

The Lowdown on Getting Permanent Residency in Brazil

Contributed by Marcio Alexandre Carvalho
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Since October of last year, a new law has passed in Brazil whereby the fee for obtaining a permanent residency was lowered from US\$ 200,000 to US\$ 50,000. You can obtain a permanent residency, by investing in a business - for example it could be in real estate such a rental apartment or it could be in an investment in a fish farm which is a fast growing industry in Brazil.

It is important to realize that the cost of living in Brazil, and especially in the northeast part of the country is significantly lower than Europe, the United States or Canada. Also the cost of living in the Brazilian Northeast is much lower than in cities in the south of Brazil like Rio de Janeiro or São Paulo.

It is worth mentioning that when you transfer the money legally, from your bank through the Central Bank of Brazil (Banco Central) to your own bank account in Brazil, the money remains yours and stays with you at your disposal at all times and under your sole control.

Comparison to Central America Residency Investor Programs

There simply is no comparison. Central American countries like Costa Rica charge US\$ 50,000 to obtain a second residency, but the investment goes to government tree planting projects that you have no control over and it is doubtful that you will ever receive a penny of profit. Consider it a donation.

You can choose your own investment. If you buy an apartment, or any other real property, it will be registered in your name and the system of registration in Brazil is 100% fool proof and has been operating for many years successfully for overseas investors.

Holiday Apartment

It might be an excellent idea for you to invest your money in a holiday apartment, where you could spend your vacations in Brazil. In Fortaleza, for example, where I live, you can enjoy the 5 star shopping center Iguatemi and the largest water park in South America, Beach Park.

Your apartment can be managed while you are not here, and at your request, it can be rented for shorter or longer periods as you wish, (any contract must be signed by you).

The real estate profit in Fortaleza, in general, is about 10% annually and for apartments near the beach it increases up to 15% and more on the value of the apartment.

Why Invest in Brazil:

1. The ability for applicant to work in their own business.
2. Minimum amount of time required per year to be there
3. The fact that the program is pre-approved by the government
4. Unrestricted. Applicant and family members may work at any endeavor.
5. Includes entire family including spouse and children up to 18 years.
6. Brazilian Citizenship and Passport possible in only 4 years time.
7. Cost as little as \$50,000 per family.
8. Favorable Tax and Extradition laws.

"Resident Investor Status"

No personal appearance in Brazil is required for processing. All your documents can be sent to our offices and the process can be completed in 45 to 60 days. You will pick up the Permanent Visa at the Brazilian embassy or consulate in

your home country and then you will enter Brazil with the "Resident Investor Status".

Unlike former Brazilian residency programs which restrict you and your family to certain areas of Brazil, the new program offers residency anywhere in Brazil for applicant and family. You choose when, where and how you live and work in Brazil.

After 4 years you and your family can apply for citizenship and passports. In addition you do not have to remain in Brazil during your residency. You can visit for as little as a few days every two years.

An interesting note is that if you are single, a Brazilian Citizenship and Passport is possible after only one year of marriage to a Brazilian citizen.

A Resident Investor has most of the rights of a Brazilian Citizen except political. They cannot vote or get politically involved.

Requirements to become a citizen are time in country as stated above and ability to speak a reasonable amount of Portuguese. There are no further requirements.

OTHER METHODS TO OBTAIN PERMANENT VISA

Immigration visa to Brazil will be granted only to applicants who satisfy the special requirements established by the Brazilian National Immigration Council or the Ministry of Labor. In principle, there are seven cases in which a foreigner can obtain a permanent residence visa to Brazil:

1. The administrator, manager or director of a professional or business corporation

This category is designed to cover inter-company transfers. Thus, the applicant must already be employed outside of Brazil by the parent company or by an affiliate or subsidiary of the company that proposes to employ him inside Brazil. However, there is no minimum time for that previous employment. Necessary documents for the first step will include:

- * Proof that the applicant is employed outside Brazil by the parent company, or an affiliate or subsidiary of the Brazilian hiring company;

- * A demonstration that the Brazilian company is bringing in specialized labor that will transfer technology, increase productivity and/or bring social benefits;

- * Proof that the company outside of Brazil or its parent has effected total foreign-capital investments of at least US\$ 200,000 in the employing company in Brazil for each visa requested.

2. Administrator, manager or director of a start-up company

Planned and recent start-up companies may apply for a maximum of three visas, essentially for the executives who will get the operation off the ground. The following conditions will apply:

- * Proof that the non-Brazilian company has been in business outside of Brazil for at least five years;

- * Power of attorney granted by the foreign investor to its new legal representatives for the purposes of setting up the company in Brazil;

- * A visa of this type will be issued initially for two years. The applicant company must demonstrate that after this period it will be able to meet the minimum investment or job creation criteria laid down for transfers to an established company (see above).

3. Investor

A foreigner who intends to remain permanently in Brazil and will invest foreign funds in productive activities, so absorbing or training specialized labor. This category was planned for those foreigners who wish to invest funds (minimum of US\$ 50,000) in any kind of productive activity in Brazil.

This kind of permanent visa is issued conditionally for five years. Before this period ends, the foreigner must show to the Federal Police that he accomplished with his plan of absorption of Brazilian employees and his investment plan so his visa can be re-validated.

4. A researcher or high level specialist

The applicant must supply:

- * A document from a Brazilian research institution manifesting its interest in the services of the researcher;
- * A curriculum vitae and appropriate academic references and diplomas.

5. Retiree

A retired foreigner, over 50, who will transfer to Brazil the monthly equivalent of at least US\$ 2,000. There is no limit to the number of dependents who may also receive permanent residence visas, but the main applicant must provide proof that they are genuine dependent relatives, as defined in Brazilian law - see Res. 4 of the CNI (National Immigration Council).

The main applicant must prove he has a pension of at least US\$ 2,000 a month. This will entitle him to visas for himself and two dependents. The applicant must demonstrate an additional US\$ 1,000/month for each additional dependent, over and above the two already mentioned, and must supply, amongst other things:

- * A statement from the foreign agency responsible for paying his retirement pension, informing the total monthly sum of the benefit;
- * A bank declaration authorizing monthly transfer of at least US\$ 2,000.

6. Marriage to a Brazilian citizen

This case is covered by a resolution of the National Immigration Council. A permanent residence visa is granted to foreigners married to Brazilian citizens. Application is made to the Ministry of Justice (normally via regional Federal Police offices, which represent the ministry at a State level) or to a Brazilian consulate abroad.

Evidence (e.g. marriage certificate, statement from witnesses) should be presented of the matrimonial union. Immigration officials will effect a surprise visit to the couple's home to make sure that the relationship is not a "marriage of convenience" that has the principal purpose of fraudulently obtaining a residence visa.

7. Foreigner with Brazilian offspring

This case is covered by a resolution of the National Immigration Council. A permanent visa is traditionally granted to the foreign parent or parents of a Brazilian child.

Application is made to the Ministry of Justice (normally via regional Federal Police offices, which represent the ministry at a State level) or to a Brazilian consulate abroad. The offspring should be economically dependent on the foreign mother or father and be under the guardianship of the applicant.

STEP BY STEP GUIDE (ALL FEES IN USD)

Fast Track Permanent Visa

New Law: October 6th, 2004

Requirement: Brazilian company must be formed.

Investment Amount: US\$ 50,000 which always stays in full ownership of applicant.

Time Period: 45-60 days from wiring the US\$ 50,000.

Fees:

Assessment Application Fee FREE

US\$ 100 Individual Tax ID Number Processing

US\$ 100 Bank Account Opening

US\$ 250 Resident Agent Fee

US\$ 250 Central Bank Processing

US\$ 250 Tax ID Number Processing

US\$ 1,500 Brazilian Company Formation

US\$ 2,500 Permanent Visa Processing

US\$ 4,950 Total

*This does not include fees for translation or power of attorney documents which may vary due to the different types of company ownership.

US\$ 15 Certified Translation (per page)

US\$ 50 Power of Attorney

1. Brazilian company formation.
2. Two owners are required for this company which can be 2 physical persons, 2 companies, or 1 physical person and 1 company.
3. Documents required are as follows:

IN CASE OF PHYSICAL PERSONS AS THE OWNERS

- 1) Identity card of the owners (or passport, in case of foreigners)
- 2) CPF document of the owners (this is the Brazilian tax ID number)
- 3) Proof of residency from the owners home country (e.g., utility bill)
- 4) Rental agreement or purchase contract of the premises of the future company

IN CASE OF COMPANIES AS THE OWNERS

- 1) Documents of the companies (if they are foreign companies, they need to have the company documents authenticated by the closest Brazilian consulate or embassy to that country and then be translated into Portuguese by a sworn translator)
- 2) A Brazilian lawyer to represent the companies in Brazil
- 3) The CPF, ID card and proof of residency of the lawyer in Brazil
- 4) Rental agreement or purchase contract of the premises of the future company

* The owners of the Brazilian company can be either two physical persons, two entities (holding companies, LLC companies etc) or a physical person and an entity.

** When applying to make a company in Brazil, you need to have 4 copies of your passport and utility bill, authenticated by the Brazilian Consulate or Embassy in your home country or here in Brazil at a public notary (cartório).

*** The CPF document can be obtained directly at the nearest Brazilian consulate or embassy of your home country, as long as you fill out the form and present it with your ID card or passport. In case you are already in Brazil, you need to sign a power of attorney to our lawyers to obtain the CPF document, and supply your full name, parents names, home address, birth date, passport number.

4. Bank account for the company must be opened and registered with the Central Bank.
5. \$50,000 must be sent via bank wire to this bank account registered with the Central Bank. These funds will always stay in full ownership of the applicant.
6. Permanent Visa application will be processed in Brazil in 45-60 days.

DOCUMENTS REQUIRED FOR COMPANY FORMATION IN BRAZIL

- IN CASE OF PHYSICAL PERSONS AS THE OWNERS

- 1) Identity card of the owners (or passport, in case of foreigners)
- 2) CPF document of the owners (this is the Brazilian tax ID number)
- 3) Proof of residency of the owners (e.g., utility bill)
- 4) Rental agreement or purchase contract of the premises of the future company

IN CASE OF COMPANIES AS THE OWNERS

- 1) Documents of the companies (if they are foreign companies, they need to have the company documents authenticated by the closest Brazilian consulate or embassy to that country and then be translated into Portuguese by a sworn translator)
- 2) A Brazilian lawyer to administrate on behalf of the companies in Brazil
- 3) The CPF, ID card and proof of residency of the lawyer in Brazil
- 4) Rental agreement or purchase contract of the premises of the future company

* The owners of the Brazilian company can be either two physical persons, two entities (holding companies, LLC companies etc) or a physical person and an entity.

** When applying to make a company in Brazil, you need to have 4 copies of your passport and utility bill, authenticated by the Brazilian Consulate or Embassy in your home country or here in Brazil at a public notary (cartório).

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FAQ

Q: Does the US\$ 50,000 investment stay in USD or is it converted to reais, the local currency?

A: It is converted to reais. There are no accounts in USD or EURO in Brazil.

Q: Does this investment of US\$ 50,000 have to stay in a government bank account or can it be spent?

A: It can be spent on any business enterprise without restrictions.

Q: Can the permanent visa applicant sign on the Brazilian bank account.

A: Yes, once they receive their permanent visa in 45 to 60 days.

Q: Who signs to open the Brazilian bank account and will they have access to my funds?

A: A Brazilian, such as a licensed lawyer in Brazil, will open the account, but he does not have access to any funds according to a limited power of attorney signed by the applicant. The Bank receives a copy of this legal document and the funds are blocked until the applicant receives the permanent visa and can sign on the bank account.

Q: Do the funds in the Brazilian bank account earn interest?

A: Current accounts do not pay interest, but if the funds were locked into a CD then they would earn interest in reais, the local currency. The interest would depend on the amount of funds and time period of the CD.

Q: Does just a condominium or automobile qualify as an investment?

A: Yes, as it can provide rental income

Q: How long is the permanent visa valid for and when must it be renewed.

A: 5 years

Q: Do I need to have any Brazilian employees?

A: Not initially, but by the end of 4 years there must be at least one Brazilian employee. This could be a significant other or spouse. The minimum monthly salary in Brazil is approximately US\$ 133.

Q: Do I need to provide an office address to obtain the permanent visa?

A: Yes, if there is no business address for the investment, then a lawyer can arrange one. Unlike other jurisdictions, in Brazil each and every business license must have their own physical address. A business center or virtual office address is not sufficient. An official for the municipality will come to inspect the office to see if it meets the legal requirements.

Q: Will only a condominium qualify as a business address?

A: Yes, but the business needs to file for the company formation. Only after the US\$ 50,000 has cleared the bank, the permanent visa is issued, the real estate purchased, then the address of the property can be used. So a business address will be required for at least 90 days.

Q: How much will this cost for this business location?

A: Our office, for example, can provide one for a minimum of 90 days at the cost of US\$ 100 per month, plus there is a deposit of 3 months rent. Normally a commercial lease is only available for a minimum of one year, but we have a special arrangement with a building owner. The total is US\$ 600.

Q: What are the reoccurring annual fees for the Brazilian company?

A: US\$ 400.

Q: How much are the Brazilian legal fees if there is an additional work performed?

A: US\$ 50 per hour.

Q: How long does it take to obtain Brazilian citizenship via naturalization?

A: 4 years

Q: How long does it take to obtain Brazilian citizenship via marriage?

A: 1 year

Q: How is the process started?

A: If there is a Holding Company and Foundation to be formed, then the names will need to be checked for availability. Once the names are approved then the payment must be made for their formation.

Q: Then what is the next step?

A: The Brazilian company must be formed and the permanent visa applied for. Again the payment must be made for this service and the personal documentation for the permanent visa applicant must be provided.

BRAZILIAN IMMIGRATION LAWS

The difference between Normative Resolution 60 and Normative Resolution 62.

In Normative Resolution 62 it is more rigid as it is for foreign companies who want to form a subsidiary and have a FOREIGN ADMINISTRATOR.

This in the mind of the Brazilian government is like taking food away from the table of Brazilians as it does not provide a job for a Brazilian administrator. Normative Resolution 60 is for providing a WORK PERMIT for a foreigner. Therefore it is more strict and in 2 years the Brazilian company must demonstrate that it has provided employment for 10 Brazilians.

In Normative Resolution 60 it is easier as it is NOT PROVIDING A WORK PERMIT for a foreigner. In other words investors only own the Brazilian company, but do not work there. The investor is allowed to manage his employees if there are any employees. This law is less strict and only after 5 years does the investor have to prove that there are 10 Brazilian employees.

REALITY: Many clients are simply after a Brazilian citizenship, which can be acquired after 4 years of residency and are not interested in renewing the permanent visa.

So the reality is that the US\$ 50,000 does not have to be spent at all, but can sit in the Brazilian company bank account collecting interest.

A Brazilian company does have to be formed and the bank account of that Brazilian company must be registered with the Central Bank of Brazil. The US\$ 50,000 must pass through the Central Bank into the investor's Brazilian company bank account, which remains under the investor's control at all times.

The Brazilian government is simply happy to have US\$ 50,000 in hard currency like USD.

COMPARISON - TOP 10 RETIREMENT HAVENS IN THE WORLD

These 10 countries are listed by interest received from our readers. There may be other countries, but they simply did not make the list. These opinions have been made by our founder's committee who have been to all of these countries.

Number 1 - Brazil

- +1 - \$50,000 permanent residency investment belongs to you not government
- +1 - Women and men are attractive and very passionate
- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches, one is in the Top 10 list of beaches in the entire world
- +1 - Warm weather in the state of Ceará similar to September in San Diego
- +1 - Good nightlife in the capital city Fortaleza with 2.5 million people
- 1 - Portuguese
- 1 - Bank accounts not in USD
- +5 - Total

Note: Brazil's investment used to be US\$ 200,000 and was lowered to US\$ 50,000 in 2004. Before Brazil was not even in the Top 10 and now it is Number 1. With new 24 hour video cameras, violence is way down. Brazil women and men are the most passionate people of all. They are like swans and will stay with you for life. Citizenship is available after only 1 year of marriage.

Number 2 - Belize

- +1 - Only US\$ 500 monthly income required to qualify as retiree
- +1 - English
- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches
- +1 - Bank accounts in USD
- 1 - Women and men are not attractive
- 1 - Humid weather
- 1 - No nightlife, shopping malls, cinemas
- 1 - In the hurricane zone
- +2 - Total

Note: Because the official languages in Belize are both English and Spanish and its close proximity to the USA, it will only get better, but right now it is simply too primitive and boring to live there.

Number 3 - Ecuador

- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice climate but very high altitude in capital
- +1 - Bank accounts in USD
- 1 - Women and men are not attractive
- 1 - Spanish
- 1 - Beaches are humid and very far from capital
- +1 - Total

Note: Difficult for people to breathe in the very high altitude.

Number 4 - Philippines

- +1 - English
- +1 - Women and men are attractive
- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches
- +1 - Bank accounts in USD
- 1 - Humid weather
- 1 - Islamic terrorists
- 1 - Far away from the US or EU
- 1 - Foreigners can not own businesses
- 1 - Crimes against foreigners
- 1 - Tsunamis
- 0 - Total

Note: Bombs have been set off in the capital Manila even though the Islamic terrorists are from the south. Foreigners can only own 20% of a business. So the solution is to trust a lawyer as a nominee or get married and put the business in your spouse's name.

But there have been many cases whereby the lawyers have stolen all of the assets or else family members of the Filipina spouse have murdered the foreigner to obtain all of the assets.

Number 5 - Nicaragua

- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches
- +1 - Bank accounts in USD
- 1 - Women and men are not attractive
- 1 - Spanish
- 1 - Very hot and dry
- 1 - In the hurricane zone
- 0 - Total

Note: It is extremely hot and dry, so it is very dusty when the wind picks up. There are certain seasons when flies hatch in the millions, crawling over everything and causing many diseases.

Number 6 - Honduras

- +1 - Nice beaches
- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Bank accounts in USD
- 1 - Women and men are not attractive
- 1 - Spanish
- 1 - Beaches are humid and very hot in capital
- 1 - In the hurricane zone
- 0 - Total

Note: Tegucigalpa is probably one of the ugliest capital cities in the world. The airport is also one of the most dangerous as there have been several crashes there.

Number 7 - Panama

- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches
- +1 - Bank accounts in USD
- 1 - Women and men are not attractive
- 1 - Spanish
- 1 - Very hot and humid
- 1 - In the hurricane zone
- 0 - Total

Note: Hot and humid. You can fry an egg on the sidewalk in 10 seconds.

Number 8 - Colombia

- +1 - Women and men are attractive but cunning
- +1 - Nice beaches
- +1 - Low cost of living
- 1 - Too dangerous
- 1 - Spanish
- 1 - Nice weather in capital, but humid at beaches
- 1 - Bank accounts not in USD
- 1 - Total

Note: Just too dangerous, kidnappings of foreigners are commonplace. Women and men are very attractive but cunning. They are only interested in your money.

Number 9 - Cuba

- +1 - Women and men are attractive but cunning
- +1 - Low cost of living
- +1 - Low cost of real estate
- +1 - Nice beaches
- 1 - Castro's government always has 51% ownership of any businesses
- 1 - Spanish
- 1 - Humid weather
- 1 - Bank accounts not in USD
- 1 - No shopping malls, cinemas, Internet
- 1 - In the hurricane zone
- 2 - Total

Note: Everybody talks about how great it will be after Castro is gone, but the reality is that all the real estate formerly owned by foreign companies/individuals will be tied up in court for decades and it will be a big mess. Cubans are dying to marry anybody just to get off the island. Don't be fooled.

Number 10 - Costa Rica

- +1 - Women and men are attractive
- +1 - Nice beaches
- +1 - Bank accounts in USD
- 1 - \$50,000 permanent residency investment goes to government tree planting
- 1 - Spanish
- 1 - Cost of living is too expensive now
- 1 - Real estate properties are too expensive now
- 1 - Nice weather in capital, but humid at beaches
- 1 - In the hurricane zone
- 3 - Total

Note: Costa Rica is overrated and much too expensive now for real estate. US\$ 50,000 investment goes to government tree planting project. Consider it a donation as you will probably never see a penny of profit. Costa Rica was great 20 years ago, but now it is simply too late to invest there.

Immigration to Brazil could be tough and lengthy process if you are not familiar with the laws and regulations. It is further complicated by the fact that the immigration authorities in Brazil do not speak English and all instructions are in Portuguese.

If you plan to immigrate to Brazil you may wish to contact us for consultation where we'd be able to provide with professional advice on your chances and opportunities and explain in great details the necessary steps to be taken.

Marcio Alexandre Carvalho, an immigration lawyer in Fortaleza (capital of the Brazilian northeaster state Ceará), is an expert in getting foreigners permanent residency in Brazil. He can be contacted at immigration@bionexus.biz or you can visit his homepage: www.bionexus.biz.