

BPI CITIZEN

GUIDE TO BUYING A PROPERTY IN PORTUGAL



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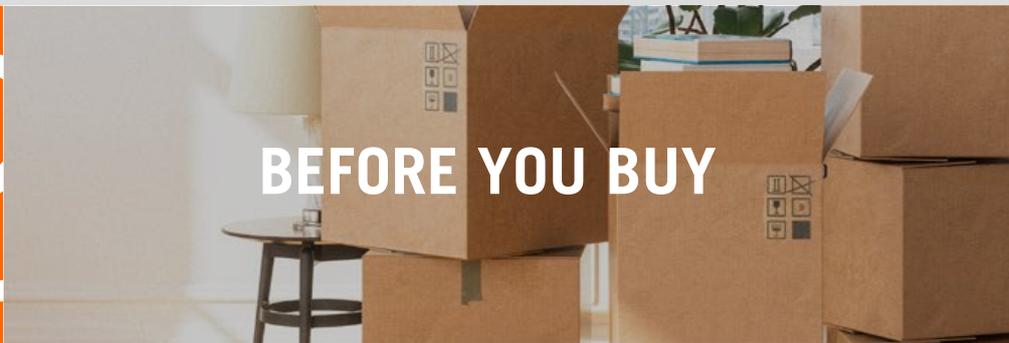
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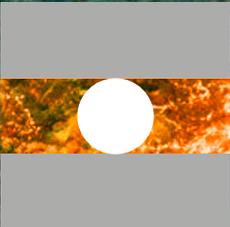
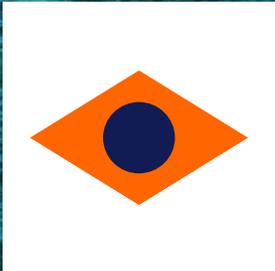
**ONCE YOU OWN THE PROPERTY,
WHAT YOU SHOULD KNOW**

Please note:

- This guide is intended for non-resident citizens who want to buy a second residence in Portugal.
- If you are a resident citizen, the financing rules may be different.
- The information and banking products mentioned apply to residents in EU countries, United Kingdom, Norway, Switzerland, Iceland, United States of America and Canada and are valid as of January 2022.



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***Are you thinking of buying
a second property in Portugal and you don't know
where to begin?***

We aim to support and help you as an international customer. In the following pages, we'll explain all the phases involved in buying a home in Portugal in a clear and simple way to help you at every step of the way and to make it "easier".

What is BPI Citizen?

At BPI we believe that there is nothing more important than feeling at home, wherever you are.

For this reason, we developed BPI Citizen, a program aimed at international customers, offering you financial products and services to suit your needs in Portugal.

<https://www.bancobpi.pt/citizen>





How do I become a customer?

To become a customer you will need to open an account at BPI. This will also be essential for buying your second home since all taxes and expenses associated with the purchase of the property must be paid through an account opened in Portugal.

You can do this:

In person: at any BPI branch in Portugal.

With a Power of attorney: through a representative in Portugal who carries out those procedures that you cannot do in person or digitally.

To open the bank account, you will need:

- Passport or identity document;
- TIN (Tax Identification Number) you will find the TIN via the OECD link:
www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers;
- Proof of financial activity;
- Proof of Residence



Apply for the NIF (Numero de Identificação Fiscal)

It is a personal, unique and exclusive number that will be assigned to you to identify yourself in Portugal and it is essential for any financial transactions and the purchase of a property.

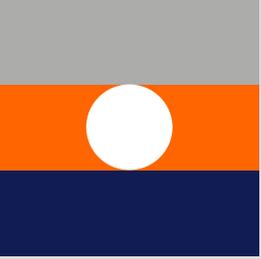
This document can be obtained from the Tax and Customs Authority (AT) branches. If you are not residing in Portugal yet, you will have to assign a tax representative (More information at www.portaldasfinancas.gov.pt (select tax system in Portugal)).





BEFORE YOU BUY





You've been thinking about it for a while and you think the time has now come.

Congratulations!

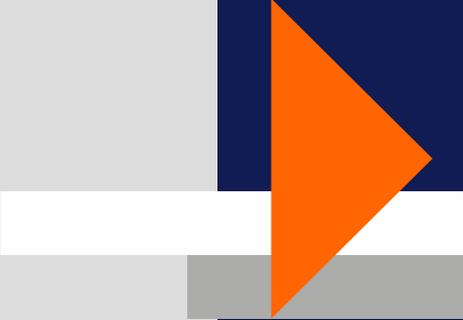
You've taken the first step to buying your second home. Now you'll probably need to have to look, visit and make a decision. But what do you need to know in this phase?

1) What is your budget?

Firstly, you need to consider your actual budget to define how much you can allocate to the property.

At BPI we grant up to a maximum of 70% for second homes in Portugal. You must contribute the remaining 30%, along with 5% ~ 10% of the property value to pay taxes and other expenses associated with property buying and selling.





2) Check the state of the property

If you have found a second home that you like, we recommend that you check if it is in good condition.

What do you need to ask the estate agent or owner? You can ask them anything you want, but here are some basic questions that will help you to understand the state of the property:

- Why is the property being sold?
- How long has it been up for sale?
- How many people lived here before?
- Has the property been renovated recently?
- Do you have all the necessary documents such as the habitability certificate (certifying minimum living conditions of the premises) or the energy certification?
- Is it registered for water and electricity services?
- Are there any financial charges outstanding such as community fees?

Make sure the property is up to date with community payments: monthly expenses, apportionment of local taxes, etc.

How do you find out if the house has debts?

We also recommend that you ask the Property Registry (Certidão Registo Predial) for a summary of the title for information purposes to verify all the information related to the property. This document also indicates if the property has any outstanding charges or debts, so that you do not get any nasty surprises.

The document will reveal the status of the property in terms of mortgages, distraints or charges.

How do you find out if the house has a habitability certificate?

The habitability certificate is a document certifying that the property you want meets the minimum health and safety requirements, in order that people can inhabit it, and the seller must provide it.

It is necessary to register for water, electricity and gas and is mandatory both for renting and for selling a property.

Before buying a property, ask your advisor or solicitor to verify that the habitability certificate is valid.

How do you know if it has an energy certificate?

The energy certificate has been mandatory in Portugal for renting or selling a property.

The responsibility for obtaining this energy certificate falls on the actual owner of the property.

3) Reserve the property

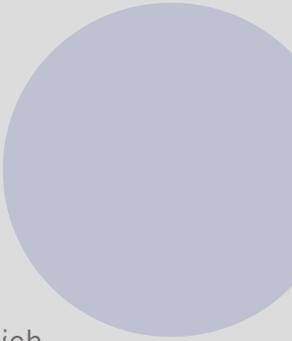
You can make an offer to the vendor of the property that interests you, or if you are satisfied with the agreed price, you can guarantee the purchase by signing a deposit agreement, by paying a percentage of the value of the property as a down payment.

Valuation

Is you ask for a mortgage, a property valuation will be required to establish the real value of the property.

Find out about our property valuation service, performed by qualified professionals who will help make your decision easier. Request more information at a BPI Branch.





Purchase agreement

This is an agreement between two parties, in which the selling party agrees to hand over the property ownership to the buyer in exchange for a sum of money.

This agreement contains a series of obligations and rights for each of the parties and, if any of them breach them, there may be consequences. The buying party is the one who normally chooses the notary with which he or she wants to sign his or her purchase agreement.

What happens if you don't end up buying the house?

If there is a deposit agreement or a down payment and the sale does not go ahead for reasons beyond the control of the seller, you could lose the amount paid on account.

If the selling party does not decide to continue with the sale, they have to compensate you with double the amount they received as a down payment.

If you pay a deposit... do you have the financing secured?

The deposit agreement is a private contract between two parties in which the bank does not intervene.

In order to recover the down payment, you can state in the agreement that the refusal of the financing by the bank is not a reason to lose the deposit money.



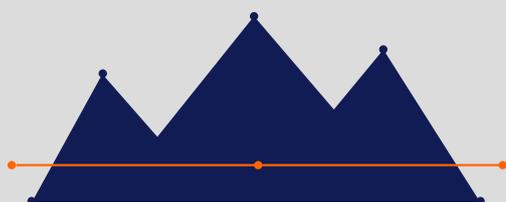
FINANCING OPTIONS

This is one of the issues that prompts the most questions. We understand that it can be difficult to know which mortgage is the best for each individual and that it is a difficult decision. We will provide some information as follows that will help to clear up any questions you may have.

To analyze the feasibility of the mortgage, we invite you to contact a BPI branch for a mortgage simulation and then request that we analyze your circumstances (free and without commitment). Your circumstances will be analyzed based on the information you provide us and we will need you to send us a series of documents, we will provide you with a list. Following the analysis, the branch manager will contact you to appraise the property and you will be informed as to whether it will be possible for us to grant you the mortgage.

What are the differences between a flat rate and a floating rate mortgage?

The main difference is that, with a flat rate mortgage, you will always pay the same interest. In this way, whatever happens, your instalment amounts will not change. On the other hand, with a floating rate mortgage, the interest rate varies depending on the evolution of the reference rates (Euribor). For this reason, if you have a floating rate mortgage, the interest is periodically updated according to what happens in the European interbank market and your instalment amount will go down or up depending on it.



Variable Rate
Fixed Rate



Over how many years can the mortgage be paid?

As long as the owner(s) does not exceed 75 years of age upon maturity of the mortgage, you will be able to pay the mortgage within a maximum period of 30 years.

The greater the number of years, the less you will pay per month, but you will pay interest for longer.

Up to what age can a mortgage be requested?

The limit is set by the sum of the age of the owner plus the term of the mortgage. The sum of both cannot exceed 75 years.

For example, if you wish to apply for a mortgage with a payment term of 20 years, you can do this up to the age of 55 years.

What fees do you have to pay?

Purchase and sale fees: Property (land) registry summary, Notary and agency fees and costs (all these costs will be detailed when you simulate).

There are also tax costs, such as IMT (Municipal Tax on Real Estate Transfer).

**Now, in order to know your case,
ask us for a simulation.
It is quick and free of charge!**

A modern living room featuring a large, textured concrete fireplace with a fire burning inside. To the right, a large glass window offers a view of a garden with birch trees and a wooden bench. The room has a minimalist aesthetic with a light-colored floor and a woven rug. The image is overlaid with a dark blue banner containing white text and decorative orange and white geometric shapes.

ONCE YOU OWN THE PROPERTY - WHAT YOU SHOULD KNOW

Congratulations!

At this point of the journey, you are the owner of a house in Portugal.

We want to tell you everything you need to know once you have now taken out a mortgage so that you can take it into account.

Do I have any tax obligations?

Once you are a property owner in Portugal, you should consult with your solicitor/manager/advisor regarding the tax that applies to you, depending on whether you are a resident or a non-resident.

In the event of death, what happens to the mortgage?

In the event of the holder having contracted a life insurance policy that covers all or part of the debt of the mortgage loan, in the case of the holder's death, the payment must be managed with the insurer.

In the event of the holder having not contracted a life insurance the heirs will be responsible on the place of the deceased debtor up to the limit of the heritage.



To get access to the account amounts of the holder, the heirs must provide a document that proves the death of the holder and a document that proves they are heirs of the holder and the Bank will be provided with a certificate indicating the status of the account including the liabilities under the mortgage. The heirs will receive any amounts exiting at the account after payment of the mortgage and proof of the liquidation of the Inheritance and Gifts Tax.

Can the mortgage be paid off?

You can totally or partially pay off part of the mortgage loan amount.

In the case of full repayment, you repay the entire amount of the mortgage loan. The life insurance agreement associated with the loan is terminated, unless otherwise communicated.

However, the Multi-risk Insurance must be kept by simply changing the beneficiary.

Early repayments are subject to a commission of 2% (on the Flat Rate Mortgage) or 0.50% (on the Floating Rate Mortgage), on the capital to be repaid with Stamp Duty added.



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