Elimination of the “Golden Visa” (Organic Law 1/2025)

Legal Alert

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Final provision twenty-one of **Organic Law 1/2025 of 2 January 2025**, **on measures for the efficiency of the Public Justice Service,** puts **an end to the granting of** the so-called **"Golden Visa"** as a mechanism for obtaining residence in Spain, although it will not take effect **until 3 April 2025**.

In April 2024, the Government announced its intention to **eliminate the so-called "Golden Visa"**. Accordingly, at its meeting of 4 November 2024, the Lower House of the Spanish Parliament approved the inclusion of an **amendment** in the Draft Organic Law on measures for the efficiency of the Public Justice Service.

More specifically, **the elimination of the so-called "Golden Visa”** is regulated in final provision twenty-one of the recently passed Organic Law 1/2025 of 2 January 2025, on measures for the efficiency of the Public Justice Service, which will enter into force three months after its publication in the Official State Gazette.

Therefore, the **elimination** of the **"Golden Visa"** as a means of obtaining residence in Spain will be **effective** from **3 April 2025**.

The effects of its elimination are explained below.

What is the “Golden Visa”?

The "Golden Visa", as it is popularly known, is one of the mechanisms that had until now been used by third-country (non-EU) nationals to access Spanish **residency** through investment.

More specifically, "Golden Visa" is the term used to refer to the securing of visas and residence permits through the **acquisition of Spanish real estate** with an **investment value equal to or exceeding 500,000 Euros** per applicant.

Regulation of the “Golden Visa”

The **residence visa for investors** was regulated in article 63 of Law 14/2013 on support for and the international expansion of entrepreneurs, on the following terms:

> *“1. Non-resident foreigners intending to enter Spanish territory to make a significant capital investment may apply for a temporary visa or, as the case may be, a residence visa for investors, which shall have a duration of one year.*
>
> *2. A significant capital investment means any of the following:*
>
> *a) An initial investment equal to or exceeding:*
>
> *1. Two million Euros in Spanish government debt securities; or*
>
> *2. One million Euros in shares or equity holdings in Spanish companies engaging in a genuine business activity; or*
>
> *3. One million Euros in investment funds, closed-end investment funds or venture capital funds created in Spain, including those falling within the scope of Collective Investment Undertakings Law 35/2003 of 4 November 2003, or Law 22/2014 of 12 November 2014, regulating venture capital entities, other closed-end collective investment undertakings and companies that manage closed-end collective investment undertakings and amending Collective Investment Undertakings Law 35/2003 of 4 November 2003; or*
>
> *4. One million Euros in bank deposits at Spanish financial institutions.*
>
> *b) The acquisition of real estate in Spain with an investment value equal to or exceeding 500,000 Euros per applicant.*
>
> *c) A business project that is to be implemented in Spain and which is considered and is demonstrably of general interest, for which purpose it must entail at least one of the following:*
>
> *1. Job creation.*
>
> *2. An investment with a significant socio-economic impact in the geographical area in which the activity is to be carried out.*
>
> *3. A significant contribution to scientific and/or technological innovation.*
>
> *A residence visa for investors may be granted to a representative appointed and duly identified by the investor, to manage a project of general interest, provided that the project meets one of the conditions listed in point (c).*

3. The foreigner applying for the visa will also be deemed to have made a significant capital investment where the investment is made by a legal entity, domiciled in a territory that is not considered a tax haven under Spanish law, and the foreigner directly or indirect owns the majority of such entity's voting rights and has the power to appoint or dismiss the majority of the members of its managing body.

4. If the investment is made by a couple married under a joint property or a similar arrangement and the amount invested is not at least twice the thresholds provided for in paragraphs 2.a) and b), it shall be deemed to have been made by one of the spouses, and the other spouse may apply for a residence visa as a family member under the terms of article 62.4.

Changes introduced under the Start-ups Law

The regime introduced by Law 14/2013 was expanded under Law 28/2022 to promote the start-up ecosystem (known as the "Start-ups Law"), with a view to attracting investment and talent to Spain, while simultaneously curbing the drain of such assets.

Without going into the specifics of the regulation of the investments required under Start-ups Law 14/2023, this legislation introduced certain tax incentives and a set of largely commercial and migration-related measures to promote entrepreneurship.

The Start-ups Law increased the duration of the **initial investor residence permit** to three years (from two), notwithstanding the provisions of article 66.3 of Law 14/2013, on support for and the international expansion of entrepreneurs, regarding non-formalised property purchases (in which case, the interested party would receive an investor residence permit with a maximum duration of six months).

Elimination of the "Golden Visa"

Final provision twenty-one of Organic Law 1/2025 **amends Law 14/2013**, on support for and the international expansion of entrepreneurs, as follows:

- ✓ It expressly states that it **"renders null and void"** the above-mentioned **article 63** and **articles 64, 65, 66 and 67** of Law 14/2013 regarding, very broadly, the following:

  - The documentation required to evidence the investment (article 64).

  - The effects of granting of the visa and the relevant permit to reside and work in Spain while it is valid (article 65).

  - The residence permit, valid throughout Spain, which visa holders could apply for subject to maintenance of their initial investment (article 66).

  - The three-year term of the initial permit, and successive five-year renewals thereof, subject to continued fulfilment of the necessary conditions (article 67).

- ✓ It also provides for the inclusion in Law 14/2013 of **two new transitional provisions**, to establish a **transitional regime for foreigners who have made investments and applied for a visa** by the date on which the Law is amended, i.e. **3 April 2025**. The new transitional provisions are as follows:

  - Transitional provision one:

    "*Investors or relatives of investors who have submitted the relevant application prior to the date of entry into force of this transitional provision may **receive the** relevant **visa or permit** in accordance with **the regulations in force on the date of submission of the application**".*

  - Transitional provision two:

    *"**Investor permits and visas** that are valid on the date of entry into force of this transitional provision **shall remain valid for the period for which they were issued**.*

    *In the case of **renewal** applications, they shall be processed and resolved in **accordance with the regulations in force on the date on which the initial permit was granted**".*

Thus, the Golden Visa regulations will expire and cease to be effective on 3 April 2025, albeit subject to the relevant transitional regime. Given the "delay" in their elimination and the transitional regime envisaged, affected cases will need to be analysed carefully.

Our team of professionals are available to expand upon or clarify any of the matters dealt with above.

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