decree-Law 26/2022, the following summarizes Portuguese nationality rules at birth:

(1) Newborns become Portuguese citizens if they are born in Portugal, regardless of the nationality of their parents who have been resident in Portugal for at least one year – "ius soli" (right of soil);

(2) if they are the child of a Portuguese father or Portuguese mother or have a Portuguese grandparent – "ius sanguinis" (right of blood);

Regarding individuals of adult age, one of the following eligibility criteria for the Portuguese citizenship applies, namely,

(3) if they are married to a Portuguese citizen for at least three years;

(4) Finally, the residence, it is possible to be eligible for Portuguese citizenship through naturalisation in two ways: (a.) a work contract, the individual is given a residence permit, which is renewed if they are employed, and after five years the renewal is no longer necessary and becomes permanent – the Portuguese permanent residence permit. After these five years and fulfilling some criteria, such as passing a Portuguese language test and demonstrating knowledge of Portuguese culture and history, the individual may apply for Portuguese citizenship, which will give him access to European citizenship (Piçarra & Gil, 2009). In certain situations, citizenship may cover another member of the contractor's family, such as a wife and children under a certain age and other conditions.

In addition to these criteria, it is currently possible to obtain Portuguese citizenship through (b.) investment by making investments in Portugal. This condition has generated some divergences of opinion and will be analysed in the literature review chapter.

The philosophy behind obtaining Portuguese citizenship reflects the history and culture of the country. Portugal's history is marked by a strong tradition of expansion and discovery, which led the country to establish cultural and commercial ties with many other countries around the world. As a result, Portugal has a long tradition of welcoming people from other cultures and backgrounds, as well as integrating immigrants into its society. This value of inclusion and diversity is reflected in the country's citizenship policy.

After the 1974 revolution and the independence of the African colonies, such as Cape Verde, Guinea Bissau, Sao Tome and Principe, Angola and Mozambique, Portugal experienced a recent phenomenon of immigration, with many Portuguese returning from the territories they had previously colonised and transforming Portuguese society significantly during the transition process from 1974 to 1976. Between 2001 and 2002, with the availability of "stay permits", Portugal became a popular destination for citizens from Central/Eastern European countries such as Ukraine, Moldova, and Russia. More recently, an important factor influencing this change in migration flows was the signing of the Schengen Agreement, which allowed the opening of borders and the free movement

of people between the 27 signatory countries. Among the most frequent foreign nationalities in Portugal are Brazil, Ukraine, Cape Verde, Romania, Angola and Guinea-Bissau, United Kingdom, China, Moldova and São Tomé and Príncipe (Oliveira e Costa, 2022).

There are significant differences between the citizenship policies of different countries; for example, in large European nations such as France, Germany and the UK, there are different approaches to citizenship and immigration. France has a strong tradition of cultural assimilation and integration, whereas Germany has adopted a more selective approach to immigration and citizenship based on ancestry (*ius sanguinis*). The United Kingdom also presents the same approach based on ancestry (*ius sanguinis*). It offers citizenship by naturalisation, which requires an individual to have resided in the country for a minimum period and meet other criteria, but in turn, has undergone significant changes in relation to citizenship and immigration due to its exit from the European Union. However, it is noteworthy that a non-UK resident citizen is not eligible to participate in voting.

The United States, for example, has a land-based (*ius soli*) approach to citizenship, where a person who is born in the country is considered an American citizen. In addition, the United States offers citizenship by naturalisation, which requires a process that can take years to complete. Regarding residency, the United States has several visa programmes for different categories, such as work, study, tourism, and investment.

China, on the other hand, has a selective approach to citizenship and residency. Citizenship is primarily based on ancestry, and foreigners cannot obtain Chinese citizenship through investment or naturalisation. Regarding residency, China has visa programmes for work, study, and business, but these programmes are limited and tightly controlled by the government.

Obtaining citizenship in different countries around the world can be a complex and variable process, depending on each nation's specific laws, regulations, and policies. In the following table 1, it is possible to check the various timelines to obtain this citizenship by naturalisation around the globe.

Table 1.2 - The average period of naturalization in different countries

5+ years		10+ years		15+ years		20+ years	
 Portugal	 Czech Republic	 UAE	 Liechtenstein				
 USA	 Norway	 Saudi Arabia	 Bhutan				
 Brazil	 Italy	 Andorra	 Qatar				
 Belgium	 Spain	 San Marino	 Kuwait				
 Russia	 Switzerland	 China	 Equatorial Guinea				
 United Kingdom	 Bulgaria	 Austria	 Bahrain				
 Canada	 Lithuania	 Palau	 Syria				

Source: Immigrant invest <https://immigrantinvest.com/blog/citizenship-by-naturalization-en/>, own elaboration

According to Forbes (2019), Portugal is one of the 7 best European countries for a foreign citizen to acquire residence and European citizenship. Living in Portugal is easy, it is one of the most accessible countries to obtain citizenship, the country being often considered the “soft belly of the Europe”.

1.2 SOVEREIGN WEALTH FUNDS

Sovereign wealth funds (SWFs) are investment funds controlled by governments, typically funded by a country's foreign exchange reserves or surplus revenue from natural resources such as oil or minerals, being a way to funnel it into investments rather than simply keeping it in the central bank or channelling it back into the economy. These funds are managed by professional asset managers and invested in various financial assets, including stocks, bonds, real estate, and alternative investments (Investopedia, 2020).

SWFs are designed to provide long-term financial stability and security sources for the issuing country. These funds are typically established to meet various objectives, including financing future generations, stabilizing a country's economy during market volatility, and diversifying the country's assets. This investment vehicle has become increasingly important in recent years as countries have sought ways to maximize returns on their excess funds and diversify their holdings (Mezzacapo, 2009). Today, SWFs are significant players in global financial markets, with assets under management estimated to be in the trillions of dollars.

The SWFs differentiate from other investment vehicles in that foreign governments own them, are established to maximize long-term returns, and are typically funded by surpluses, payments and exports generated by the government; instead, the others are funded by private investors. SWFs are subject to different governance structures and investment mandates than other investment funds (Gamlen et al., 2012).

According to Investopedia (2020), the SWFs' traditional classifications incorporate: "stabilization funds", "savings or future generation funds", "public benefit pension reserve funds", "reserve investment funds", "strategic development sovereign wealth funds (SDSWF or SDFs)", "funds targeting specific industries" and "foreign currency reserve assets".

The first SWF set up was the Kuwait Investment Authority (KIA), established in 1953 and manages and invests Kuwait's oil revenues since the oil surpluses were the reason for this sovereign fund. To develop the future generations of Kuwait, the KIA invests in a diversified class of assets, including fixed income, real estate, infrastructure, and alternative investments and manages an extensive portfolio in Europe and the United States (Kuwait Investment Authority, 2023). As reported in October 2023 by SWF Global, the fund remains one of the largest, as of December 2022, the KIA has US\$ 801 billion in assets under management.

Some of the largest SWFs in the world include China Investment Corporation (CIC), Norway's Government Pension Fund Global (GPF Global SWF) and Abu Dhabi Investment Authority (ADIA).

The largest SWF in Europe is Norway's, with around \$1.4 trillion in assets recorded on October, 2023 (SWF Global, 2023). The Government Pension Fund Global Sovereign Wealth Fund (GPF Global SWF) was established in 1990 to channel the revenue generated from Norway's petroleum industry towards investments in other asset classes to enhance returns. These additional profits are subsequently utilized for the betterment of the nation, given that Norway has maintained one of the largest reserves since 1969 (Corporate Finance Institute, 2023). The Norwegian Sovereign Wealth Fund is primarily composed of investments in equities, fixed income, real estate, and renewable energy infrastructure, being a significant shareholder in global listed company shares. Budget surpluses are added to the fund, and deficits are paid for by taking money out of the fund following fiscal policy. To progressively incorporate oil money into the economy, the government is expected to use just the fund's real return, projected to be about 3% yearly (Norges Bank Investment Management, 2023).

According to SWF Global (April 2023), in December 2022, the China Investment Corporation (CIC) was the most prominent worldwide SWF with 1.4 trillion assets under management. It was established in 2007 to invest China's foreign exchange reserves in a diversified portfolio of assets to generate long-term financial returns. CIC has been authorized to engage in foreign and equity investments in financial institutions in China. To fulfil these mandates, CIC operates through three distinct subsidiaries: CIC International Co., Ltd. (CIC International), CIC Capital Corporation (CIC Capital), and Central Huijin Investment Ltd. (Central Huijin). Central Huijin is responsible for equity investments in China's state-owned financial institutions, while CIC International and CIC Capital undertake overseas investment activities on behalf of CIC. The CICs encompass a range of investment strategies, including public equity and bond investments, hedge fund and multi-asset investments, industry-wide private equity, private credit investments, and direct and fund investments (China Investment Corporation, 2023).

The Abu Dhabi Investment Authority (ADIA), primarily owned by the Emirate of Abu Dhabi, ranks third in the largest sovereign wealth funds (SWFs) after 2022. During the 1970s, the Emirate of Abu Dhabi became aware that it was generating significant

surplus funds due to its oil industry and reserves. (Abu Dhabi Investment Authority, 2023). Subsequently, in 1976, the Abu Dhabi Investment Authority (ADIA) was established as a sovereign wealth fund with the principal objective of reinvesting surplus revenue on behalf of the government into various platforms. As per the 2023 report by SWF Global, the fund currently holds nearly \$1 trillion and grows at an annual compounded rate of approximately 10%. (Corporate Finance Institute, 2023).

In the 2023 Annual Report on Segment Operating Income (SOI) from Global SWD, the Government of Singapore Investment Corporation (GIC) has reclaimed its position at the top of the 2022 league table for the top 10 SOIs in terms of fresh capital deployment. The Singaporean SWF executed 73 deals, amounting to US\$ 40.3 billion, a 17% increase from the previous year. Notably, more than half of this capital found its way into real estate, with a distinct emphasis on logistics investments. The GIC currently holds a portfolio valued at more than 1.3 billion euros, establishing it as the ninth most significant investor in the PSI. This highlight includes an investment of one billion euros in EDP Renováveis shares and its participation in EDP's capital increase, as reported by ECO in 2022.

Around the globe, there are many SWFs, not only in significant powers but also in smaller countries, such as St Kitts and Nevis.

In the 2023 annual report by Global SWF, the total value of assets under management (AuM) for SWFs worldwide reached \$11.4 trillion, encompassing 174 SWFs. The following figures it is deepened into a detailed analysis of the different regions of the world that host these programs and their respective contributions to the total. These world regions include North America, Latin America, Europe, the Middle East and North Africa (MENA), sub-Saharan Africa (SS Africa), Asia, and Oceania. As indicated in Figure 2.1, Asia and MENA regions have the highest number of SWFs, with 34 and 32 respectively, collectively managing AuM totaling \$4,937 billion and \$4,140 billion. It's worth noting that these two regions account for 80% of the total AuM.

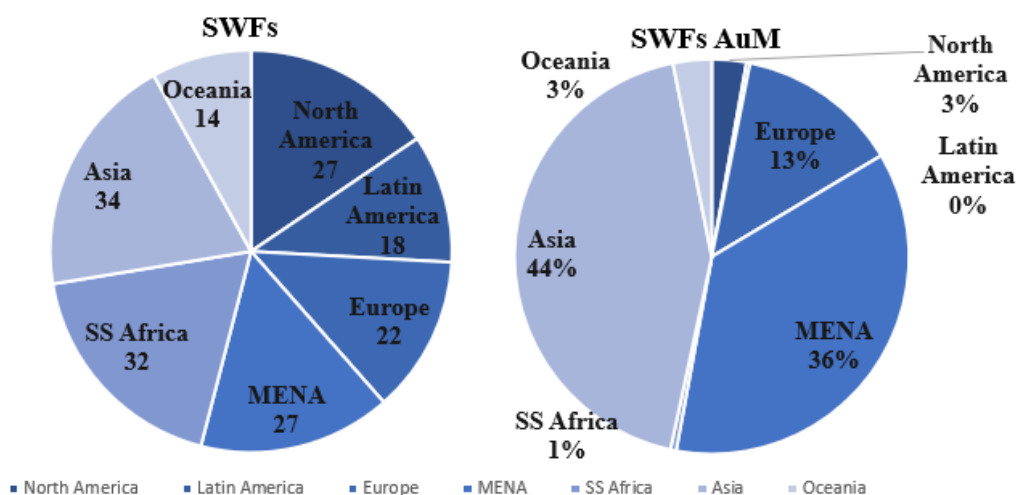


Figure 2.1 - SWFs and SWFs AuM

Source: Global SWF 2023 annual report, own elaboration

Sovereign Wealth Fund have also appealed to Portuguese-speaking countries, namely East Timor and Angola.

The East Timor Sovereign Fund, also known as the East Timor Petroleum Fund, is an investment fund planned by the government of East Timor in 2005 to manage and invest resources arising from the country's oil and natural gas revenues. The former Portuguese colony has revenue from the energy sector generated as a significant source of income for the government. According to the Central Bank of East-Timor (the "BCTL"), the sovereign fund initially started investing in North American public debt and, after the subprime crisis of 2008, in European debt bonds and international stock exchanges. According to the Financial Information and Performance reported by BCTL in December 2022, the sovereign value is US\$ 18 billion roughly.

Angola has a Sovereign Fund called "Fundo Soberano de Angola" or "Angola's Sovereign Investment Fund" (FSDEA). This sovereign fund was created in 2012 to manage surplus resources from the country's oil revenues and invest them for economic development and diversification of the Angolan economy. According to the investment policy decreed by the Executive, the Angolan Sovereign Fund has a diversified portfolio in terms of asset classes, industries, and geographies. According to the report and accounts published in 2022, the Sovereign Fund of Angola (FSDEA) recorded a net loss of 196.6 million dollars in 2022 due to the item "gains and losses on investments at fair value through profit or loss". The fund is worth 2.1 billion dollars (Fundo Soberano de Angola, 2023).

2. REVIEW OF LITERATURE

At the heart of this thesis lies a complex challenge: the design of an alternative upgrade to the much-criticized Portuguese residency by investment programme. The overarching objective is to suggest a programme that not only addresses the nation's economic needs but also aligns with international best practices. In the pursuit of understanding the complexities surrounding the establishment and management of a residence permit programme for investment in Portugal, this literature review aims at comprehensively address three pivotal objectives. These objectives serve as the pillars for the exploration into the dynamics of such programmes, both within the Portuguese and broader international contexts.

2.1 RESIDENCE PERMIT PROGRAMME FOR INVESTMENT

Besides work contracts, should investment also give access to an individual's residence permit? This is a controversial topic since working individuals make a particular contribution: they provide the labour force, consume in the country, make a living, build a family, and contribute to the Portuguese Gross Domestic Product (GDP). Do the individuals who come to invest in Portugal contribute in a way that could bring benefits equivalent to those generated by labour? Based on literature, investment should give access to an individual's residence permit in a country, as it is a win-win situation between the investor who wants access to a lucrative investment or just free circulation in the 27 countries of the Schengen area (residence by investment) and the government that needs attractive policy goals in order to stimulate economic development and attract engaged investor-migrants, that is "attract wealth" - financial and human capital - and "cultivate engagement", respectively (Gamlen et al., 2016).

Programmes of this kind appeared in the aftermath of the global financial crisis of 2007-2009. Governments, irrespective of their political leanings, tend to launch residence by investment programmes (RBI) initiatives in response to economic downturns, especially during financial crises. These programmes are typically tailored to address and revitalize ailing sectors of the economy (Surak and Tsuzuki, 2021). For instance, in Portugal, the Golden Visa programme was established in 2012 to attract investors and resources to the country, with the aim of stimulating investment, job creation, and bolstering international relations.

IIPs offer clear advantages: Investors acquire new residency rights, while host countries benefit from increased revenues and job creation. Foreign investors seek

alternative residence rights for various reasons, including traditional to highly desirable locations, as a hedge against political or economic instability in their home countries, the convenience of visa-free travel, and the potential for tax benefits (Sumption & Hooper, 2014). Besides, once the golden visa has been granted, the ARI programme provides for family reunification. One of the "heads of household" gets the visa and then adds his household.

A report from the European Parliamentary Research Service indicates that investment programmes can have a favourable impact on foreign investment. However, Scherrer and Thirion's (2018) study found that these programmes also contribute to macroeconomic imbalances. It is important to note that this conclusion was drawn from an analysis of two countries, Ireland and Portugal, in a sample of eighteen countries with this type of programme. These authors also conclude that RBI programmes might negatively impact the European Union (EU) real estate market, based on a single data point from property transactions in Portugal in 2016, showing an 18% increase in foreign buyers. However, their conclusion is based on very broad data, making it uncertain whether the increase is due exclusively to RBI programmes or reflects a broader trend in foreign property investment. Surak and Tsuzuki (2021) claim that these programs can contribute to job creation and business formation, although the outcomes may not always meet the promised levels.

Two primary formats for the financial commitment criteria in IIPs are private sector investments and giving money directly to the government (Sumption & Hooper, 2014). In this type of private investment, according to Gamlen et al. (2016), 53% is applied in risk capital, such as real estate, stocks, managed funds, and active businesses; 28% is invested in recoverable deposits, like government bonds and the remaining in fees. Sumption and Hooper (2014) claim that developing programmes to maximise economic advantages can be daunting, and more rigorous empirical evidence regarding their outcomes is often needed. In cases where countries mandate private-sector business investments, such as the U.S. EB-5 programme, the ability to control the location and impact of investments and whether they genuinely lead to the expected job creation can be limited. This is particularly challenging since applicants can withdraw their investments when they attain permanent residence or citizenship.

Regarding the monies given to the government, they are funnelled into a broader treasury rather than being earmarked for particular objectives. In some instances, IIPs direct these revenues into institutional investment vehicles called Immigrant Investment Funds (IIFs), which can allocate these funds for specific policy goals (Gamlen et al., 2016). The most evident economic advantages arise from the programmes encouraging cash payments to the government or national development funds. Although there is no assurance that these funds will be used wisely, this model encounters fewer compliance issues associated with the investment than the private investment. Another benefit is that nonrefundable donations are irrevocable. However, the straightforward transparency of this model sparks controversy and public dissatisfaction, raising questions about the appropriateness of essentially 'selling citizenship' (Sumption & Hooper, 2014).

The Maltese Programme, for instance, was severely criticised. Schachar (2018) claims Malta's intention extended beyond selling its citizenship since it also encompassed the supranational status of European Union citizenship. European citizenship grants individuals holding the nationality of a member state various rights, including the freedom to live and move within the Union's territory. This author continues to discuss that central to the discussions surrounding Malta's programme has been the debate over how European institutions, especially the European Commission, could legally intervene in preventing the Maltese government from implementing the citizenship initiative. Initially, the programme allowed individuals to acquire Maltese citizenship through financial contributions and investments and no obligation for applicants to reside in Malta, and this aspect drew significant criticism. Surprisingly, the European Commission persuaded the Maltese government to revise the programme, adding a residency requirement for fast-track citizenship. With this debate also comes the reference to the important criterion that should be used under the public international law argument used by the European institutions, which constitutes the "genuine link" or "genuine connection" that potential citizens or residents to a country should have to the country in question to any IIP. Carrera (2014) states that the breach of the duty of sincere cooperation occurs when a member state grants citizenship to an individual without a genuine connection to that state. Such nationality acquisition might be seen as superficial,

manipulative, or inauthentic, contradicting the principles established in the Nottebohm⁵ case.

Key concerns regarding IIPs, as highlighted by Gamlen et al. (2016), include:

- *Poor Economic Outcomes*: IIPs have faced criticism for not delivering the anticipated economic benefits. This may be due to their inability to attract immigrants with the right skills or a lack of meaningful performance targets. The selection of individuals with the skills and abilities needed for significant economic contributions is challenging, as these qualities are often intangible and can evolve faster than policies can adapt. IIPs struggle to accurately measure and target the human capital they seek.
- *Poor Immigrant Engagement*: IIPs align with the trend of economic citizenship, emphasizing participation in commercial and financial markets over involvement in civil society. Some programme design choices, such as allowing investors to reduce residency requirements through higher financial commitments, may further exacerbate concerns about "civic buyout," where citizenship is essentially purchased.

Gamlen et al. (2016) conclude that these concerns highlight the complexity and challenges associated with the design and implementation of IIPs, particularly in balancing economic goals with societal and civic integration. Consequently, numerous IIPs mandate that immigrant investors actively engage, rather than passively observe, in the host country's economy and wider community. These requirements are often referred to as "engagement criteria".

A major concern raised by some authors and referred to by Gamlen et al. is also the issue of sovereignty and security, corruption, and money laundering. However, "no level of scrutiny can completely guarantee that terrorists will not make use of these programmes" (McFadden 2013). When we examine the trade-off in wealth and commitment, we can observe that certain countries struggle to attain high levels of both.

⁵The Nottebohm case in 1955, involving Liechtenstein and Guatemala, highlighted the importance of a real connection between a country granting nationality and the person receiving it. In this case, Liechtenstein wanted Guatemala to recognize Friedrich Nottebohm as a Liechtenstein national. The international Court of Justice (ICJ) emphasized the need for a "genuine link" between an individual and a state for matters of international law. More information: <https://www.icj-cij.org/public/files/case-related/18/018-19550406-JUD-01-00-EN.pdf>

Consequently, they become vulnerable to individuals who have negative intentions and seek to purchase their nation's civic responsibilities. (Gamlen et al., 2016) conclude that carefully designed programmes are best targeted at "candidates with high wealth and a strong willingness to engage in the economy and society of the destination country" (Gamlen et al., 2016).

According to Surak and Tsuzuki (2021) research among the 14 countries offering residency-by-investment (RBI) programs, most golden visas are concentrated in only 3 nations: Latvia, Portugal, and Greece, which issue more than 50% of all golden visas. Additionally, Spain, the UK, and Hungary, along with the aforementioned countries, contribute to over 95% of the total golden visa cases and revenue. Notably, the minimum investment required for RBI programs varies widely, ranging from €60,000 in Latvia to over €2 million in the UK, with most falling between €250,000 and €500,000. The most popular investment type is company investment, offered by 12 out of 14 countries, followed by investment funds (9 countries) and real estate (8 countries). Other options include government bonds (7 countries), bank deposits (6 countries), and contributions to the public good (3 countries). It's important to mention that contributions to government coffers play a minor role in the Latvian programme and the three Maltese schemes in operation.

These authors also raise a crucial question: "are these programmes designed to attract investment payoff?" Research on investment migration programmes shows that their economic impact depends on the size of the economy, with larger countries benefiting less proportionally than smaller ones. Urban areas attract more investment, while rural areas may receive relatively greater benefits. These programmes can contribute to job creation and business formation, although the outcomes may not always meet the promised levels.

2.2 BEST PRACTICES IN THE DESIGN OF IIP

Gamlen et al. (2016), reported that in recent years the IIPs have become more proliferated worldwide, adopting various forms, 60 different IIPs were found in 57 countries at the time of their research. However, these programmes share the common feature of allowing people to obtain residency citizenship by investing money.

Also, Gamlen et al. (2016) refer that IIFs are a promising capital management model. While most IIPs typically channel programme revenues into either the general economy

or the state's general revenues, IIFs offer an alternative approach. They propose the concept of a government-owned or -overseen investment vehicle that receives capital contributions from immigrant investors and manages these funds with both for-profit, commercial objectives and developmental objectives that yield clear public benefits linked to the IIP and, consequently, to the immigrant investors. IIFs, with their distinctive source of investable assets through IIPs, are considered a new investment vehicle and are classified as a new type of sovereign wealth fund, specifically as a form of sovereign development fund (SDF).

The range of outcomes covered by SDFs is extensive. While some SDFs succeed in carrying out their investment mandates and developmental goals, strengthening the power and coherence of civil society, others fail as a result of conflicts between the interests of political elites and the knowledge of sovereign financial institutions. The most successful SDFs protect their integrity by actively participating in their societies and supporting the "national interest," shielding themselves from the partisan politics' short-termism. These funds, which are often government-sponsored and strategic investment firms, aim to achieve two things at once: to provide investors with competitive returns and to support other financial objectives like job creation, infrastructure improvement, or economic growth (commonly referred to as "development"). The best-performing SDFs drive positive development outcomes by leveraging the capitalist system. Their strong financial performance attracts private capital participation, thereby amplifying the SDF's developmental impact and facilitating the growth of socially valuable industries. In successful SDFs, high private returns on investment and substantial public benefits are not conflicting objectives; rather, the former serves as a pivotal driver for the latter (Clark and Monk, 2015).

Sovereign Wealth Funds (SWFs) have the potential to provide long-term stability to financial markets and promote economic growth. By providing financial institutions with capital during crises, they significantly contribute to the stabilization of economies. Despite some worries about their effects, actual data indicates that SWFs frequently have a favourable impact on corporate profitability and the state of the economy. However, depending on information, transaction size, and corporate governance, their impacts on target firms can differ. The contributions of SWFs may go beyond businesses and affect host nations' political and economic objectives. Understanding the political and economic drivers of SWFs and developing suitable laws depend on answering these questions (Alhashel, 2014).

Several studies have explored the investment strategies and motives of Sovereign Wealth Funds (SWFs), shedding light on their role in global financial markets. The research produces a variety of results since while some SWFs may have political objectives, seeking to affect the growth of their country, others may prioritize economic returns and display rational investment behavior. According to varying amounts of evidence, SWFs have a variety of goals, from maximizing returns to bolstering national economies. Their investment decisions may be affected by elements like cultural disparities, economic development levels, and political relationship dynamics. The complexity and variability of SWFs are highlighted by these contradictory results, underlining the necessity for additional in-depth research to come to more conclusive conclusions about their investment strategies (Alhashel, 2014).

Programmes of this kind have been implemented in various countries, including Australia, the Netherlands, Singapore, Canada, and even in relatively small nations like St. Kitts and Nevis ... Based on the literature and having success in several countries, an SDF could represent an alternative to the golden visa in Portugal based on the best international practices.

Considering IIPs in a lot of countries some of them has several limitations and it is possible to absorb from literature that Sovereign Development Funds (SDFs) add financial wealth to local economies and suggests an improvement in IIPs to they achieve their objectives in a better way.

Inevitably to reproduce a successful IIF, and this case, the Sovereign Portuguese Fund, it is commendable to adhere to the best international practices. To design a SDF according to Clark and Monk (2015), the following 6 principles and 6 policies must be considered in order to ensure the principles for the key aspects of good public service performance, for good financial performance and for the recognition and realisation of the dual public-private nature of the IIF.

Clark and Monk (2015) refer that the Principles of Governance are based of progress in the global marketplace, SDFs need to establish a strong governance framework capable of satisfying the requirements of international due diligence. The key **governance principles** are:

- (1) *Measurement*: the SDFs should set a target rate of return, providing a risk limit for management and a performance benchmark for stakeholders. While this target

focuses on the long term, it enforces discipline by ensuring that commitment align with the actual results that will be in the future.

- (2) *Coherence*: Acknowledging that the rate of return target symbolizes a range of development goals, these objectives must be consistent and free of conflicts. Ideally, these objectives should align and be ranked based on their priority.
- (3) *Oversight*: A top-tier governance in the SDF is fundamental. Effective boards of directors are typically composed of a relatively small group (around 7–9 members) consisting of representatives from the sponsor, the institution's executive directors, and independent directors.
- (4) *Delegation*: These complex environments are demanded independence of operation, clear separation of powers between the board and directors are crucial, involving formally delegating authority to senior executives, which allow them to delineate and carry out investment strategies.
- (5) *Accountability*: Transparency and legitimacy are easily present when the principle of accountability is in place. This principle should be whether between the boards of directors and their government sponsor in line with the SDF's mission, also between senior executives and their board of directors.
- (6) *Commerciality*: Creating an independent investment vehicle, distinct from traditional government agencies, aims to bring market discipline to sectors that lacked it. This entity should have a well-defined commercial orientation to guide decision-making and garner support from other investors.

Continuing with Clark and Monk (2015), to achieve the aforementioned goals, management policies are needed to deal with potential extreme situations. The **management policies** are as follows:

- (7) *Marketability*: An effective SDF investment strategy should attract other market participants and position SDFs as partners for collaboration. Involving leverage private investors' decisions made a SDFs more successful since they accelerate private sector activity in underdeveloped markets or foster aligned partnerships.
- (8) *Positioning*: SDFs may be tasked with incubating uncertain opportunities, and their effectiveness hinges on whether they can exert control over these initiatives and, more importantly, partake in the value they generate.
- (9) *Capabilities*: SDFs should match their capabilities and resources with their investment strategy to avoid overextending and managing hidden risks. High-quality investment teams with impeccable track records of excellence are crucial.

- (10) *Phasing*: SDFs primarily operate in less developed and illiquid markets, requiring a rigorous performance monitoring at each investment phase and interim checkpoints to secure the follow-on investments.
- (11) *Risk*: SDFs are confronted with specific, project-related risks rather than conventional market risks. To manage these risks effectively, SDFs must employ non-traditional risk assessment methods such as scenario planning, agent-based models, and qualitative approaches.
- (12) *Translation*: SDFs play a crucial role as intermediaries when conflicts arise between foreign investors and local government priorities, since they have the ability to facilitate communication, helping in securing deals and navigating complex transactions.

Lastly these authors also contemplate that for averting operational failures the following should be consider a) *Deadweight Loss*, which SDFs should focus their efforts on investments and transactions that neither the government nor the free market can efficiently handle independently. If their goal is to drive development, they should prioritize initiatives where their intervention adds substantial value; b) *Unintended Consequences*: SDFs must draw valuable insights from past government and market failures to prevent their short-term decisions from causing enduring domestic issues. As a result, these funds should prioritize investments in enhancing their internal capabilities and establishing well-prepared research teams; and c) *Bridges to Nowhere*: meaning that the organizational strengths and weaknesses should be an in-depth analysis, since the development investment strategies demand heightened diligence in risk management and investment selection compared traditional approaches (Clark and Monk, 2015).

Overall, the literature review underscores the complexities and challenges associated with IIPs and suggests that aligning objectives with international best practices, including the potential use of Sovereign Development Funds, can lead to more effective and successful programmes.

3. THE PORTUGUESE RESIDENCE BY INVESTMENT PROGRAMME

The Golden Visa Programme in Portugal represents a residency initiative – RBI - rather than a citizenship programme that is established through investment. This programme has been operational since 2012 and has undergone multiple revisions and modifications until 2021. The latest revision was implemented on October 7th, 2023, as part of the Portuguese Government Housing Bill “Mais Habitação”.

3.1 FIRST DRAFTING OF THE PORTUGUESE ARI PROGRAMME

Until the end of 2021, according to the Portuguese Law 23/2007, July of 4th, the investment options, and requirements for obtaining a Golden Visa in Portugal were: (1) Real estate investment where the minimum investment for real estate was €500,000 in any area of Portugal; (2) Capital transfer with the minimum investment for a capital transfer was €1 million; (3) Job creation who’s the minimum job creation requirement was 10 jobs; (4) Scientific research - The minimum investment for scientific research was €350,000; (5) Cultural heritage - The minimum investment for cultural heritage was €250,000; (6) Venture capital funds - The minimum investment for venture capital funds was €350,000 (SEF).

The Golden Visa Programme until 2021 allowed successful applicants and their family members to live, work, and travel freely within the Schengen area for a period of five years, after which they could apply for permanent residency or even citizenship.

3.2 ARI PROGRAMME UPDATED

In 2021, the implementation of restrictions within the programme was initiated through the enactment of Decree Law 14/2021 on the 12th of February, with its enforcement commencing in early 2022. As outlined in an official communication from the Council of Ministers at the time of the decision to approve the decree law, the Portuguese government introduced modifications to the programme “favour the promotion of foreign investment in low density regions, namely in urban regeneration, cultural heritage, activities of high environmental or social value, productive investment and job creation”.

It should be emphasized that the restrictions were implemented with the objective of redirecting investment from urban centres such as Lisbon and Porto towards the interior regions and areas characterized by low population density within Portugal. This strategic

redirection aimed to shift investment from metropolitan areas towards the country's hinterland.

Under the revised program, it is crucial to note that only investments made in low-density regions of Portugal are considered eligible for Golden Visa applications. Consequently, investments in urban and coastal areas are no longer deemed eligible under the updated programme guidelines (ASMIP – Association of Portuguese Real Estate Agents, 2020).

As of January 1st, 2022, the updated investment options and minimum requirements for the Golden Visa Programme in Portugal are as follows: (1) Real estate investment - The minimum investment for real estate in low-density areas is now €400,000 and the investment in urban and coastal areas is no longer eligible for Golden Visa application; (2) Capital transfer - The minimum investment for a capital transfer remains at €1 million; (3) Job creation - The minimum job creation requirement remains at 10 jobs but must be in low-density areas; (4) Scientific research - The minimum investment for scientific research has decreased from €350,000 to €250,000; (5) Cultural heritage - The minimum investment for cultural heritage has decreased from €250,000 to €200,000; (6) Investment in small and medium-sized enterprises (SMEs) - A new investment option for SMEs has been introduced, with a minimum investment of €500,000; (7) Investment funds – A transfer of capital amounting at least €500,000, intended for the acquisition of units in investment funds or venture capital funds focused on the capitalization of companies operating under Portuguese law (SEF, 2023). Annually, the investor must stay in Portugal for a minimum period of 14 days to maintain your golden visa.

Successful applicants and their family members are granted a five-year residence permit, after which they may apply for permanent residency or even citizenship, provided they meet the program's requirements.

3.3 EVOLUTION OF THE ARI PROGRAMME

According to Portuguese Immigration and Border Service (SEF) Data, since the programme has been in force, 2012 October, until 2023 August, 12,561 residence permits were granted, of which around 43% were to Chinese nationals and the remaining were mainly to Brazilians, Turks, Americans, and South Africans. These authorisations allowed a family reunion of 20,241 extra residence permits.

Since the start of the programme, total investment via the ARI programme has been 6.67 billion euros, of which approximately 90% has been through real estate property purchasing, 9% through capital transfer and the rest through job position's creation.

The statistical analysis of the current ARI programme provides an essential quantitative understanding of its influence on crucial factors like economic growth and the real estate market. The questionnaire methodology enhances the study by gathering varied opinions from experts. Additionally, using linear regression models facilitates the investigation of variable correlations and the quantification of programme effects, hence promoting a thorough and informed assessment of the ARI programme and its qualitative and quantitative benefits.

3.3.1 Questionnaire Methodology

This questionnaire captures opinions and perspectives on the ARI programme from four qualifying individuals with diverse political leanings. The focus is to understand their views on the past, present and the improvements of potential alternative programmes. The questionnaire methodology encompasses 3 phases: Questionnaire Preparation, Completion of Questionnaires and Data Analysis. The main activities, expected output and risks or limitations during this process are presented in figure 3.1.

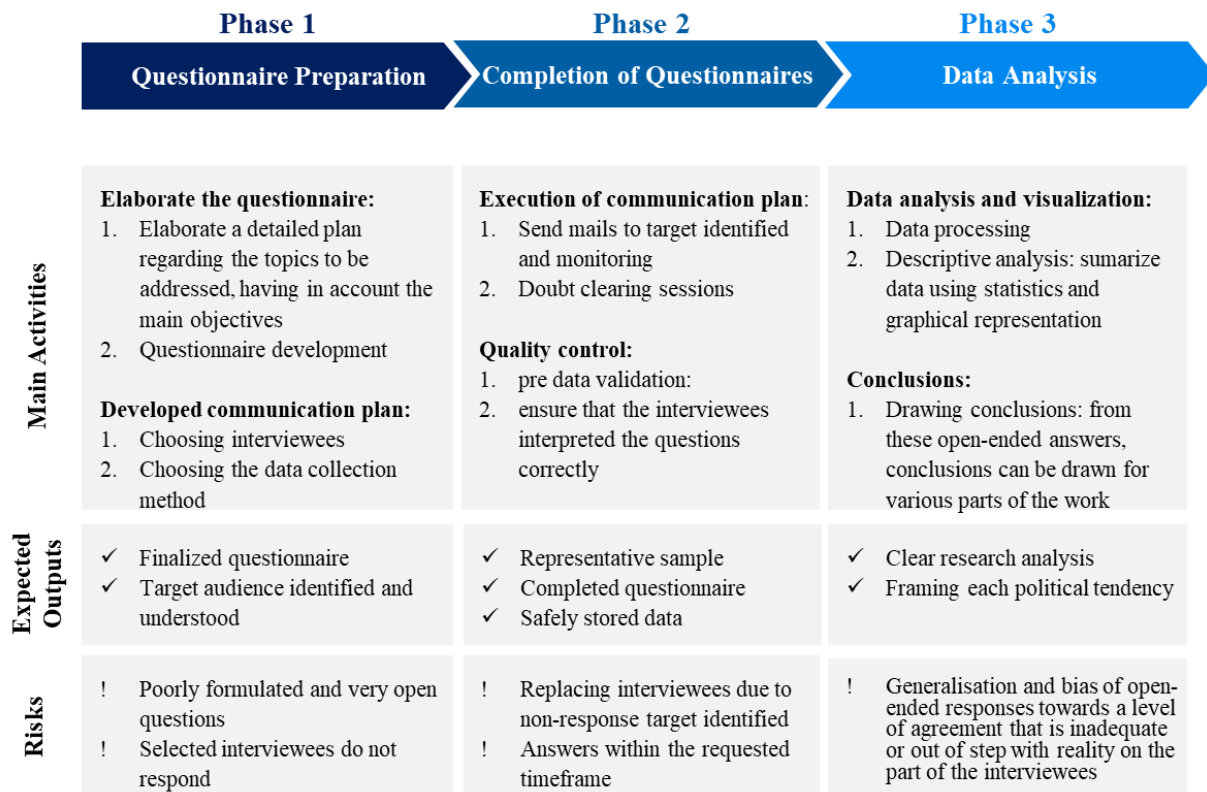


Figure 3.1 - Questionnaire Methodology

Source: Own elaboration

Appendices F until M contains the different responses to the 14 open-ended questions that comprised the questionnaire. Regarding the four experts, José Manuel Pureza represents the "popular left," Ricardo Arroja represents the "liberal right," Paulo Campos represents the "centre left," and Pedro Castanheira Lopes represents the "centre right."

Inferences were taken from the questionnaire for data analysis to inform various parts of the thesis. To infer their opinions on each issue in the model, the following values were categorized into five levels of satisfaction: 1, 2, 3, 4, and 5. Totally disagree, disagree, agree, and entirely agree, respectively. There is a restriction as a result, as this information is derived from the four experts' open-ended responses rather than from their direct assessment. Suggested colours have been allocated to this, along with a neutral colour that is the average of the four replies for each model in light of the political leaning they reflect. These will be presented in the results for each model.

3.3.2 Linear Regression

To evaluate the impact of the "ARI Programme" on the Portuguese economy, five linear regression models will be drawn up with one question to answer. The data analysis will consist of linear regressions applied to data covering the period from 2001 to 2022. A dummy variable called "ARI Programme" was introduced in this context. Before 2012, this variable had a value of 0, indicating that the "ARI Programme" was not in force during this period. From 2012 onwards, the value of the "ARI Programme" variable is set to 1, which means that the programme was activated that year. In addition to this independent variable, we have Portugal's budget balance, strike days in Portugal and the fixed interest rate of the European Central Bank (the "ECB").

The five essential variables most appropriate for the impact on the Portuguese economy in this context are the following dependent variables: Gross Domestic Product (hereinafter "GDP"), the Transacted Volume in the Housing Market, Bank Valuation of Residential Property, Municipal Revenues (calculated from the municipal property tax - IMI and Municipal transaction tax - IMT), as well as a variable representing the New Construction of Family Housing.

Applying linear regression models to each dependent variable will allow to analyse whether the "ARI Programme" has had a significant impact – significance test - and in which direction. This will help better understand the relationship between the programme and the economic indicators in question and quantify the magnitude of this impact.

The regression model aims to help answer the following questions:

1st Model) Did the ARI programme have an impact on GDP?

2nd Model) Did the ARI programme have an impact on the transacted volume?

3rd Model) Did the ARI Programme have an impact on bank valuation?

4th Model) Did the ARI Programme have an impact on municipal revenues?

5th Model) Did the ARI Programme encourage construction?

The National Statistics Institute (the "INE") of Portugal provided the dependent variables, which include the GDP in current values, which are expressed in billions of euros; the Transacted Volume, which is also expressed in billions of euros and can be found in the "Estatísticas da Construção e Habitação" report for each year that is available; and the Bank Valuation, which is the median value of bank assessments expressed in

euros per square meter. It is imperative to acknowledge that Bank Valuation comprises a broad spectrum of properties, encompassing residences with floor areas varying from 35 to 600 square meters, encompassing all lodging categories, including family houses. The INE Bank Valuation Survey is used to collect data about bank valuation.

The Municipal Tax Revenue (IMI + IMT) is a more pertinent dependent variable. Data for these taxes are taken straight out of government sources starting in 2009. However, a unique methodology was used for the years 2001–2008. These years' data processing was done using the General State Accounts, published yearly and accessible on the Directorate-General of Budget website. It was considered the switch from the previous SISA to IMT and then IMI throughout this time, which necessitated a weighted average of the pertinent statistics. The number of buildings built for family housing, or New Construction for Family Housing, is another critical dependent variable in our research. Information was taken from the INE publication "Estatísticas da Construção e Habitação". From 2001 to 2016, no significant changes were observed in the ratio of the number of accommodations to buildings, remaining at an average of 1.7 accommodations per building.

Regarding the independent variables employed in the Model, the dummy variable "ARI Programme" has been included for further examination. Also included is Portugal's Budget Balance, derived from Por Data and stated in billions of euros. Moreover, data from the "Pordata" portal supported Strike Days as an extra independent variable. The Fixed Interest Rate of the ECB, obtained from the Bank of Portugal's official website, has been integrated into the analysis, notably in years with numerous policy rates, a methodology involving calculating a weighted average based on the "main refinancing operations" for each year. On the other hand, the last reported rate from the previous year was applied in years with no fresh rate modifications.

3.3.3 Results

It is important to clarify that the confidence interval used for all the tests is 95%, so the associated significance level (α) is 5%, that serves as cutoff point for determining statistical significance. To make it easier to visualise, table x contains a summary of the relevant outputs of the 5 linear regressions in appendices A until E, regarding the ARI Programme variable that is intended to be analysed.

Table 3.1 - Aggregate summary output of the 5 models

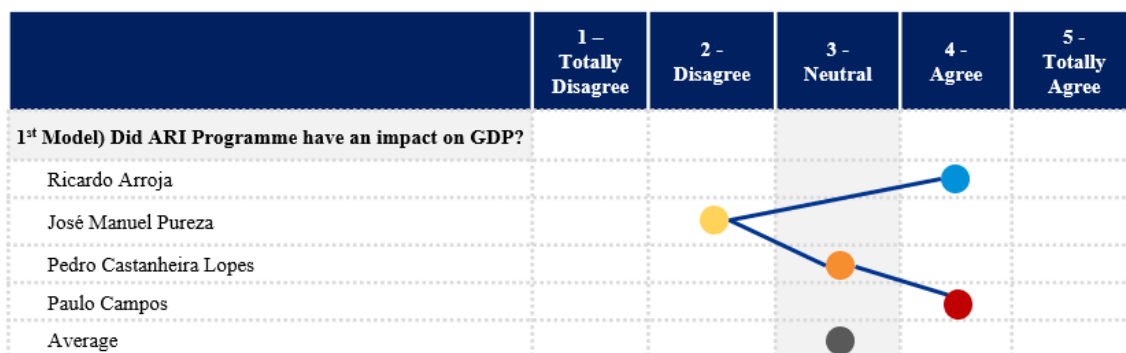
Linear Regression with Y	X	Coefficients	P-value	t-stat
GDP	ARI Programme	15397.94	0.390778	Not statistically significant
Transacted Volume		-9.54	0.046163	Statistically significant
Bank Valuation		-148.1	0.361589	Not statistically significant
IMIT + IMT		1.348	0.019748	Statistically significant
New Construction for Family		-12624.25	0.005894	Statistically significant

Source: Results obtained from analysing Simple Regression data in Excel, own elaboration

1st Model) Did the ARI programme have an impact on GDP?

To evaluate if the ARI programme has an impact on GDP and observing the appendix A, the p-value of 0.390778, which is higher than the alpha of 0.05. Thus, according to the data used and the linear regression carried out, it can be concluded that the ARI programme did not have a significant impact on GDP.

Table 3.2 - Statistical inference of Model 1

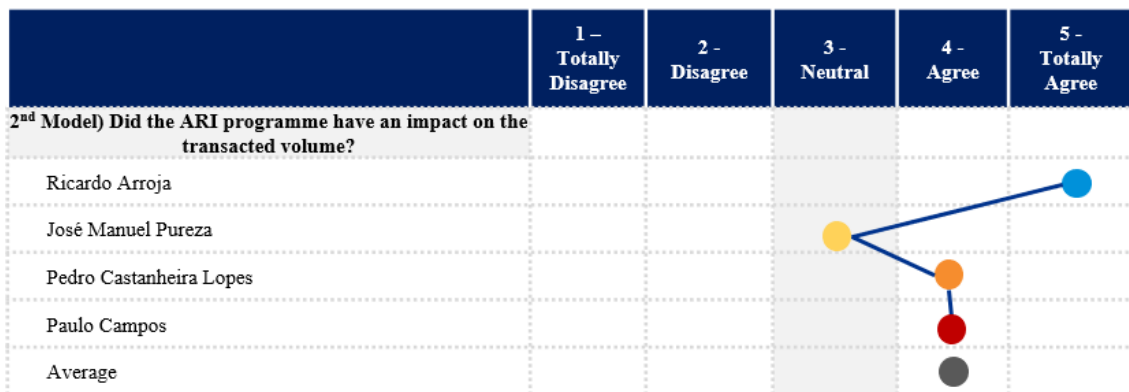


Source: Questionnaires

2nd Model) Did the ARI programme have an impact on the transacted volume?

Performing the significance test, regarding the appendix B the p-value is 0.04616, which is lower than the chosen significance level (alpha) of 0.05. This suggests that there is enough evidence to reject the null hypothesis. So, according to the data used, the ARI programme has a significant impact on transacted volume.

Table 3.3 - Statistical inference of Model 2

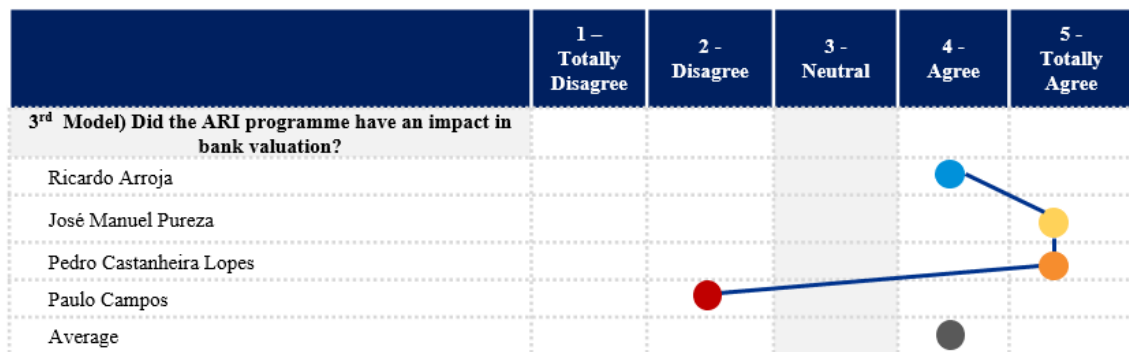


Source: Questionnaires

3rd Model) Did the ARI Programme have an impact in bank valuation?

In this regression according to the appendix C, the p value is 0.361598 and higher than the alfa of 0.05. So, according to the data used, the ARI programme is not statistically significant, so did not have a significant impact in bank valuation.

Table 3.4 - Statistical inference of Model 3

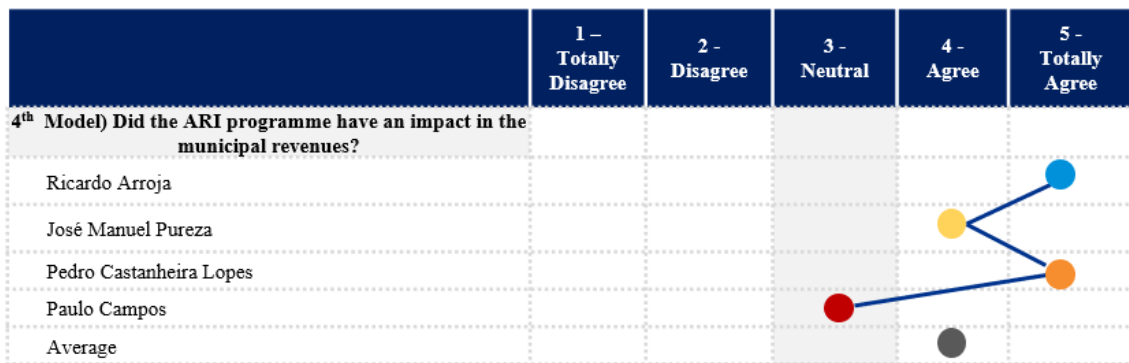


Source: Questionnaires

4th Model) Did the ARI Programme have an impact in the municipal revenues?

Analysing the impact of the variable on municipal revenues present in the appendix D, the p value is 0.019748 lower than alfa of 0.05, further evidence to reject the null hypothesis. So, according to the data used, the ARI programme has a significant impact on the municipal revenues.

Table 3.5 - Statistical inference of Model 4

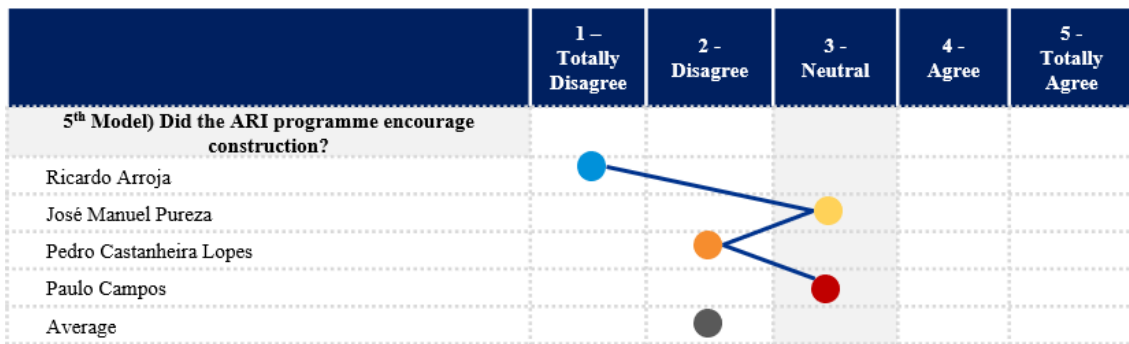


Source: Questionnaires

5th Model) Did the ARI Programme encourage construction?

As a final regression and according to the appendix E, it is verified the significance of the ARI programme variable in the new construction. The p-value is 0.00589 much lower than alfa. Based on the data analysed, it can be concluded that the ARI programme, has a significant influence on new construction.

Table 3.6 - Statistical inference of Model 5



Source: Questionnaires

3.3.4 Results Discussion

The Portuguese economy, heavily reliant on tourism, has greatly benefited from foreign investment during a period of considerable fragility. ARI programme emerged in the aftermath of the 2008 crisis. This investment has direct effects and several indirect effects that should be considered. Portugal's economic development until the present still relies heavily on this type of foreign investment.

In this context, while these models offer a direct analysis, it is equally important to deepen the examination of these indirect impacts. While the data may not show a significant direct impact of the ARI programme on GDP, it has played a vital role in Lisbon's real estate sector, particularly in revitalizing urban areas, stimulating the growth of services and restaurants, and consequently creating jobs. This has resulted in knock-on effects on job creation and a notable transformation in Lisbon's economy.

However, it is essential to consider that despite the city's increased appeal, salary increases have not kept pace with the rising cost of living. Furthermore, the rise in prices in the real estate sector cannot be attributed neither only nor mainly to the ARI programme, as this primarily results from the growing attractiveness of Portugal and a combination of factors across various sectors of the economy that have not made it possible to fulfil the population's housing needs. Regarding the effect on the value of transactions, there was a 61.2% decrease from the start of the crisis in 2008 until 2012. According to SEF, only two gold visas were granted this year, which does not indicate a significant proportional impact. Analysis reveals that the volume traded increased from 2012 to 2022, except for 2019, which had a value close to 2018, and 2020, which decreased because of the COVID-19 pandemic. Since 2012, the ARI programme has attracted more than €6.67 billion in direct investment, creating indirect employment opportunities and substantial stimulus in various sectors of the business market.

A significant impact on municipal revenues is expected, as these have been growing all along during the period under review since the transactions carried out in the municipality have substantially higher values.

Regarding new housing, analysis of the fifth model suggests that the ARI programme did not stimulate new housing construction. However, it is still being determined whether the current housing challenges in Portugal, which affect the local population, are mainly the result of the ARI programme. A study of the Housing Crisis in Large Cities prepared by the Francisco Manuel dos Santos Foundation suggests that these current problems result from a shortage of housing supply, with a sharp drop in construction since 2002, registering a significant decrease of 94% by 2015.

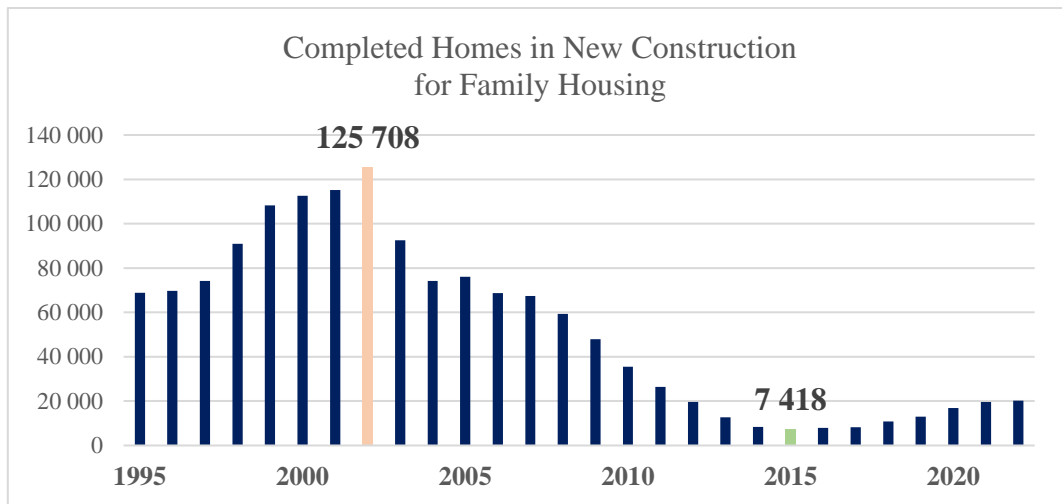


Figure 3.2 – Completed Homes in New Construction for Family Housing

Source: INE

According to the Housing Crisis in Large Cities study (Rodrigues et al., 2023, pp. 23-24), the factors that condition the dynamics of housing supply and its elasticity are as follows:

- **Lengthy licensing processes and excessive bureaucracy:** The period required to obtain the necessary licences and approvals for construction is significantly prolonged, which sets an unfavourable scenario for investment;

- **Lack of stability in regulation:** Instability in legal changes leads to a lack of confidence, driving away investors looking for long-term predictability.

- **Tax system:** Portugal imposes significant taxation on the property sector, including a VAT rate of 23% on new construction, along with municipal taxes IMI and IMT, increasing developers' costs;

- **Difficulty accessing bank finance:** Higher interest rates, especially in the current climate after a long period of low rates, make financing more expensive. The need for a significant equity investment can be a barrier for many potential investors;

- **Unpredictability in licensing processes:** In Portugal, licensing processes for construction and rehabilitation occur at the municipal level and are subject to varying interpretations. This can lead to uncertainty and different results in terms of time, depending on the technicians involved.

In summary, the ARI programme directly and indirectly impacted Portugal's economy, especially in the real estate sector, leading to economic growth and transformations in the main cities. However, the broader housing challenges experienced in the country must be attributed to more than just the programme, and it would be wise to consider cancelling such

a vital investment. Instead, exploring alternative measures aimed at risk mitigation would be prudent. This will be analysed and recommended in the following chapters.

4. INTERNATIONAL BENCHMARK

As international investment flows continue to grow, it will be examined how Portugal's investment programme stands out compared to programmes offered by other countries' investment programme rules. Numerous nations will be examined in the following table 4.1 using different standards in connection to Portugal; they include the proximity criterion – Spain, the wealth/economic size criterion, programmes in the nations that are typical of the world – EUA and UK, programmes in smaller nations – Cayman Islands and a European case study programme – Malta. This will bring the variety of immigrant investment programs up to date in the Gamlen et al. (2016) sample. These requirements apply to all upcoming IIPs: Background checks usually verify the authenticity of investors' money and determine whether or not a person has ever been convicted of a crime.

According to the International Monetary Fund (IMF), in 2022, Portugal had a GDP per Capita at current prices of 24.5 thousand U.S. dollars per capita, ranking it 25 out of 45 European countries. With the criterion of wealth/economic size comparison with Portugal, countries with GDP per capita ranked 23rd and 24th, Czech Republic and Lithuania, and 26th and 27th, Latvia and Slovak Republic, respectively.

Ireland's Investor Immigration Programme analysis is required for the benchmark, since is similar to a "golden visa" programme, has been discontinued. The decision, made by Minister of Justice Simon Harris, followed a thorough review and advice. The scheme, which faced allegations of involvement in unlawful activities, was terminated based on solid recommendations. The termination also considered international organizations' opinions on such investment programs. Introduced in 2012, the programme allowed wealthy individuals to obtain Irish residency by making financial contributions to the country and contributing to economic growth. Despite bringing €1.17 billion to Ireland, mostly from Chinese investors, it faced accusations of overlooking illegal activities like money laundering and tax evasion (Schengen Visa News, 2023).

Country	Spain ⁶	United States ⁷	United Kingdom ⁸	Malta ⁹	Cayman Islands ¹⁰	Czech Republic ¹¹	Lithuania ¹²	Latvia ¹³	Slovakia ¹⁴
Programme name	Spanish Golden Visa Programme	EB-5 Immigrant Investor Programme	Tier 1 (Investor) Programme	Malta Exceptional Investor Naturalisation (NEIM)	Cayman Islands Residency and Citizenship	Czech Business investor visa Programme	Lithuanian Golden Visa Programme	Latvia Residence by Investment	Slovakia Investment Visa
Years in operation	2013-	Since 1990 with most recently updates in 2021	2008 with recently updates	Updated in July 2020		2017-	2014-	2010-	2013-
Benefit to migrant	5 years Residence, with potential for citizenship after 10 years	Conditional 2 years Green Card after that a permanent U.S. residence 10 years and potential for U.S. citizenship	3 years Residence with a permanent residence of 5 years if maintain £2 million investment	5 years residency acquisition, and a potential citizenship	Residence with a potential citizenship after 10 years	2 years Residence with unlimited extensions, with the potential for citizenship after 10 years	Residence, with the potential for citizenship after 10 years	Residence for 5 years, and potential citizenship	Residence for 5 years, and potential citizenship after 8 years
Minimum Investment Threshold	Four investment options: 1) Invest in real estate at least €500,000; 2) Invest in Spanish public debt at least €2,000,000. 3) Purchase shares or deposit in a Spanish company or bank at least	Option 1: Invest at least \$800,000 in a Targeted Employment Area (TEA) or rural area with high unemployment, through a government-approved program. Option 2: Make a direct investment of at least \$1.05	Minimum access to at least £2 million (€2.3M). Investment in share or loan capital of active trading UK companies.	1) Invest a minimum of €600,000 after 36 months (Malta 1) or €750,000 after 12 months (Malta2). or 2) Buy a property valued at least €700,000, to be held for five years. or 3) lease a residence with an annual rental	Option 1: - US\$2.4 million investment for lifetime residency. - Work rights and path to citizenship for investor and family. - Minimal presence required. Option 2: - US\$1.2 million investment for a 25-year Residency Certificate. - No work rights or citizenship path. - Income or deposit requirements. -. Option 3: - 25-year renewable Certificate for business owners or	Financial investment of at least CZK 75,000,000 (approx. EUR 2,850,000 or USD 3,250,000). Up to 60% of this amount can be provided through assets such as machinery, real property, or intellectual property.	Minimum investment of EUR 50,000 for the startup visa. A solid business plan tailored for Lithuania is required for citizenship	1) Invest EUR 50,000 in a Latvian company, paying annual taxes of at least EUR 40,000. 2) Pay a one-time fee of EUR 10,000 to the state budget. 3) Demonstrate annual financial	Invest at least 100 million euros in a Slovak business, generate a minimum of 300 jobs, and make a significant positive contribution to Slovakia's economy.

⁶ Schengen Visa Info, 2023

⁷ U.S. Citizenship and Immigration Services, 2023

	€1,000,000; 4) Invest in a new business venture with socio-economic impact.	million outside a TEA.		value of €16,000 4) Make a voluntary contribution of €10,000 to an approved organization or registered non-governmental organizations.	senior management roles. - No real estate investment required. Option 4: - 25-year employment-generating businesses. - Minimum investment /US\$1.2 million.			stability (EUR 15,000 for an individual, EUR 22,000 for a couple with one child).	
Engagement Criteria	6 months (183 days) every year during 5 year period	Minimum physical presence requirement for investors of six months (about 183 days) each year	No residency requirements for those not intending to settle; specific residency requirements for ILR.	Adherence to specific investment thresholds, along with 12 or 36 months of residency within Malta	Option 1) Minimal presence 1 day; Option 2) 30-day residence obligation; Option 3 and 4) 90 days	Not required minimum days of physical presence; Job creation at least 20 full time jobs for EU citizens and maintain their operation throughout the duration of the Investment visa	Not required a minimum number of days of physical presence in Lithuania	Not required a minimum number of days of physical presence in Latvia	Minimum physical presence requirement for investors of six months (about 183 days) each year
Family Reunion	Yes	Yes	Yes	YES		Yes	YES	YES	Yes

Table 4.1 - IIPs Benchmark; Own elaboration

⁸ Immigration U.K., 2023

⁹ Get Golden Visa, 2023

¹⁰ Miller & Altneu, 2023

¹¹ Legal firm ECOVIS in the Czech Republic

¹² Law Firm Drakšas, Mekionis and Partners, 2023

¹³ Henley & Partners, 2023

¹⁴ To Get There, 2023 and Lawyers Slovakia, 2023

The following chart visually compares investment immigration programmes from nine different countries. Each point on the chart represents a country and is characterized by three key elements: The X-axis represents the Minimum Residency Time in Years, indicating the minimum period of residency granted by each country's immigration program; The Y-axis represents the Minimum Investment Amount Required to obtain a residence visa in each country; and The size of the bubble reflects the Minimum Mandatory Physical Presence Time in the country to maintain the residence visa.

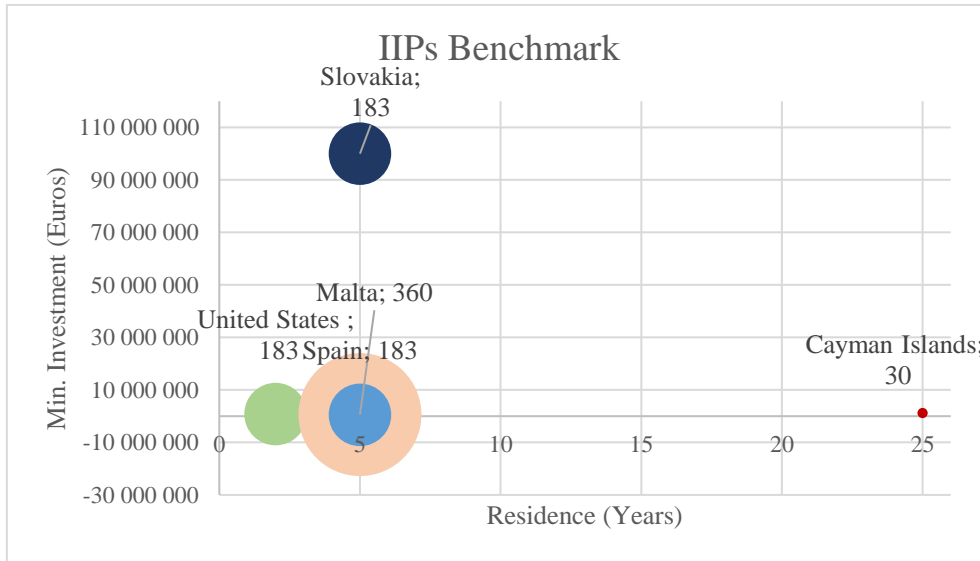


Figure 4.1 - IIPs Benchmark bubble chart

Source: Own elaboration

It is essential to clarify that the chart reflects the minimum requirements rather than a detailed analysis of each investment option in each country. Furthermore, it should be noted that in Czech Republic, Lithuania, Latvia and United Kingdom, the minimum physical presence time is zero; therefore, they are not represented on the chart.

Summarizing the best practices from the benchmark:

- Some benchmark countries require a more extended minimum residency period than Portugal, which can be seen as a beneficial aspect, as it helps establish stronger ties with the country, improving the engagement criteria;
- There is a greater emphasis on the business sector in many of the programmes;
- All programmes include provisions for family reunification;
- Some countries have already imposed limitations on real estate purchases;

- Some offer multiple investment options based on the investor's desired minimum duration, allowing those who wish to spend less time in the country to pay more;
- All benchmark countries allow for a fast-track path to citizenship after approximately ten years of continuous residency, meeting the requirements of extended continuous residence, language, and culture.

5. DESIGN OF THE PORTUGUESE RESIDENCY BY INVESTMENT

Following a comprehensive analysis and diverse perspectives, establishing a state sovereign wealth fund in SDF is the most suitable solution for upgrading the current investment residency by investment programme. Subsequently, the preferred configuration will be outlined by preparing a technical document and Clark and Monk's (2015) requirements deep analysis.

5.1 Recommended configuration of the upgraded RBI programme

Answering the question, what is the optimal design for a Portuguese investment programme? Based on the literature and carefully examining the legal opportunities for this kind of investment in the Portuguese setting. A term sheet will be used to detail the recommended structure.

The structure is designed to align with the Banco Português de Fomento (the “BPF”) current “Venture Capital Programme”. As an upgrade to the ARI programme, the recommended term sheet will be based on this structure, with some modifications due to the a sovereign wealth fund nature of the envisaged structure. The investment vehicle will be similar, but it will qualify for residency visa. Thus, this recommended option can be easily implemented, through a parallel channel to the one BPF has in place for its various programmes, namely the Venture Capital Programme.

We recommend a new minimum required duration of stay in Portugal of one-fifth of the year, that is 72 days, inspired by the centuries-old Portuguese tradition of awarding one fifth of income to the Crown. Investment in the sovereign wealth fund can occur concurrently with other investments within the country. In the case of sovereign wealth funds, the investor profits from the Portuguese residence visa and the various associated benefits.

In addition, this programme's recommended design should be progressive and ongoing, enabling adjustments in response to market feedback and subsequent modifications, all to enhance this vehicle's competitiveness.

5.1.1 Proposed Term Sheet

Table 5.1 - Drawing of SWF - Uma Casa Portuguesa, Com Certeza (CPC2)

Fund	Portuguese Sovereign Fund – Uma Casa Portuguesa, Com Certeza (CPC2)
Subscription Benefit	The foreign investor is granted a residence visa for 5 years.
Objectives	<ul style="list-style-type: none"> - Encouraging the country's economic and social development; - Upgrade the current ARI programme, as foreign investment remains crucial for the country, and residence visas continue to be granted; - Total Government control over the investments made; - Additional revenue for the state; - Objectives¹⁵: <ul style="list-style-type: none"> - Contribute to solving the problem of undercapitalisation of the entrepreneurial ecosystem, namely the difficulty of raising capital from Financial Intermediaries; - Fill the market gap in access to financial resources for national companies, especially those with growth potential, innovation, export orientation, reduction of external dependence, advancement in value chains, increased productivity, environmental transition, and digital transformation.
Allocation	The allocation for this investment is 500 million euros , corresponding to 500,000 euros for each golden visas awarded. (e.g. 1,000 golden visas per year).
Financial Intermediaries	Venture Capital Companies or Venture Capital Management Companies , the regulatory body being the Portuguese Securities Market Commission (CMVM) or another equivalent European supervisory body.
Maximum Funding per Financial Intermediary	<ul style="list-style-type: none"> - The maximum contribution from CPC2 is 87.5% of the total allocation; - The maximum private contribution for financial intermediaries is 12.5% of the total allocation;

¹⁵<https://www.bpfomento.pt/pt/catalogo/fundo-de-capitalizacao-e-resiliencia/programa-de-venture-capital/>

	<ul style="list-style-type: none"> - The Financial Intermediary, its partners, team members or governing bodies can only subscribe, alone or jointly, a maximum of 10% of the capital of the Venture Capital Fund; - The minimum size of each venture capital fund is €20 million.
Final Beneficiaries	SMEs or Mid-Caps , primarily in the start-up phases (pre-seed, seed, start-up, later stage venture - series A, B and C or scale-up).
Target sectors¹⁶	Financial Intermediaries will be selected whose investment policy focuses on investing in companies operating in life sciences, biotechnology, information technology, smart mobility, tourism, green economy, energy efficiency, social innovation, or impact projects.
Type of Fund	Annual capitalisation fund, no income distribution expected
Governance Structure	Banco Português de Fomento, S.A.
Redemption Policy	There is an exit window for the investor after the 6th year, in the totality of the capital invested, and there can be redemptions with a penalty commission of 5% every year in the first month of the year between 1st January and 31st January, with settlement taking place 6 months later. In the event of early redemption, the investor loses their residence permit.
Other Investments	Investing in the sovereign wealth fund can be done in parallel with other investments in the country. In the case of sovereign wealth funds, the investor profits from the Portuguese residence visa and the various associated benefits.

Source: Venture Capital Programme elaborated by Banco Português de Fomento, own elaboration

¹⁶ Matching the sector preferences chosen for the “Venture Capital Programme”

5.2 Assessing Compliance with Clark and Monk's (2015) Requirements in CPC2

The following reveals the results of Clark and Monk's (2015) exhaustive analysis of the prerequisites within the CPC2 fund to check whether a prosperous SDF has been replicated.

Table 5.2 - Clark and Monk's (2015) Requirements in CPC2

Governance Principles	Requirement	
1) Measurement	Accomplished	CPC2 has established a clear financial allocation and specific objectives encouraging the country's economic and social development, such as encouraging the attraction of foreign capital and total government control over investments.
2) Coherence	Accomplished	The fund's objectives are to improve the current ARI programme and contribute to the country's economic and social development, in line with the goal of filling the funding gap for national companies with potential for growth, innovation and environmental transition.
3) Oversight	Accomplished	The CPC2 fund is governed by BPF, resembling an effective supervisory structure made up of 20 members, although different from the one described by Clark and Monk (2015) which should be made up of a small group (7 to 9 members).
4) Delegation	Accomplished	Although the allocation is controlled by the government, the CPC2 fund involves an independent structure that manages financial resources, reflecting

		a formally defined delegation of authority.
5) Accountability	Accomplished	The CPC2 fund is transparent in terms of its objectives and is aligned with the mission of the Portuguese state. There is accountability between BPF and the government.
6) Commerciality	Accomplished	A certain level of commercial orientation is shown in the CPC2 fund's decision-making process, which is well-aligned with attracting in foreign capital and investing in domestic businesses.
Management Policies		
7) Marketability	Accomplished	The CPC2 fund was developed with the aim of continuing to attract foreign investment to the country. Through the allocation of foreign capital, the fund can be seen as an attractive investment opportunity, promoting the country's economic development, and attracting private investors who get 12.5% of total allocation, to participate in innovative investments.
8) Positioning	Accomplished	The CPC2 Fund is strategically orientated towards boosting growth and innovation in Portugal, promoting uncertain opportunities, and supporting the development of small local companies, in line with the fund's innovative investment policy.
9) Capabilities	Accomplished	The CPC2 Fund, which is managed by BPF, features high-quality investment teams with a track record of excellence,

		to match its capabilities and resources to its investment plan.
10) Phasing	Accomplished	Given the focus of the investment policy, the CPC2 Fund operates in less developed and less liquid markets. In this context, the ability to rigorously monitor performance at each investment stage and the presence of intermediate checkpoints are crucial to ensuring security and adherence to the fund's objectives. BPF conducts a thorough analysis in this regard.
11) Risk	Accomplished	The CPC2 Fund faces risks associated with the development of companies and projects in Portugal or corruption and mismanagement, so should adopt unconventional approaches, such as scenarios, agent-based models and qualitative methods, to effectively manage these risks
12) Translation	Accomplished	The CPC2 Fund can play a key role in translating interests and priorities between foreign investors and local government objectives.

Source: Own Elaboration

Finally, a thorough examination of Clark and Monk's (2015) requirements within the CPC2 fund demonstrates that the fund successfully replicates the fundamental components of a successful SDF, fulfilling all twelve requirements. Strong governance principles, effective management practices, and the ability to match its objectives with the country's economic and social development goals are among these factors. Transparency, commercial focus, and a dedication to attracting foreign money while helping local enterprises characterize the fund. Furthermore, it adopts risk management

strategies and plays a vital role in easing communication and securing transactions between foreign investors and regional government agendas. Overall, the CPC2 fund is well-positioned to meet the conditions of a successful SWF.

CONCLUSIONS

In Portugal, the ARI programme, often known as golden visas, has generated a lot of criticism and controversy in recent years. The question is not just whether to maintain or cancel the programme; this thesis proposes an alternative that aims to maximise the benefits of this investment programme. It is believed that it is possible to extract the maximum benefit from it by maintaining the inflows of foreign capital while at the same time implementing effective measures to mitigate the risks previously identified.

Foreign investment plays a crucial role in Portugal's economy. Apart from the immediate advantages, such as capital injection, many indirect impacts foster economic expansion and employment generation. Therefore, the complete extinction of the gold visa programme would undoubtedly negatively impact the whole country.

This thesis' central argument evaluates the benefits of reworking the ARI (Residence Permit for Investment) scheme. As we have highlighted, the emphasis on foreign investment is still present, which is advantageous for Portugal. Putting money into a programme that has already gained traction can have positive effects.

Based on precisely stated criteria, a comparative analysis was conducted with other Immigration Investment Programmes (IIP) now in effect in other countries. This analysis aims to pinpoint best practices and components that Portugal's ARI programme can reformulate.

During this work, there were some significant limitations. Firstly, the regression data refers to mainland Portugal, which may dilute the impact of the ARI programme, which, according to some analyses, was more significant in large cities such as Lisbon, Porto and Coimbra, among others. In addition, the average number of units per building in newly built housing in Portugal is 1.7, while in Lisbon, this figure rises to 3.3 per building. The availability of data on some IIPs is scarce and, in some cases, contradictory, which forces us to assume information from various sources. There were some difficulties accessing potential respondents, which can affect the accuracy of the data collected.

The proposal to upgrade the ARI programme aims to maximise the achievement of its objectives. Using an investment vehicle stands out as a solution to the current instability of the Portuguese golden visa programme. As reported by Brilhante Dias, instead of continually revising the programme, as suggested by Brilhante Dias, a carefully designed upgrade can be implemented.

Upgrading the ARI programme, making it evolve into a Portuguese sovereign wealth fund - "Uma Casa Portuguesa, Com Certeza" (CPC2), represents an opportunity to maintain and strengthen the benefits of foreign investment while addressing the associated challenges and risks. Public policies must consider creative alternatives to meet the country's needs and boost sustainable economic development.

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APPENDICES

APPENDIX A – First Linear Regression Model

Table 6.1 – First Linear Regression Model: The impact of the ARI Programme in the GDP

Year	Billion EUR		Fixed Rate	Billion EUR	
	GDP	ARI		Budget Balance	Strike Days
2001	135 775	0	3.94%	-6.503	42
2002	142 554	0	2.75%	-4.753	108
2003	146 068	0	2.25%	-8.262	53
2004	152 248	0	2.00%	-9.414	46
2005	158 553	0	1.25%	-9.720	27
2006	166 260	0	3.00%	-6.951	44
2007	175 483	0	2.88%	-5.088	30
2008	179 103	0	3.44%	-6.626	41
2009	175 416	0	1.44%	-17.318	0
2010	179 611	0	1.00%	-20.473	72
2011	176 096	0	1.25%	-13.495	61
2012	168 296	1	0.75%	-10.400	113
2013	170 492	1	0.38%	-8.703	77
2014	173 054	1	0.10%	-12.730	26
2015	179 713	1	0.05%	-7.995	20
2016	186 490	1	0.00%	-3.609	12
2017	195 947	1	0.00%	-5.792	29
2018	205 184	1	0.00%	-0.716	51
2019	214 375	1	0.00%	0.247	56
2020	200 519	1	0.00%	-11.669	26
2021	214 741	1	0.00%	-6.216	33
2022	239 253	1	1.56%	-0.944	0

Source: Data obtained by Por Data and Banco de Portugal, own elaboration.

Table 6.2 - Summary Output of the First Model

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	198774.25	23527.23	8.45	0.00	149136.13	248412.37
ARI	15397.94	17484.37	0.88	0.39	-21490.86	52286.74
Fixed Rate	-567764.62	647704.96	-0.88	0.39	-1934302.64	798773.41
Budget Balance	1073.39	1042.34	1.03	0.32	-1125.74	3272.53
Strike Days	-266.74	137.94	-1.93	0.07	-557.75	24.28

Source: Results obtained from analysing Simple Regression Data by Excel, own elaboration

APPENDIX B – Second Linear Regression Model

Table 7.1 – Second Linear Regression Model: The impact of the ARI Programme in the Transacted Volume

Year	Billion EUR		Billion EUR		
	Transacted Volume	ARI	Fixed Rate	Budget Balance	Strike Days
2001	18.20	0	3.94%	-6.503	42
2002	20.02	0	2.75%	-4.753	108
2003	20.79	0	2.25%	-8.262	53
2004	23.23	0	2.00%	-9.414	46
2005	28.04	0	1.25%	-9.720	27
2006	29.41	0	3.00%	-6.951	44
2007	29.63	0	2.88%	-5.088	30
2008	24.43	0	3.44%	-6.626	41
2009	19.69	0	1.44%	-17.318	0
2010	19.15	0	1.00%	-20.473	72
2011	12.29	0	1.25%	-13.495	61
2012	9.49	1	0.75%	-10.400	113
2013	10.67	1	0.38%	-8.703	77
2014	12.11	1	0.10%	-12.730	26
2015	15.13	1	0.05%	-7.995	20
2016	18.23	1	0.00%	-3.609	12
2017	24.30	1	0.00%	-5.792	29
2018	26.20	1	0.00%	-0.716	51
2019	25.96	1	0.00%	0.247	56
2020	20.96	1	0.00%	-11.669	26
2021	28.10	1	0.00%	-6.216	33
2022	31.00	1	1.56%	-0.944	0

Source: Data obtained by Construction and Housing Statistics (INE), Por Data and Banco de Portugal, own elaboration.

Table 7.2 - Summary Output of the Second Model

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	39.65	5.97	6.65	0.000	27.06	52.24
ARI	-9.54	4.43	-2.15	0.046	-18.89	-0.18
Fixed Rate	-166.90	164.24	-1.02	0.324	-513.42	179.62
Budget Balance	0.94	0.26	3.54	0.003	0.38	1.49
Strike Days	-0.09	0.03	-2.60	0.019	-0.16	-0.02

Source: Results obtained from analysing Simple Regression Data by Excel, own elaboration

APPENDIX C – Third Linear Regression Model

Table 8.1 – Third Linear Regression Model: The impact of the ARI Programme in Bank Valuation

Year	EUR			Billion EUR	
	Bank Valuation	ARI	Fixed Rate	Budget Balance	Strike Days
2001	1 035	0	3.94%	-6.503	42
2002	1 063	0	2.75%	-4.753	108
2003	1 134	0	2.25%	-8.262	53
2004	1 189	0	2.00%	-9.414	46
2005	1 224	0	1.25%	-9.720	27
2006	1 228	0	3.00%	-6.951	44
2007	1 234	0	2.88%	-5.088	30
2008	1 156	0	3.44%	-6.626	41
2009	1 159	0	1.44%	-17.318	0
2010	871	0	1.00%	-20.473	72
2011	813	0	1.25%	-13.495	61
2012	766	1	0.75%	-10.400	113
2013	758	1	0.38%	-8.703	77
2014	749	1	0.10%	-12.730	26
2015	785	1	0.05%	-7.995	20
2016	833	1	0.00%	-3.609	12
2017	893	1	0.00%	-5.792	29
2018	980	1	0.00%	-0.716	51
2019	1 095	1	0.00%	0.247	56
2020	1 162	1	0.00%	-11.669	26
2021	1 295	1	0.00%	-6.216	33
2022	1 469	1	1.56%	-0.944	0

Source: Data obtained by INE, Por Data and Banco de Portugal, own elaboration.

Table 3.2 - Summary Output of the Third Model

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	1342.72	212.49	6.32	0.000	894.40	1791.05
ARI	-148.06	157.92	-0.94	0.362	-481.23	185.11
Fixed Rate	2637.27	5849.96	0.45	0.658	-9705.07	14979.61
Budget Balance	16.46	9.41	1.75	0.098	-3.41	36.32
Strike Days	-2.94	1.25	-2.36	0.030	-5.57	-0.31

Source: Results obtained from analysing Simple Regression Data by Excel, own elaboration

APPENDIX D – Fourth Linear Regression Model

Table 4.1 – Fourth Linear Regression Model: The impact of the ARI Programme in Municipal Tax Revenue

Year	Billion EUR			Billion EUR		
	IMI + IMT	ARI	Fixed Rate	Budget Balance	Strike Days	
2001	0.63625	0	3.94%	-6.503	42	
2002	0.03459	0	2.75%	-4.753	108	
2003	0.02010	0	2.25%	-8.262	53	
2004	0.17297	0	2.00%	-9.414	46	
2005	0.01452	0	1.25%	-9.720	27	
2006	0.03503	0	3.00%	-6.951	44	
2007	0.02590	0	2.88%	-5.088	30	
2008	0.02884	0	3.44%	-6.626	41	
2009	1.65941	0	1.44%	-17.318	0	
2010	1.69991	0	1.00%	-20.473	72	
2011	1.66976	0	1.25%	-13.495	61	
2012	1.61560	1	0.75%	-10.400	113	
2013	1.68753	1	0.38%	-8.703	77	
2014	1.95518	1	0.10%	-12.730	26	
2015	2.11618	1	0.05%	-7.995	20	
2016	2.14337	1	0.00%	-3.609	12	
2017	2.30949	1	0.00%	-5.792	29	
2018	2.51383	1	0.00%	-0.716	51	
2019	2.49939	1	0.00%	0.247	56	
2020	2.47180	1	0.00%	-11.669	26	
2021	2.56128	1	0.00%	-6.216	33	
2022	2.93900	1	1.56%	-0.944	0	

Source: Data obtained by General State Accounts, Por Data and Banco de Portugal, own elaboration.

Table 9.2 - Summary Output of the Fourth Model

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	1.01	0.70	1.45	0.166	-0.47	2.50
ARI	1.34	0.52	2.57	0.020	0.24	2.44
Fixed Rate	-21.25	19.33	-1.10	0.287	-62.02	19.53
Budget Balance	-0.03	0.03	-0.93	0.367	-0.09	0.04
Strike Days	-0.01	0.00	-1.36	0.190	-0.01	0.00

Source: Results obtained from analysing Simple Regression Data by Excel, own elaboration

APPENDIX E – Fifth Linear Regression Model

Table 50.1- Fifth Linear Regression Model: The impact of the ARI Programme in the new construction

Billion EUR						
Year	New construction for family housing	ARI	Fixed Rate	Budget Balance	Strike Days	
2001	40 820	0	3.94%	-6.503	42	
2002	40 479	0	2.75%	-4.753	108	
2003	33 776	0	2.25%	-8.262	53	
2004	26 792	0	2.00%	-9.414	46	
2005	31 644	0	1.25%	-9.720	27	
2006	25 448	0	3.00%	-6.951	44	
2007	33 946	0	2.88%	-5.088	30	
2008	35 751	0	3.44%	-6.626	41	
2009	26 136	0	1.44%	-17.318	0	
2010	20 089	0	1.00%	-20.473	72	
2011	16 591	0	1.25%	-13.495	61	
2012	14 703	1	0.75%	-10.400	113	
2013	11 526	1	0.38%	-8.703	77	
2014	6 220	1	0.10%	-12.730	26	
2015	4 520	1	0.05%	-7.995	20	
2016	4 733	1	0.00%	-3.609	12	
2017	6 755	1	0.00%	-5.792	29	
2018	7 308	1	0.00%	-0.716	51	
2019	8 383	1	0.00%	0.247	56	
2020	8 384	1	0.00%	-11.669	26	
2021	9 142	1	0.00%	-6.216	33	
2022	9 571	1	1.56%	-0.944	0	

Source: Data obtained by Construction and Housing Statistics (INE), Por Data and Banco de Portugal, own elaboration.

Table 10.2 - Summary Output of the Fifth Model

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	18753.46	5399.70	3.47	0.003	7361.09	30145.83
ARI	-12624.25	4012.81	-3.15	0.006	-21090.54	-4157.96
Fixed Rate	466078.50	148653.81	3.14	0.006	152446.38	779710.63
Budget Balance	172.35	239.22	0.72	0.481	-332.38	677.07
Strike Days	50.59	31.66	1.60	0.128	-16.21	117.38

Source: Results obtained from analysing Simple Regression Data by Excel, own elaboration

APPENDIX F – Questionnaire Answers José Manuel Pureza (in Portuguese)

Questões:

1. *Qual é sua opinião sobre o programa de vistos gold em Portugal? Acredita que o programa de vistos gold está a ser adequadamente regulamentado e fiscalizado?*

Tenho uma opinião muito crítica, pela natureza do programa e pelos seus efeitos, que adiante desenvolverei, designadamente no mercado imobiliário. A limitação da fiscalização faz parte da natureza do próprio programa.

2. *Acredita que o programa de vistos gold trouxe benefícios económicos significativos para o país?*

Os custos trazidos ao país em matéria de especulação imobiliária e de permeabilidade a práticas de branqueamento de capitais e outra criminalidade económica são incomensuravelmente superiores a quaisquer ganhos pontuais de entrada de capital.

3. *Existem riscos ou desvantagens associadas ao programa de vistos gold que o preocupam?*

Mais que riscos, há realidades. O impacto do programa na especulação imobiliária nas áreas urbanas de Lisboa e do Porto é indelével. Os riscos de admissão de investimento por indivíduos envolvidos em branqueamento de capitais são reconhecidos por todos os estudos sobre o tema e identificados pelas instituições da União Europeia que se têm debruçado sobre este tipo de programas.

4. *Existe alguma iniciativa que gostaria de ver implementada para melhorar o programa de vistos gold em Portugal, uma vez que foi anunciada a intenção de finalizar este programa?*

Não creio que este seja um programa que se deva manter com ajustes pontuais, porque eles nunca poderão ir ao essencial. Sendo a especulação imobiliária o seu principal efeito perverso e sendo a larguíssima maioria do investimento canalizado por este programa dirigido ao imobiliário, a anulação ou restrição severa da aplicação em imobiliário destes investimentos terminaria com o regime de proteção especial inerente. É preferível assumir isso e retirar esta figura da ordem jurídica portuguesa.

5. *Acredita que o programa de vistos gold é justo e equitativo para todos os cidadãos, independentemente de sua situação financeira?*

Esse é um outro dos problemas fundamentais de programas deste tipo. Porque ele introduz uma dualidade inaceitável entre dois tipos de requerentes de autorização de residência em Portugal. Aos que investem avultados montantes em imobiliário é oferecida uma via verde para acederem a essa possibilidade (e, por arrastamento, à própria nacionalidade portuguesa com o transcurso de poucos anos, ainda que sem uma residência efetiva ou outro tipo de laços reais com o país). Pelo contrário, a quem chega a Portugal só com a sua força de trabalho condena-se a um calvário burocrático e a uma permanência durante meses e anos sem autorização de residência e, por isso, numa condição de irregularidade que expõe a todo o tipo de exploração e de privação prática de direitos fundamentais.

6. *Como equilibra os benefícios económicos do programa de vistos gold com questões de segurança nacional e política de imigração?*

Como já disse em resposta anterior, os impactos negativos anulam em muito os alegados benefícios. Exigências mínimas em matéria de transparência, há muito solicitadas na Assembleia da República, nunca foram admitidas. Isso mostra que é inerente ao programa o desequilíbrio resultante do seu funcionamento sem regulação apertada.

7. *Qual é sua opinião sobre o projetado fim do programa de vistos gold em Portugal?*

Por tudo o que já referi, sou claramente favorável a essa decisão.

8. *Quais foram, em sua opinião, os principais motivos que levaram ao anúncio do fim do programa de vistos gold?*

A atual crise dramática no mercado imobiliário e a dificuldade de adoção de medidas de política pública que limitem a especulação dos preços da habitação nas principais zonas urbanas do país é certamente o motivo principal.

9. *Acredita que o fim do programa de vistos gold terá algum impacto negativo ou positivo na economia portuguesa?*

Os adeptos de programas deste tipo, e os que dele beneficiam direta e indiretamente, vão certamente bradar contra os milhões de investimento que deixam de entrar em Portugal. Ao invés, eu entendo que essa retração é positiva.

10. Se o governo vier a considerar reformular o programa de vistos gold, quais deveriam ser, em sua opinião, as motivações de um programa revisto?

Já referi que a única alternativa que me parece adequada é a supressão completa deste regime. Um regime adequado de investimento estrangeiro em Portugal deve sempre dar primazia a uma total transparência – que implica um controlo determinado das origens dos fluxos de capital em causa – e uma interdição da colocação desses capitais em setores sujeitos a uma pressão especulativa sempre danosa para as pessoas e para a própria economia.

11. Acredita que o fim do programa de vistos gold foi uma decisão política acertada? Acha que pode afetar a imagem de Portugal como um destino turístico e de negócios internacional?

Mal andaríamos se o prestígio do setor turístico estivesse associado a regimes de compra de autorizações de residência e de favorecimento da especulação imobiliária. Um país que se leva a sério não se põe de cócoras.

12. Acredita que um novo programa de investimento estrangeiro poderia ser mais justo e equitativo do que os vistos gold em termos de acesso e benefícios para todos os cidadãos, independentemente de sua situação financeira?

Em tese sim. Mas isso suporia a negação da filosofia de base deste programa, que é uma filosofia de favor. Terminar com esse favor e adotar uma política de igualdade de todos os cidadãos é necessariamente terminar com o próprio programa.

13. Existe algum país ou região que o governo deva considerar um modelo a seguir em termos de programa de investimento estrangeiro?

Essa possibilidade já foi ensaiada pelo atual governo, quando quis canalizar esse investimento para os territórios de baixa densidade do interior do país. Essa tentativa foi totalmente frustrada, por razões óbvias: investir no interior não tem rentabilidade comparável com o investimento nas zonas metropolitanas de Lisboa e do Porto.

14. *Pensa que o governo está a envolver as partes interessadas, como empresários e organizações da sociedade civil, na elaboração de um novo programa de investimento estrangeiro em Portugal? O que deveria fazer para ouvir e considerar as preocupações e sugestões da sociedade em relação a esse assunto?*

Não tenho informação que me permita responder com seriedade a esta pergunta.

APPENDIX G – Questionnaire Answers José Manuel Pureza (in English)

Questions:

1. *What is your opinion of the golden visa programme in Portugal? Do you believe that the golden visa programme is being adequately regulated and supervised?*

I have a very critical opinion, due to the nature of the programme and its effects, which I will elaborate on below, particularly on the property market. Limiting supervision is part of the nature of the programme itself.

2. *Do you believe that the golden visa programme has brought significant economic benefits to the country?*

The costs brought to the country in terms of property speculation and permeability to money laundering practices and other economic crime are immeasurably greater than any one-off gains from capital inflows.

3. *Are there any risks or disadvantages associated with the golden visa programme that worry you?*

More than risks, there are realities. The programme's impact on property speculation in the urban areas of Lisbon and Porto is undeniable. The risks of investment by individuals involved in money laundering are recognised by all the studies on the subject and identified by the European Union institutions that have looked into this type of programme.

4. *Are there any initiatives you would like to see implemented to improve the golden visa programme in Portugal, given that the intention to end this programme has been announced?*

I don't believe that this is a programme that should be maintained with occasional adjustments, because they can never get to the heart of the matter. Since real estate speculation is its main perverse effect, and since the vast majority of the investment channelled through this programme is directed towards real estate, cancelling or severely

restricting the use of these investments in real estate would put an end to the inherent special protection regime. It is preferable to assume this and remove this figure from the Portuguese legal order.

5. *Do you believe that the golden visa programme is fair and equitable for all citizens, regardless of their financial situation?*

This is another of the fundamental problems with programmes of this kind. Because it introduces an unacceptable duality between two types of applicants for residence permits in Portugal. Those who invest large sums in property are offered a green light to access this possibility (and, by extension, Portuguese nationality itself after just a few years, even without actual residence or any other kind of real ties to the country). On the other hand, those who arrive in Portugal with only their labour force are condemned to a bureaucratic ordeal and to staying for months and years without a residence permit and, therefore, in a condition of irregularity that exposes them to all kinds of exploitation and the practical deprivation of fundamental rights.

6. *How do you balance the economic benefits of the golden visa programme with issues of national security and immigration policy?*

As I said in a previous answer, the negative impacts far outweigh the alleged benefits. Minimum demands in terms of transparency, which have long been called for in Parliament, have never been accepted. This shows that the imbalance resulting from the programme's operation without tight regulation is inherent.

7. *What is your opinion on the planned end of the golden visa programme in Portugal?*

For all the reasons I've already mentioned, I'm clearly in favour of this decision.

8. *What do you think were the main reasons for announcing the end of the golden visa programme?*

The current dramatic crisis in the property market and the difficulty of adopting public policy measures to limit housing price speculation in the country's main urban areas is certainly the main reason.

9. *Do you believe that the end of the gold visa programme will have any negative or positive impact on the Portuguese economy?*

Supporters of programmes of this kind, and those who benefit from them directly and indirectly, will certainly cry foul at the millions in investment that will no longer enter Portugal. On the other hand, I believe that this retraction is positive.

10. *If the government were to consider reformulating the golden visa programme, what do you think should be the reasons for a revised programme?*

I have already said that the only alternative that seems appropriate to me is the complete abolition of this regime. An appropriate regime for foreign investment in Portugal must always prioritise total transparency - which implies determined control of the origins of the capital flows in question - and a ban on placing this capital in sectors subject to speculative pressure that is always harmful to people and to the economy itself.

11. *Do you believe that ending the gold visa programme was the right political decision? Do you think it could affect Portugal's image as an international tourist and business destination?*

We would be badly off if the prestige of the tourist sector was associated with schemes to buy residence permits and favour property speculation. A country that takes itself seriously doesn't squat.

12. *Do you believe that a new foreign investment programme could be fairer and more equitable than gold visas in terms of access and benefits for all citizens, regardless of their financial situation?*

In theory, yes. But that would mean negating the basic philosophy of this programme, which is a philosophy of favour. To end this favour and adopt a policy of equality for all citizens is necessarily to end the programme itself.

13. Is there any country or region that the government should consider as a model to follow in terms of a foreign investment programme?

This possibility has already been tried by the current government when it wanted to channel this investment into the low-density territories in the interior of the country. This attempt was totally frustrated, for obvious reasons: investing in the interior is not as profitable as investing in the Lisbon and Oporto metropolitan areas.

14. Do you think the government is involving interested parties, such as entrepreneurs and civil society organisations, in drawing up a new programme for foreign investment in Portugal? What should it be doing to listen to and consider society's concerns and suggestions in this regard?

I don't have any information that would allow me to give a serious answer to this question.

APPENDIX H – Questionnaire Answers Ricardo Arroja (in Portuguese)

Questões:

1. *Qual é sua opinião sobre o programa de vistos gold em Portugal? Acredita que o programa de vistos gold está a ser adequadamente regulamentado e fiscalizado?*

A avaliação geral é positiva, porém, desconheço os pormenores do regime de fiscalização.

2. *Acredita que o programa de vistos gold trouxe benefícios económicos significativos para o país?*

Sim, abriu as portas de Portugal ao investimento estrangeiro, nomeadamente no sector imobiliário, permitindo a melhoria do investimento total em percentagem do PIB (que era desde há muito um domínio no qual o país estava mal posicionado).

3. *Existem riscos ou desvantagens associadas ao programa de vistos gold que o preocupam?*

Do ponto de vista económico, o principal risco reside no branqueamento de capitais e na entrada de capital de origem ilícita em Portugal. Do ponto de vista político, há também a percepção de que este tipo de programa poderá de alguma forma representar a “venda de direitos de nacionalidade”, que porventura não deveriam ser comercializáveis.

4. *Existe alguma iniciativa que gostaria de ver implementada para melhorar o programa de vistos gold em Portugal, uma vez que foi anunciada a intenção de finalizar este programa?*

Sim, a possibilidade de atribuição de visto gold mediante o investimento em construção para comercialização, como alternativa ao investimento na aquisição final de imóveis. Deste modo, o instrumento poderia ser utilizado de forma a aumentar a oferta de imóveis no mercado, rechaçando a crítica de que é frequentemente alvo (i.e., que o visto gold retira imóveis do mercado, contribuindo assim para inflacionar o mercado imobiliário).

5. *Acredita que o programa de vistos gold é justo e equitativo para todos os cidadãos, independentemente de sua situação financeira?*

O programa está intrinsecamente limitado por restrições de natureza financeira, logo, discrimina entre pessoas consoante a sua capacidade financeira. Também só está acessível a cidadãos de países que não sejam membros da União Europeia. Mas, cumpridas as condições de acesso, não há razão para acreditar que discrimina uns (entre aqueles que cumprem as condições de acesso) em favor de outros (nas mesmas circunstâncias).

6. *Como equilibra os benefícios económicos do programa de vistos gold com questões de segurança nacional e política de imigração?*

Com melhores protocolos de colaboração e interação com entidades de segurança internacionais, para detectar pessoas com antecedentes criminais, e com a utilização de bancos de identidade digitais.

7. *Qual é sua opinião sobre o projectado fim do programa de vistos gold em Portugal?*

Com a adopção de medidas preventivas e mitigatórias (vide respostas às perguntas 4 e 6), seria desnecessário o fim de algumas opções de investimento no programa dos vistos gold. Portugal continua a necessitar de investimento estrangeiro.

8. *Quais foram, em sua opinião, os principais motivos que levaram ao anúncio do fim do programa de vistos gold?*

A pressão política associada à subida dos preços no mercado imobiliário.

9. *Acredita que o fim do programa de vistos gold terá algum impacto negativo ou positivo na economia portuguesa?*

O impacto será negativo, ao reduzir o influxo de investimento estrangeiro.

10. *Se o governo vier a considerar reformular o programa de vistos gold, quais deveriam ser, em sua opinião, as motivações de um programa revisto?*

Manter o influxo de capitais provenientes do estrangeiro, tomando medidas para mitigar os riscos descritos antes.

11. *Acredita que o fim do programa de vistos gold foi uma decisão política acertada? Acha que pode afetar a imagem de Portugal como um destino turístico e de negócios internacional?*

Em termos políticos, o fim do programa não terá impacto nem dentro nem fora de portas. Por um lado, a opinião pública (a meu ver erradamente) atribui aos vistos gold parte da razão para a subida dos preços no mercado imobiliário. Por outro lado, outros países europeus (v.g., Irlanda) estão eles próprios também a dismantelar programas afins.

12. *Acredita que um novo programa de investimento estrangeiro poderia ser mais justo e equitativo do que os vistos gold em termos de acesso e benefícios para todos os cidadãos, independentemente de sua situação financeira?*

A situação financeira do potencial beneficiário do visto gold é inescapável.

13. *Existe algum país ou região que o governo deva considerar um modelo a seguir em termos de programa de investimento estrangeiro?*

Desconheço os pormenores de regimes concorrentes.

14. *Pensa que o governo está a envolver as partes interessadas, como empresários e organizações da sociedade civil, na elaboração de um novo programa de investimento estrangeiro em Portugal? O que deveria fazer para ouvir e considerar as preocupações e sugestões da sociedade em relação a esse assunto?*

A melhor solução seria eliminar os custos de contexto, reduzir a fiscalidade e zelar pela qualidade das instituições de ensino em Portugal. O investimento directo estrangeiro, preferencialmente na forma de investimento empresarial, virá por arrastamento.

APPENDIX I – Questionnaire Answers Ricardo Arroja (in English)

1. *What is your opinion of the golden visa programme in Portugal? Do you believe that the golden visa programme is being adequately regulated and monitored?*

The general assessment is positive, but I don't know the details of the inspection regime.

2. *Do you believe that the golden visa programme has brought significant economic benefits to the country?*

Yes, it has opened Portugal's doors to foreign investment, particularly in the property sector, allowing for an improvement in total investment as a percentage of GDP (which had long been an area in which the country was poorly positioned).

3. *Are there any risks or disadvantages associated with the golden visa programme that concern you?*

From an economic point of view, the main risk lies in money laundering and the entry of illicit capital into Portugal. From a political point of view, there is also the perception that this type of programme could somehow represent the "sale of nationality rights", which perhaps shouldn't be marketable.

4. *Are there any initiatives you would like to see implemented to improve the golden visa programme in Portugal, given that the intention to end this programme has been announced?*

Yes, the possibility of granting a gold visa by investing in construction for commercialisation, as an alternative to investing in the final purchase of real estate. In this way, the instrument could be used to increase the supply of properties on the market, rejecting the criticism it is often the target of (i.e. that the gold visa takes properties off the market, thus contributing to inflating the property market).

5. *Do you believe that the golden visa programme is fair and equitable for all citizens, regardless of their financial situation?*

The programme is intrinsically limited by financial restrictions, so it discriminates between people according to their financial capacity. It is also only accessible to citizens of countries that are not members of the European Union. But once the conditions for access have been met, there is no reason to believe that it discriminates against some (among those who meet the conditions for access) in favour of others (in the same circumstances).

6. *How do you balance the economic benefits of the golden visa programme with issues of national security and immigration policy?*

With better collaboration and interaction protocols with international security organisations, to detect people with criminal records, and with the use of digital identity banks.

7. *What is your opinion on the planned end of the golden visa programme in Portugal?*

With the adoption of preventive and mitigating measures (see answers to questions 4 and 6), the end of some investment options in the gold visa programme would be unnecessary. Portugal continues to need foreign investment.

8. *What do you think were the main reasons for announcing the end of the golden visa programme?*

The political pressure associated with rising prices in the property market.

9. *Do you believe that the end of the golden visa programme will have any negative or positive impact on the Portuguese economy?*

The impact will be negative, as it will reduce the inflow of foreign investment.

10. *If the government were to consider reformulating the golden visa programme, what do you think the motivations should be for a revised programme?*

To maintain the inflow of capital from abroad, taking measures to mitigate the risks described above.

11. *Do you believe that ending the golden visa programme was the right political decision? Do you think it could affect Portugal's image as an international tourist and business destination?*

In political terms, the end of the programme will have no impact either at home or abroad. On the one hand, public opinion (wrongly in my opinion) attributes part of the reason for the rise in property prices to gold visas. On the other hand, other European countries (e.g. Ireland) are themselves dismantling similar programmes.

12. *Do you believe that a new foreign investment programme could be fairer and more equitable than gold visas in terms of access and benefits for all citizens, regardless of their financial situation?*

The financial situation of the potential beneficiary of the golden visa is inescapable.

13. *Is there any country or region that the government should consider as a role model in terms of a foreign investment programme?*

I don't know the details of any competing schemes.

14. *Do you think the government is involving interested parties, such as entrepreneurs and civil society organisations, in drawing up a new foreign investment programme for Portugal? What should it do to listen to and consider society's concerns and suggestions in this regard?*

The best solution would be to eliminate context costs, reduce taxation and ensure the quality of educational institutions in Portugal. Foreign direct investment, preferably in the form of business investment, will follow.

APPENDIX J – Questionnaire Answers Pedro Castanheira Lopes (in Portuguese)

Questões:

1. Qual é sua opinião sobre o programa de vistos gold em Portugal? Acredita que o programa de vistos gold está a ser adequadamente regulamentado e fiscalizado?

O programa dos vistos gold tem na sua génese a atração de investimento externo por forma a impulsionar a economia nacional. Infelizmente, e apesar de ter sido bem implementado, temos verificado recentemente uma má gestão; a maioria destes investimentos têm sido feitos no mercado imobiliário, e concentrando-se essencialmente em Lisboa e Porto. Esta procura por parte de investidores estrangeiros com outro poder de compra, aleada à escassez de oferta nestes dois grandes centros, promoveu o aumento o preço médio do imobiliário de forma notória, não só nos dois grandes centros, mas também em outros concelhos e mesmo distritos, dificultando o acesso à habitação, sobretudo para os jovens. Isto aconteceu por falta de regulamentação, e visão para o país.

2. Acredita que o programa de vistos gold trouxe benefícios económicos significativos para o país?

Os benefícios foram nefastos: assistimos a um aumento substancial de transações de imóveis com estrangeiros, mas esse investimento pouco se traduziu na economia nacional. De referir que foram identificados muitos imóveis que foram comprados por investidores estrangeiros e que se mantêm fechados, ou mesmo com claros sinais de degradação.

3. Existem riscos ou desvantagens associadas ao programa de vistos gold que o preocupam?

Como acima mencionado , devido à falta de regulamentação, a contaminação do aumento dos preços no mercado imobiliário é o sinal mais preocupante.

4. Existe alguma iniciativa que gostaria de ver implementada para melhorar o programa de vistos gold em Portugal, uma vez que foi anunciada a intenção de finalizar este programa?

O programa dos vistos gold poderia ter uma aplicabilidade que beneficiasse a qualidade de vida dos cidadãos. Estes investimentos poderiam (e deveriam) ser canalizados para os centros mais pequenos, bem como para áreas como a da saúde, pelo investimento em hospitais públicos e centros de saúde, da educação, pelo investimento em escolas e universidades, transportes, entre outros. Não se percebe como existe tanta falta de investimento público em certas zonas do país, e em certas áreas do Estado, onde estes investimentos, regulados e fiscalizados pelas entidades competentes, poderiam ser aplicados. De notar que não estou a indicar uma gestão privada, pois isso seria uma matéria a definir, mas sim de investimento privado para benefício público.

5. Acredita que o programa de vistos gold é justo e equitativo para todos os cidadãos, independentemente de sua situação financeira?

O programa dos vistos gold beneficia apenas os investidores estrangeiros que procuram obter uma cidadania dentro da União Europeia por um custo competitivo quando comparado com os requisitos necessários para obter este visto nos restantes países-membros. Beneficia os vendedores dos imóveis, beneficia o Estado com os impostos relacionados com estas transações. Todos aqueles que não estão aqui mencionados, saem prejudicados.

6. Como equilibra os benefícios económicos do programa de vistos gold com questões de segurança nacional e política de imigração?

É absolutamente fundamental que se compreenda quem procura os vistos gold; a origem da riqueza e o motivo para aceder aos vistos gold têm que ser alvos de um escrutínio para evitar quaisquer situações de lavagem de dinheiro, e impedir que sejam atribuídos a todos aqueles que estejam ligados a situações duvidosas.

7. Qual é sua opinião sobre o projectado fim do programa de vistos gold em Portugal?

Ainda vamos a tempo! De redefinir os vistos gold, de redefinir as condições para o seu acesso, para que tanto o estrangeiro que procura o visto gold como a sociedade portuguesa saiam beneficiados.

8. Quais foram, em sua opinião, os principais motivos que levaram ao anúncio do fim do programa de vistos gold?

(Mais) Uma vergonha por parte do Governo, ao ver uma ferramenta que poderia ser tão útil para atrair investimento estrangeiro, se transformar num potenciador de desigualdades sociais, dificultando a vida aos portugueses que querem comprar uma casa. Não souberam tirar o devido proveito e não souberam regulamentar. Agora, quer o Governo acabar com os vistos Gold, por incompetência, e acima de tudo para não acentuar ainda mais as dificuldades económicas da sociedade portuguesa.

9. Acredita que o fim do programa de vistos gold terá algum impacto negativo ou positivo na economia portuguesa?

Teremos um impacto negativo porque acaba com uma ferramenta de investimento estrangeiro (que como explico acima, poderia ser canalizado de uma outra forma).

10. Se o governo vier a considerar reformular o programa de vistos gold, quais deveriam ser, em sua opinião, as motivações de um programa revisto?

Ver resposta à questão 4

11. Acredita que o fim do programa de vistos gold foi uma decisão política acertada? Acha que pode afetar a imagem de Portugal como um destino turístico e de negócios internacional?

Não acho que tenha sido uma opção acertada; o Governo poderia reformular as premissas para o acesso aos vistos gold para o benefício de todos. Não só por terminar

com os vistos gold, como também por não apresentar alternativas, isto torna-se num embaraço, e obviamente que afecta a imagem de Portugal em todos os aspectos.

12. Acredita que um novo programa de investimento estrangeiro poderia ser mais justo e equitativo do que os vistos gold em termos de acesso e benefícios para todos os cidadãos, independentemente de sua situação financeira?

Sim

13. Existe algum país ou região que o governo deva considerar um modelo a seguir em termos de programa de investimento estrangeiro?

Portugal, entre 2012 e 2015. Canalizou investimento estrangeiro numa altura em que a economia nacional estava ainda muito fragilizada, sob forma de arrecadar receita e aumentar o PIB; recordemos que vivíamos numa economia intervencionada pela Troika, onde o investimento estrangeiro foi fundamental para evitar uma situação mais calamitosa.

14. Pensa que o governo está a envolver as partes interessadas, como empresários e organizações da sociedade civil, na elaboração de um novo programa de investimento estrangeiro em Portugal? O que deveria fazer para ouvir e considerar as preocupações e sugestões da sociedade em relação a esse assunto?

Deveriam ser ouvidos os empresários, mas também as academias. Perceber o contexto das demais regiões e indústrias, para assim compreendermos onde e como pode ser aplicado esse investimento. O Governo tem que servir os cidadãos, e não servir-se dos cidadãos; é por isso fulcral que seja dada voz a quem está no dia a dia no terreno, e que enfrenta as dificuldades. Só assim saberemos com absoluta certeza quais as necessidades que temos, e como as devemos colmatar

APPENDIX K – Questionnaire Answers Pedro Castanheira Lopes (in English)

Questions:

1. *What is your opinion of the golden visa programme in Portugal? Do you believe that the golden visa programme is being adequately regulated and supervised?*

The genesis of the gold visa programme is to attract foreign investment in order to boost the national economy. Unfortunately, although it has been well implemented, we have recently seen poor management; most of these investments have been made in the property market, and have been concentrated essentially in Lisbon and Porto. This demand from foreign investors with more purchasing power, combined with the shortage of supply in these two major centres, has led to a notorious increase in the average price of real estate, not only in the two major centres, but also in other municipalities and even districts, making access to housing more difficult, especially for young people. This has happened because of a lack of regulation and vision for the country.

2. *Do you believe that the golden visa programme has brought significant economic benefits to the country?*

The benefits have been negative: we have seen a substantial increase in property transactions with foreigners, but this investment has had little impact on the national economy. It should be noted that many properties have been identified that were bought by foreign investors and remain closed, or even show clear signs of disrepair.

3. *Are there any risks or disadvantages associated with the golden visa programme that worry you?*

As mentioned above, due to the lack of regulation, the contamination of rising prices in the property market is the most worrying sign.

4. *Are there any initiatives you would like to see implemented to improve the golden visa programme in Portugal, given that the intention to end this programme has been announced?*

The golden visa programme could be applied in a way that benefits the quality of life of citizens. These investments could (and should) be channelled to the smaller centres, as well as to areas such as health, through investment in public hospitals and health centres, education, through investment in schools and universities, transport, among others. It is incomprehensible how there is such a lack of public investment in certain areas of the country, and in certain areas of the state, where these investments, regulated and supervised by the competent authorities, could be applied. Note that I'm not suggesting private management, as that would be a matter for definition, but rather private investment for public benefit.

5. *Do you believe that the golden visa programme is fair and equitable for all citizens, regardless of their financial situation?*

The gold visa programme only benefits foreign investors looking to obtain citizenship within the European Union at a competitive cost when compared to the requirements needed to obtain this visa in the other member countries. It benefits the property sellers, it benefits the state with the taxes related to these transactions. All those who are not mentioned here are harmed.

6. *How do you balance the economic benefits of the golden visa programme with issues of national security and immigration policy?*

It is absolutely essential to understand who is seeking the gold visas; the origin of the wealth and the reason for accessing the gold visas must be scrutinised in order to avoid any situations of money laundering, and to prevent them from being awarded to anyone who is linked to dubious situations.

7. *What is your opinion on the planned end of the golden visa programme in Portugal?*

There's still time! To redefine gold visas, to redefine the conditions for their access, so that both the foreigner seeking the gold visa and Portuguese society benefit.

8. *What do you think were the main reasons for announcing the end of the golden visa programme?*

(More) A shame on the part of the government, to see a tool that could be so useful for attracting foreign investment turn into an enabler of social inequalities, making life difficult for Portuguese people who want to buy a house. They failed to take proper advantage of it and failed to regulate it. Now, the government wants to put an end to Gold Visas, out of incompetence and, above all, so as not to further accentuate the economic difficulties of Portuguese society.

9. *Do you believe that the end of the Golden Visa programme will have any negative or positive impact on the Portuguese economy?*

We will have a negative impact because it will put an end to a foreign investment tool (which, as I explained above, could be channelled in another way).

10. *If the government were to consider reformulating the golden visa programme, what do you think should be the reasons for a revised programme?*

See answer to question 4

11. *Do you believe that the end of the golden visa programme was the right political decision? Do you think it could affect Portugal's image as an international tourist and business destination?*

I don't think it was the right decision; the government could have reformulated the conditions for access to gold visas for everyone's benefit. Not only by ending gold visas, but also by not presenting alternatives, this is becoming an embarrassment, and obviously affects Portugal's image in every respect.

12. *Do you believe that a new foreign investment programme could be fairer and more equitable than gold visas in terms of access and benefits for all citizens, regardless of their financial situation?*

Yes

13. *Is there a country or region that the government should consider as a role model in terms of a foreign investment programme?*

Portugal, between 2012 and 2015. It channelled foreign investment at a time when the national economy was still very weak, in order to raise revenue and increase GDP; let's remember that we were living in an economy intervened by the Troika, where foreign investment was essential to avoid a more calamitous situation.

14. *Do you think the government is involving interested parties, such as entrepreneurs and civil society organisations, in drawing up a new programme for foreign investment in Portugal? What should it do to listen to and consider society's concerns and suggestions in this regard?*

Business people should be heard, but also academia. To understand the context of other regions and industries, so that we can understand where and how this investment can be applied. The government has to serve the citizens, not serve the citizens; it is therefore crucial to give a voice to those who are on the ground every day, and who face the difficulties. Only then will we know with absolute certainty what needs we have and how we should fulfil them.

APPENDIX L – Questionnaire Answers Paulo Campos (in Portuguese)

Questões:

1. *Qual é sua opinião sobre o programa de vistos gold em Portugal? Acredita que o programa de vistos gold está a ser adequadamente regulamentado e fiscalizado?*

Numa economia aberta e globalizada a capacidade de os países encontrarem instrumentos que os tornem atrativos, junto dos seus públicos-alvo e para objetivos específicos, é um fator relevante. O programa vistos gold enquadra-se neste tipo de instrumentos. O programa vistos gold funciona hoje em mais de 100 países, incluindo-se nestes a maioria dos membros da União Europeia. Em Portugal, o programa, apesar das suas diversas deficiências, atingiu alguns dos seus objetivos. Em termos genéricos, é um programa positivo. No entanto, o programa de vistos gold nunca foi adequadamente regulamentado e fiscalizado. Por outro lado, o programa nunca chegou a ser devidamente calibrado, nomeadamente, em função da prévia definição dos públicos-alvo e do respetivo desenho para os captar.

2. *Acredita que o programa de vistos gold trouxe benefícios económicos significativos para o país?*

Acredito que sim. Entre outros, trouxe investimento e a consequente capitalização, trouxe criação de emprego, trouxe visibilidade, trouxe impacto económico e crescimento e contribuiu para a renovação e requalificação de espaços degradados.

3. *Existem riscos ou desvantagens associadas ao programa de vistos gold que o preocupam?*

Sim, os riscos estão essencialmente associados à introdução em Portugal de dinheiro sujo (branqueamento de capitais, evasão fiscal e corrupção) e agentes de atividades ilícitas (riscos de segurança).

Relativamente às possíveis desvantagens, salienta-se a atribuída ao efeito negativo sobre o mercado imobiliário, nomeadamente na subida do preço das habitações, cuja demonstração não vi realizada em nenhum documento. É conhecido que, em Portugal, a esmagadora maioria dos vistos gold atribuídos (92%), se devem à utilização da prerrogativa de processos de aquisição de bens imóveis. Este investimento, um pouco superior a 6 mil milhões, em cerca de dez anos, é relevante e certamente influenciou, em determinadas zonas e para habitações com características específicas, o preço das

habitações. No entanto, se o compararmos, no mesmo período, com o total do mercado, que ultrapassa os 200 mil milhões de euros, ele é pouco expressivo e muito dificilmente pode ser apontado como o agente catalisador da subida do custo da habitação. As evidências empíricas, sobre este efeito, estão mais associadas à atratividade que o país tem vindo a ganhar, junto de segmentos da população internacional que procuram novos destinos para viver, para a qual contribuiu, entre outros fatores, os efeitos positivos do programa vistos gold, do que os efeitos diretos do programa.

Finalmente ressalvaria que além dos riscos e das possíveis desvantagens há oportunidades, não trabalhadas em Portugal de forma eficiente, associadas a um programa de atribuição de autorizações de residência. É o caso de atribuição de autorizações de residência, em áreas que necessitamos, a pessoas com talento, detentoras de patentes e processos de inovação, capazes de desenvolver atividades com elevada criação de valor acrescentado, de emprego e com capacidade para gerar produtos globais promotores de internacionalização da economia portuguesa.

4. Existe alguma iniciativa que gostaria de ver implementada para melhorar o programa de vistos gold em Portugal, uma vez que foi anunciada a intenção de finalizar este programa?

Sim, entre outras, deveríamos ter:

- uma maior exigência na aprovação dos vistos gold, nomeadamente através de um compliance adequado à origem dos montantes investidos, uma melhor regulamentação e fiscalização, para prevenir os principais riscos apontados;
- a possibilidade, entre outros, de atribuição de autorizações de residência a talentos, em diversas áreas, a detentores de conhecimento científico, patentes e processos de inovação e a empreendedores de produtos e serviços de elevado valor acrescentado.

5. Acredita que o programa de vistos gold é justo e equitativo para todos os cidadãos, independentemente de sua situação financeira?

Não, mas a introdução, de processos de atribuição de autorizações de residência, eficientes, mas simultaneamente exigentes, a talentos, em diversas áreas, a detentores de conhecimento científico, patentes e processos de inovação e a empreendedores de produtos e serviços de elevado valor acrescentado, permitiria introduzir maior justiça e equidade, independentemente de sua situação financeira.

6. *Como equilibra os benefícios económicos do programa de vistos gold com questões de segurança nacional e política de imigração?*

Através de maior exigência na aprovação dos vistos gold, nomeadamente pelo adequado compliance à origem dos montantes investidos, e através de uma melhor regulamentação e fiscalização.

7. *Qual é sua opinião sobre o projectado fim do programa de vistos gold em Portugal?*

Em função dos dados disponíveis, em termos genéricos, o fim dos vistos gold não vai provocar o efeito pretendido sobre o custo da habitação. O efeito pretendido só será obtido através do fecho do país. Ora, tal solução não é possível nem sequer desejável. Os benefícios trazidos pelos agentes internacionais que procuram o nosso país para residir são muito superiores aos custos que introduzem, nomeadamente ao nível da habitação.

A solução para o problema terá que ser encontrada internamente e deverá estar associada à capacidade da economia portuguesa poder remunerar cada vez melhor o recurso trabalho.

É essencialmente, pela melhoria dos níveis salariais, para a qual o estado pode contribuir relevantemente, nomeadamente através do acompanhamento das subidas salariais com a descida dos impostos sobre o trabalho, que será possível combater os efeitos nocivos da subida do custo da habitação sobre a população portuguesa.

Assim, o fim das autorizações de residência por aquisição de bens imóveis não vai ser relevante para objetivo de diminuição do custo da habitação e vai contribuir negativamente para o crescimento da nossa economia.

8. *Quais foram, em sua opinião, os principais motivos que levaram ao anúncio do fim do programa de vistos gold?*

De acordo com a argumentação apresentada pelo governo o fim das autorizações de residência por aquisição de bens imóveis é consequência do impacto que este programa teve no aumento dos preços no imobiliário e no mercado de aluguer.

9. *Acredita que o fim do programa de vistos gold terá algum impacto negativo ou positivo na economia portuguesa?*

Acredito que o fim das autorizações de residência por aquisição de bens imóveis, acompanhado da não introdução de medidas que permitam ser mais atrativas e eficientes as opções restantes de autorização de residência e a não diversificação e alargamento a outras áreas necessárias a alavancar o crescimento da economia portuguesa terá um impacto negativo.

10. Se o governo vier a considerar reformular o programa de vistos gold, quais deveriam ser, em sua opinião, as motivações de um programa revisto?

O programa de autorização de residência revisto, deveria basear-se num sistema de pontos, através de instrução de processos por entidades credenciadas, com elevado nível de exigência, com um compliance adequado à origem dos montantes investidos e uma adequada regulamentação e fiscalização do processo.

As principais motivações do programa deveriam combinar:

- tempo de residência em Portugal;
- talento e mérito, em diversas áreas, com potencial ou com carência no país;
- conhecimento científico, nomeadamente detenção de patentes, processos de inovação, currículo exemplar, nomeadamente ao nível escolar, tese e/ou artigos científicos credenciados produzidos;
- empreendedorismo de produtos e serviços de elevado valor acrescentado e/ou inovadores;
- detenção de ativos em áreas consideradas relevantes;
- investimento, de determinadas dimensões, majorado na pontuação, pelo setor e localização escolhida;
- outputs previstos concretizar.

O programa de autorizações de residência deveria ser uma base para captar talento, mérito, conhecimento, empreendedorismo, ativos e capacidade de investimento que permitam o crescimento e a capacidade da economia portuguesa gerar rendimentos adequados a uma economia europeia aberta, necessariamente competitiva no atual mundo global. O sistema de pontos, entre outros factores, permitiria transparência e flexibilidade na gestão do programa. O sistema de pontos, permitiria ser parametrizado e gerido, em função da procura e das valências/necessidades já satisfeitas ou por satisfazer. A obtenção de autorização a partir de um limite mínimo de pontos permitiria gerir os níveis de exigência, em função da definição desse limite. A diversificação de itens, que possibilitam a obtenção de pontos, permitiria direccionar melhor o programa para as diversas motivações. Motivações diversas, que englobam questões financeiras e não financeiras, permitem uma maior equidade, independentemente da capacidade financeira.

Eventuais classificações subjetivas de alguns dos itens, podiam ser entregues a entidades distintas, credenciadas e independentes entre si. Classificações objetivas seriam obtidas automaticamente no apuramento de cada candidatura. A classificação final seria o somatório obtido, entre as avaliações feitas pelas diversas entidades e as classificações objetivas automáticas.

11. *Acredita que o fim do programa de vistos gold foi uma decisão política acertada? Acha que pode afetar a imagem de Portugal como um destino turístico e de negócios internacional?*

A decisão de limitar severamente a atribuição de autorizações de residência, nomeadamente na linha que produziu a esmagadora maioria das autorizações emitidas (92%) terá um efeito reduzido para a principal motivação adotada, a baixa do custo da habitação em Portugal. Neste contexto, a decisão política não vai atingir o principal objetivo anunciado e, como tal, não tem o mérito anunciado.

12. *Acredita que um novo programa de investimento estrangeiro poderia ser mais justo e equitativo do que os vistos gold em termos de acesso e benefícios para todos os cidadãos, independentemente de sua situação financeira?*

Acredito que um programa que obedeça às características e motivações explanadas na questão número 10 permitiria, independentemente de sua situação financeira, ser mais justo e equitativo para todos os cidadãos.

13. *Existe algum país ou região que o governo deva considerar um modelo a seguir em termos de programa de investimento estrangeiro?*

Não conheço em profundidade os diferentes modelos a nível internacional.

14. *Pensa que o governo está a envolver as partes interessadas, como empresários e organizações da sociedade civil, na elaboração de um novo programa de investimento estrangeiro em Portugal? O que deveria fazer para ouvir e considerar as preocupações e sugestões da sociedade em relação a esse assunto?*

O governo, fruto de algumas contribuições obtidas na sociedade civil, ao longo deste processo, tem evoluído na sua posição. No entanto, na questão central da contribuição do programa sobre o custo de habitação tal não ocorreu. Relativamente à elaboração de um novo programa infelizmente a própria sociedade civil não se mobilizou

para a sua discussão, tendo-se restringido à discussão lançado pelo governo, o fim dos vistos gold como contribuição para a resolução do problema da habitação.

APPENDIX M – Questionnaire Answers Paulo Campos (in Portuguese)

Questions:

1. *What is your opinion of the golden visa programme in Portugal? Do you believe that the golden visa programme is being adequately regulated and supervised?*

In an open and globalised economy, the ability of countries to find instruments that make them attractive to their target audiences and for specific objectives is an important factor. The gold visa programme is part of this type of instrument. The golden visa programme currently operates in more than 100 countries, including most of the members of the European Union. In Portugal, despite its various shortcomings, the programme has achieved some of its objectives. In general terms, it is a positive programme. However, the gold visa programme has never been properly regulated and monitored. On the other hand, the programme has never been properly calibrated, particularly in terms of the prior definition of target audiences and the respective design to attract them.

2. *Do you believe that the golden visa programme has brought significant economic benefits to the country?*

I believe it has. Among other things, it has brought investment and the consequent capitalisation, it has created jobs, it has brought visibility, it has brought economic impact and growth and it has contributed to the renovation and requalification of run-down areas.

3. *Are there any risks or disadvantages associated with the golden visa programme that concern you?*

Yes, the risks are essentially associated with the introduction into Portugal of dirty money (money laundering, tax evasion and corruption) and agents of illegal activities (security risks).

With regard to possible disadvantages, the one attributed to the negative effect on the property market, namely the rise in house prices, has not been demonstrated in any document. It is well known that in Portugal, the overwhelming majority of gold visas granted (92%) are due to the use of the prerogative in property acquisition processes. This

investment, a little over 6 billion in about ten years, is significant and has certainly influenced the price of housing in certain areas and for housing with specific characteristics. However, if we compare it, over the same period, with the total market, which exceeds 200 billion euros, it is not very significant and can hardly be identified as the catalyst for the rise in the cost of housing. The empirical evidence of this effect is more associated with the attractiveness that the country has been gaining among segments of the international population looking for new destinations to live in, to which the positive effects of the golden visa programme, among other factors, have contributed, rather than the direct effects of the programme. Finally, I would like to point out that in addition to the risks and possible disadvantages, there are opportunities associated with a residence permit programme that are not being worked on efficiently in Portugal. This is the case with the granting of residence permits, in areas that we need, to talented people who hold patents and innovation processes, capable of developing activities with high added value creation, employment and the ability to generate global products that promote the internationalisation of the Portuguese economy.

4. *Are there any initiatives you would like to see implemented to improve the golden visa programme in Portugal, given that the intention to end this programme has been announced?*

Yes, among other things, we should have :

- greater rigour in the approval of gold visas, namely through adequate compliance with the origin of the amounts invested, better regulation and supervision, to prevent the main risks pointed out;
- the possibility, among others, of granting residence permits to talents in various fields, to holders of scientific knowledge, patents and innovation processes and to entrepreneurs of high value-added products and services.

5. *Do you believe that the golden visa programme is fair and equitable for all citizens, regardless of their financial situation?*

No, but the introduction of efficient, but at the same time demanding, procedures for granting residence permits to talented people in various fields, to holders of scientific

knowledge, patents and innovation processes, and to entrepreneurs of high value-added products and services, would make it possible to introduce greater fairness and equity, regardless of their financial situation.

6. *How do you balance the economic benefits of the gold visa programme with issues of national security and immigration policy?*

Through greater rigour in the approval of golden visas, namely through adequate compliance with the origin of the amounts invested, and through better regulation and supervision.

7. *What is your opinion on the planned end of the golden visa programme in Portugal?*

Based on the available data, in general terms, the end of gold visas will not have the desired effect on the cost of housing. The desired effect will only be achieved by closing the country. Such a solution is neither possible nor even desirable. The benefits brought by international agents looking to live in our country far outweigh the costs they introduce, particularly in terms of housing. The solution to the problem will have to be found internally and will have to be linked to the Portuguese economy's ability to pay its labour resources better and better.

It is essentially by improving wage levels, to which the state can make a significant contribution, namely by accompanying wage rises with lower taxes on labour, that it will be possible to combat the harmful effects of rising housing costs on the Portuguese population. Therefore, the end of residence permits for the acquisition of property will not be relevant to the objective of reducing the cost of housing and will contribute negatively to the growth of our economy.

8. *What do you think were the main reasons for announcing the end of the golden visa programme?*

According to the arguments put forward by the government, the end of residence permits for the acquisition of real estate is a consequence of the impact this programme has had on rising property prices and the rental market.

9. *Do you believe that the end of the golden visa programme will have any negative or positive impact on the Portuguese economy?*

I believe that the end of residence permits for the acquisition of real estate, accompanied by the failure to introduce measures to make the remaining residence permit options more attractive and efficient, and the failure to diversify and extend them to other areas necessary to boost the growth of the Portuguese economy, will have a negative impact.

10. *If the government were to consider reformulating the golden visa programme, what do you think should be the reasons for a revised programme?*

The revised residence permit programme should be based on a points system, through the instruction of processes by accredited entities, with a high level of demand, with compliance appropriate to the origin of the amounts invested and adequate regulation and supervision of the process.

The programme's main motivations should combine:

- length of residence in Portugal;
- talent and merit, in various areas, with potential or lacking in the country;
- scientific knowledge, namely holding patents, innovation processes, exemplary curriculum, namely at school level, thesis and/or accredited scientific articles produced;
- entrepreneurship in high added value and/or innovative products and services;
- holding assets in areas considered relevant;
- investment of a certain size, increased in score by the sector and location chosen;
- outputs expected to be realised.

The residence permit programme should be a basis for attracting talent, merit, knowledge, entrepreneurship, assets and investment capacity that will allow the Portuguese economy to grow and generate income appropriate to an open European economy that is necessarily competitive in today's global world.

The points system, among other factors, would allow for transparency and flexibility in the management of the programme. The points system could be parameterised and managed according to demand and the skills/needs already met or yet to be met. Obtaining authorisation based on a minimum threshold of points would make it possible to manage the levels of demand, depending on the definition of this threshold. Diversifying the items that make it possible to obtain points would make it possible to better target the programme at different motivations. Diverse motivations, encompassing financial and non-financial issues, allow for greater fairness, regardless of financial capacity. Any subjective classifications of some of the items could be handed over to separate, accredited and independent organisations. The objective ratings would be obtained automatically when each application was finalised. The final classification would be the sum of the evaluations made by the various organisations and the automatic objective classifications.

11. Do you believe that the end of the golden visa programme was the right political decision? Do you think it could affect Portugal's image as an international tourist and business destination?

The decision to severely limit the granting of residence permits, particularly along the lines that produced the overwhelming majority of permits issued (92 per cent) will have little effect on the main motivation adopted, the lowering of the cost of housing in Portugal. In this context, the political decision will not achieve the main objective announced and, as such, does not have the announced merit.

12. Do you believe that a new foreign investment programme could be fairer and more equitable than the gold visas in terms of access and benefits for all citizens, regardless of their financial situation?

I believe that a programme that complies with the characteristics and motivations explained in question 10 would make it possible to be fairer and more equitable for all citizens, regardless of their financial situation.

13. Is there any country or region that the government should consider as a model to follow in terms of a foreign investment programme?

I'm not familiar with the different models at international level.

14. Do you think the government is involving interested parties, such as entrepreneurs and civil society organisations, in drawing up a new foreign investment programme in Portugal? What should it be doing to listen to and consider society's concerns and suggestions in this regard?

The government, as a result of some input from civil society throughout this process, has evolved in its position. However, on the central issue of the programme's contribution to the cost of housing, this has not happened. With regard to drawing up a new programme, unfortunately civil society itself has not been mobilised to discuss it, but has restricted itself to the discussion launched by the government, the end of gold visas as a contribution to solving the housing problem.

APPENDIX N – Bibliographical Notes

José Manuel Pureza, born in Coimbra in 1958, is a Portuguese university professor and politician. He has a degree in Law and a PhD in Sociology. He is a professor of International Relations at the Faculty of Economics of the University of Coimbra and a researcher at the Centre for Social Studies, where he coordinates the Peace Studies Centre. He was a member of Parliament for the Left Bloc in the Assembly of the Republic (AR) between 2009 and 2022, with an interruption between 2011 and 2014, and was one of the four vice presidents of the AR in the 13th Legislature (from 2015 to 2019). He is known for being the only Catholic member of the Left Bloc governing body.

Ricardo Arroja is an economist born in Porto in 1978. After spending his childhood in Canada, he returned to his hometown in 1986, where he grew up and completed his education. He obtained his bachelor's degree in management from the Faculty of Economics at the University of Porto and his PhD from the University of Minho. Throughout his extensive career, he began his professional journey in the financial sector in 2000, working as a portfolio manager and a specialist in macroeconomics at the Pedro Arroja Group. Additionally, he served as a board member in investment fund management companies, including Flexdeal SIMFE S.A. and Fund Box SGOIC S.A. In the 2019 European Parliament elections in Portugal, he ran as a candidate for the Liberal Initiative party. Ricardo Arroja is also a public policy consultant and has been a member of the board of the Order of Economists. He is a frequent presence on RTP (Rádio e Televisão de Portugal) and contributes as a regular columnist to *Vida Económica* and *Diário Económico*. Currently, he is a professor in the Department of Economics at the University of Minho.

Paulo Campos, born in 1965, is a renowned economist and politician. He holds a bachelor's degree in economics from the Universidade Nova de Lisboa. With a diverse and illustrious career, he has made significant contributions in both the public and private sectors. His professional journey began in 1989, working as an economist at IPE, Investimentos e Participações Empresariais, SA. Over the years, he took on various leadership roles in different companies, such as Unicar and IPE Capital. He is a member of the Socialist Party, with a professional career primarily focused on business

administration, notably within the Águas de Portugal Group. Paulo Campos has a distinguished career in the Portuguese government in the socialist party, serving as the Deputy Secretary of State for Public Works and Communications in two different administrations, the XVII (2005-2009) and the XVIII (2009-2011) Constitutional Governments.

Pedro Castanheira Lopes is an experienced young professional in the business and financial sector. He completed his master's degree in finance at Católica Lisbon School of Business & Economics in 2014, following his earlier Bachelor's degree in Business Administration and Management from Universidade Lusófona in 2010. Presently, he has been serving as a Business Solution Architect Manager at Accenture in Lisbon for over four years. Before joining Accenture, Pedro Castanheira Lopes gained valuable experience as a Revenue Manager at NAU Hotels & Resorts, where he spent nearly two years. Beyond his professional pursuits, Pedro has demonstrated a keen interest in politics and was an active member of the social-democrat youth organization.