

Purchasing Real Estate in Europe

2011/2012 SUMMARY

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INTRODUCTION

In the following pages, European Law Firm member firms have compiled an introduction to the purchase of real estate in Europe. A common feature for all European jurisdictions is the national register where searches relating to real estate may be conducted. Preliminary contracts are often used, but mostly not required, whereas compulsory steps do exist in most countries to transfer the ownership title to the new owner. Applicable fees and taxes, proceedings to secure title and mortgage, restrictions to respect etc. are more questions dealt with in this booklet.

This guide is intended as a high level introduction to the rules applicable in the various jurisdictions. It should not be relied upon as being a complete and entirely up-to-date source of information. Since the law is constantly changing, we recommend that you seek local legal advice before any action is taken. Contact details for all European Law Firm members are available throughout the booklet.

European Law Firm hopes that the enclosed information will be both interesting and helpful for anyone considering purchasing a real estate in another European country.

		
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SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Ownership of real estate is recorded at the Grundbuch, held in every district court. Any information (owner, address, size, encumbrance, rights) held in the property register is publicly available and legally binding.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract will only bind the parties to sign a final contract. There are no minimal requirements for the parties to validate the preliminary contract. Information to be provided in a preliminary contract should comprise the identity of the parties, a description of the property, the land registration number and the purchase price. Any special clause to cancel the transaction if no mortgage can be obtained must be indicated in the preliminary contract. It is not necessary to register the preliminary contract.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There is no restriction on the number of co-owners, except ownership of residential apartments (condominium) where not more than two co-owners of one special flat are allowed. Restrictions to the use of property rights are possible. It is also possible, depending on an agreement, to entitle someone to use a property in special circumstances, e.g. the right to use a property without paying a rental fee or even to rent a flat to third parties without being the owner or for parents to transfer the ownership to their children but retain the right to use the property.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There may be restrictions based on the buyer's nationality (excluding EU citizens). In some places, the buyer has to be resident to be eligible to buy property. There are special restrictions for farming. Usually only farmers are allowed to buy agricultural property. At least there should not be any reasons against the purchase from the point of view of saving a viable farming community.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The charge for brokerage fees depends on the agreement between the parties. Usually, the party who retained the broker is responsible for payment. Sometimes, it may be both parties.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

In most cases, only notarisation of the contract (where the notary certifies the signatures of the parties) is needed. In special matters, a notary deed (where the whole contract is to be read and legalised by the notary) is required (e.g. donation agreements, contracts between husband and wife, contracts where parties are either deaf, dumb, blind or illiterate). The notary is appointed by the parties, usually by the buyer. The buyer becomes the legal owner by entry in the land register. This registration is compulsory for the title transfer. Usual timing between the preliminary contract and completion is 2-7 days. Notaries may be located online via www.notar.at.

7. Describe the procedure for payment of the purchase price to the seller?

The purchase price may be paid whenever the parties want to, but a written contract (including the determination of the price) is required to register the transfer in the land register.

The purchase price is usually paid by escrow (trustee), but may also be secured by a mortgage.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees for notary and contract drafting amount to (depending on agreement) between 1% and 3% of the purchase price. (Refer to question 11).

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notarised contract, or notary deed, shall be registered with the Grundbuch by decision of the court where the register is held.

10. What taxes are involved?

Land transfer tax: 3.5% (with some exemptions)
Registration fee: 1.1%
Court fee: €38

The taxes are the responsibility of both parties. Lawyers may be liable for such taxes if they have made a 'self-calculation' at the tax authorities. For the seller, tax on speculative gains and (corporate) income tax is possible. (Refer to question 8).

11. What is the most common form of investment structure in your country/jurisdiction?

Share deals may save land transfer tax, but only where less than 100% of the shares are sold to or unified by one person.

12. What are the rules with regard to the liability for previous debts?

If the land register is unencumbered, there will be no liability for previous debts, except in some cases for public fees in connection with the property (e.g. costs for canal connection). The seller is liable for paying the debts to the creditors, otherwise the buyer, and sometimes the seller and the buyer except if the contract is divergent to this. Where the purchase price is paid in full to the seller and not used to pay previous debts, the buyer will be liable for such previous debts if the land register is encumbered. Where the buyer's liability is given for previous debts, a creditor may not claim the debt against the buyer personally, but only against the real estate.

13. How is a security interest in real estate created?

To create a security interest in real estate, a legalised (notary or court) letter of hypothecation has to be registered (including the sum of loan) in the land register.

14. Is the purchaser required to use a lawyer?

The purchaser is not required, but well advised, to use a lawyer.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Real estate is recorded in a land registry (cadastre/kadaster) kept and updated by registration offices (bureau de l'enregistrement/registratiekantoor). These are responsible for the information about the legal position of real estate in Belgium as well as the collection of registration fees. At the local offices, information is only given orally. Legally binding documents can be obtained at the offices of the regional authority (see www.kadaster.be/Communes.aspx). This database contains very little data about the other rights or possible mortgages. This information can be obtained through mortgages offices (conservation d'ypothèques/hypothekbewering).

2. What is the effect of a preliminary contract regarding real estate?

The preliminary contract (compromis de vente/verkoopcompromis) is legally binding. Neither of the contracting parties can unilaterally withdraw from the contract without being liable for breach of contract. After signing, parties (usually the buyer) have to register the preliminary contract at a registration office within four months. Failure to do so will result in fines. Standard information of the contract is: identity of the parties, description of the property, land registration number, purchase price, special clause to cancel the transaction if no mortgage can be obtained, hidden vices. No public notary or lawyer is needed in this stage of the purchase, but is very much advised.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Full ownership, bare ownership, usufruct, servitudes, right of superficies, emphyteusis. Ownership restrictions include pre-emptive rights (right of the tenant to buy the real estate that is the object of the leasehold of which he/she is the lessee; right of the regional government to buy certain properties) as well as compulsory purchase (right of the government to seize a citizen's private property, expropriate property, or seize a citizen's rights in property with due monetary compensation, but without the owner's consent).

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no specific restrictions as to nationality or residency.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The seller usually pays the real estate broker.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

As soon as both the buyer and the seller sign the preliminary contract and there are no conditions for the transfer of title, the buyer becomes the legal owner. Registration fees have to be paid within 4 months following the signing of the unconditional preliminary contract. A preliminary contract is not compulsory but usually signed by the parties. There is no deadline for the signing of the notary deed itself, but usually it will coincide with the delay for the payment of registration fees. Registration at the mortgage register is necessary for the transfer of title to be invokeable against third parties. Only a notary deed can be registered. The signed deed can only be invoked against third parties after registration in the mortgage register. The parties can choose their notary freely (www.notaris.be (Dutch) or www.notaire.be).

7. Describe the procedure for payment of the purchase price to the seller?

The notary normally keeps the advance payment paid by the buyer, which is usually 5% or 10% of the balance of the purchase price, on a separate account during the whole procedure. Payment of the purchase price is done when parties sign the notary deed, through a bank cheque or proof of payment through a bank transfer. Only the advance payment can be done in cash money, the purchase price has to be paid by cheque or bank transfer to avoid money laundering. To secure payment of the purchase price, parties can agree on a resolution clause in the preliminary contract. An escrow and/or a mortgage in favour of the seller is possible but not common.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees other than the purchase price amount up to approximately 14% of the purchase price. The most important fees are:
Registration fees: these are usually paid by the buyer and the amount depends on the region: 10% in Flanders, 12.5% in Wallonie and Brussels; in Flanders and Wallonie there is a discount for modest housing (registration fee is at 5% and 6% respectively).
Notary honorarium: this is usually paid by the buyer; the fee is legally determined and scales digressively and proportionately with the purchase price (e.g. 4.56% for the purchase price up to €7,500 to 0.057% for the sum higher than €250,095).
Costs for legal documents: these are usually paid for by the buyer; about €625.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary deed has to be registered and the registration fee paid at the registration office. The deed has to be registered at a mortgage office if one wants to invoke it against third parties.

10. What taxes are involved?

There are no taxes related to the completion phase of the purchase. The new owner will however have to pay the usual taxes on real estate property, such as: advance levy on real estate (mill rate), tax on vacant buildings, tax on vacant sites & communal tax.

11. What is the most common form of investment structure in your country/jurisdiction?

A natural person can buy real estate in bare ownership and have the usufruct bought by a (his) company. The natural person only has to pay the price of the bare ownership with his own funds; the usufruct will be paid for by the company which will be able to write off the purchase price over the duration of the usufruct. If there was a loan to finance the purchase then the interests will be deductible as a company cost if reconcilable with the objects of the company.

12. What are the rules with regard to the liability for previous debts?

There is no liability for previous debts, except for mortgages or in businesses that were pledged. In principle, the notary will not deliver the deed if there are debts remaining on the property. If there are still debts on the property after the purchase, the creditor can execute if they remain unpaid.

13. How is a security interest in real estate created?

The deed containing the mortgage has to be registered at a mortgage office. Since only notary deeds can be registered, a notary will be required to draft the deed.

14. Is the purchaser required to use a lawyer?

A lawyer/attorney is not required during the purchase of property. However, a notary is necessary.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Bulgaria has no centralised property registry. Property searches are necessary, and the process needs to be entrusted to a competent Bulgarian lawyer. The newly established Land Registry (www.icadastre.bg, Tel: +359 2 9486 194) keeps a record of all types of properties but only if there was a transaction with them in the last 20 years. The information is publicly available and legally binding.

2. What is the effect of a preliminary contract regarding real estate?

The preliminary contract is a legally binding option to buy/sell a property, which could be pronounced as final and binding by the regional court if any of the parties do not perform their obligations under it. It has all requisites of the final deed. There is no requirement to register preliminary contracts but parties may choose to execute it in front of a notary public to ensure it is authentic. Lawyers are usually used to draft the preliminary contract as it structures the whole transaction.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There are two general types of property rights - public and private, where private ownership could be private in the classic terms, private municipal and private state ownership. No transactions are possible with properties which are public ownership. Properties which are private municipal and state ownership could be subject to commercial transactions but under special rules. There are also limited property rights such as easements, right to construct on a third party's land and right to use a third party's property.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

The only restriction is in respect of transactions including land. Foreign nationals and companies may acquire land in Bulgaria only in case of legal succession, or if there is a bilateral treaty acknowledging this right. Citizens of the EU/EEA are entitled to acquire land, provided that they (i) have permanent residence in Bulgaria, or (ii) are self-employed having permanent residence in Bulgaria and carry out agricultural activity in the country. However, the prohibition is not very effective as anyone who wants to buy land can register a Bulgarian company, of which they can be 100% owners and buy the land through that company.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The brokerage fee is usually split between the buyer and the seller, each of them paying their own broker 2-3% of the price of the real estate.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

Transfer of property rights, as well as the establishment of limited rights in rem in respect of real estate is done by way of a formal agreement (Notary Deed), executed by the parties and a duly qualified public notary authorised to act within the region of location of the property. Usually the buyer has the right to choose the public notary. However, a notary deed is merely an evidentiary document and it cannot create title where such does not exist. Therefore, it is always important to perform a detailed title-history investigation in order to ensure that the transferor/s as well as his/her predecessors hold (or have held) free and clear/unencumbered title to the real estate subject to the transaction. Transfer of title is perfected upon registration with the Land Registry. Usual timing between preliminary contract and completion is one month. A list of Bulgarian public notaries can be found at www.lex.bg/notary.

7. Describe the procedure for payment of the purchase price to the seller?

The parties usually agree the payment mechanism in the preliminary contract (bank transfer, escrow account, public notary's special account). Cash payments have prevailed for many years but since July 2011 payments above €7,000 should be done only by bank transfer either to the seller's bank account, or to the public notary's special account.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees are usually shared between the parties:
(i) Notary fee of 0.1-1.5% of the value of the property, but not more than €3,000; (ii) Registration with the Land Registry fee of 0.1% of the value of the property; (iii) Lawyer's fee for preparation of the notary deed of 0.1-1% of the value of the property.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary deed has to be registered by the public notary with the Land Registry by the end of the day of the transaction. The buyer has an obligation to report the newly acquired property within two months to the respective tax office where the property is located.

10. What taxes are involved?

(i) Municipal tax of up to 3% of the value of the property.
(ii) Some transactions are subject to VAT (currently at 20%).
(iii) Capital Gains Tax is not payable on the sale of an individual's principal residence, but otherwise is likely to apply.

11. What is the most common form of investment structure in your country/jurisdiction?

Most foreign buyers use a local special purpose vehicle (SPV) for real estate transactions. This type of investment structure is a must if they want to acquire land. In such case upon exit by selling the shares of the SPV there will be no taxes and fees could be substantially less than in an asset deal.

12. What are the rules with regard to the liability for previous debts?

Any encumbrance on the property, which has not been released before the notary deed is executed, will remain in force and the buyer will acquire an encumbered property. Where the seller has a mortgage registered against the property which has to be repaid by the proceeds of the purchase price, the mortgagee will issue a letter to the buyer whereby he/she agrees to remove the mortgage as soon as the mortgage is repaid (usually about 2-3 weeks after completion).

13. How is a security interest in real estate created?

A security interest is created by executing a mortgage deed on the grounds of a contract or by operation of law. A mortgage is effected through registration with the Land Registry.

14. Is the purchaser required to use a lawyer?

Bulgarian law does not require the buyer to use a lawyer, however, as the Land Registry does not contain all information in respect of a property, e.g. information on any restitution claims against the property, and the public notaries are not obliged to investigate the history of the property, it is highly advisable that the purchaser is represented by a lawyer throughout the process.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national property register in the Republic of Cyprus, covering all immovable properties, is the Department of Lands and Surveys at the Ministry of Interior. Contact: 17 Alasia Street, 1075 Nicosia, Tel: +357 22-304910, Email: licgis@dls.moi.gov.cy. Six District Land Offices (DLOs) operate for the corresponding six districts of the island (Nicosia, Limassol, Larnaka, Paphos, Ammochostos & Keryneia). Any information given by the register is considered as legally binding, unless otherwise decided by the national courts through relevant civil action.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract regarding real estate is a legally binding contract. Contracts in respect of immovable property should be made in writing, duly stamped and properly signed and witnessed. The contract must include: identity of the parties, description of the property, land registration number, purchase price and the transfer date. The preliminary contract may be registered by depositing a duly stamped copy of the contract at the relevant DLO within two months from the date of its execution. During the signing of the contract, neither a public notary's nor a lawyer's presence is compulsory.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There is only one legal title.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

According to the Acquisition of Immovable Property (Aliens) Law (CAP. 109), non-Cypriots purchasing immovable property, are obliged to adhere special formalities and are faced with certain restrictions, which are aimed at the proper control of foreign investments and the protection of foreign investors.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The seller is responsible for paying the brokerage fees, unless otherwise agreed.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary deed is not compulsory for the transfer of title. The buyer becomes the legal owner upon completion of the transfer of the ownership of the property to him, which takes place through the District Lands Office. If the property sold is free from any encumbrances, charges or burdens, the transfer of the title becomes secured after the contract has been deposited to the Land Registry Office. The usual timing between the preliminary contract and completion day is 30 days. To locate a local notary, visit www.thenotariessociety.org.uk/find-a-notary.

7. Describe the procedure for payment of the purchase price to the seller?

There is not a standard procedure for payment of the purchase price to the vendor. Usually the prospective purchaser pays a small holding deposit (or reservation fee) to the seller, and the remaining fee is paid upon transfer and registration of the property in the name of the purchaser. The claim for payment can be secured in various ways. For example, a lawyer can be appointed to act as an escrow agent or a trustee. In addition, given the fact that the transfer of the ownership of the property takes places through the Land Registry Office, such transfer cannot be concluded unless the buyer sign a document first, stating that he/she has been fully paid the agreed

8. What fees are involved (is there any limitation) and who is responsible for payment?

amount of the transaction. In the time period between signature of contract and completion (or transfer of title), the seller must settle all property taxes in relation to the property, such as Local Authority Taxes, Sewerage Taxes (if applicable), and Capital Gains Tax.

The fees involved are Transfer Fees and the Stamp Duty. Refer to question 5.

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

Buying a property with a title deed is always preferable as it is a clear cut transaction. However, buying without a deed or even from plan is fine, provided that the deal is done properly. There is also an advantage to buying 'off-plan' as it is often cheaper than buying a completed and 'ready for immediate delivery' property.

10. What taxes are involved?

Property transfer fees, based on a sliding scale, are 3% (on the first €85,430), 5% (on the next €85,430) and 8% (on the remainder). A stamp duty, levied at the rate of 1.5% for current property values up to €170,800 and 2.0% for current property market values above €170,800 is payable within one month from the date of signing the agreement (otherwise a fine is imposed escalating day by day).

11. What is the most common form of investment structure in your country/jurisdiction?

There are four main tax differences between the acquisition of shares and the acquisition of assets and liabilities. Value added tax may be payable on the purchase of a company's assets, no such tax is payable on the purchase of shares. No transfer tax applies to the sale of shares. The transfer of shares does not entail stamp duty. The sale of shares does not entail capital gains or income tax on any profits realised (unless the company owns immovable property in Cyprus); thus, the purchaser of shares will be able to resell the shares without paying tax on them.

12. What are the rules with regard to the liability for previous debts?

Unless there is a specific agreement between the creditors to the contrary, debts or charges have priority over one another according to the date and time of registration recorded by the Land Registry Office. A prospective purchaser, before entering into a contract for the purchase of immovable property, should always conduct a search at the Land Registry to make sure that the property to be purchased is free from any encumbrances, charges or burdens. It should be noted that no such burdens may affect the right of specific performance after the contract has been deposited at the Land Registry Office.

13. How is a security interest in real estate created?

The security interest that is granted over immovable property is a mortgage, which constitutes a contractual right for the benefit of the mortgagee and a charge on the immovable property. To have legal effect, mortgages, charges and other rights over immovable property must be registered with the Department of Lands and Surveys. Registration however is not compulsory.

14. Is the purchaser required to use a lawyer?

A lawyer is required in order to ensure that all the necessary enquiries were undertaken on the purchasers' behalf.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Real estate is registered in the Real Estate Cadastre kept by Cadastral Offices (14 main Regional Cadastral Offices in each region, with workplaces covering the whole territory of the Czech Republic (www.cuzk.cz). Territorial jurisdiction is governed by location of the real estate. All the registered information is publicly available. Everyone may obtain an official excerpt for the Real Estate Cadastre evidencing the rights regarding the real estate property. Basic information is also available online. The registration number of the land, its geometrical determination, and name of the cadastral land and its geometrical determination are legally binding for all legal transactions regarding registered real estates.

2. What is the effect of a preliminary contract regarding real estate?

The signing of the preliminary contract is not a condition, i.e. it is possible to conclude the purchase contract immediately. Provided the legal requirements of such a contract are met, the preliminary contract is a binding contract. The contract must include the obligation of both parties to conclude the contract within the exact period of time, plus material requirements of the purchase contract, i.e. identity of the parties, description of the property and purchase price (or mechanism of its determination). It is not possible to register this contract in Cadastral Office. Authentication of signatures is not required. Lawyers are often used on order to create such the contracts, but it is not a binding requirement.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

The change of the owner of the real estate is usually based on purchase or gift contract. Both the ownership of the real estate and the restrictions regarding the real estate are registered in the Real Estate Cadastre.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are some restrictions based on nationality and residency, in particular for foreigners, natural persons, residents of non-EU member states.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

There is no general obligation to pay the brokerage fee. This fee is usually paid only when the transaction was negotiated by the broker (usually by the seller), but it is not a condition.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

There must be a written contract with material requirements of the purchase contract, i.e. identity of the parties, description of the property and purchase price (or mechanism of its determination). The signatures must be notarised. Then the written proposal for registration, together with the purchase contract, to the relevant Cadastral Office must be delivered. The purchaser becomes the owner after registration of his/her ownership title in the Real Estate Cadastre, with effect on the day of delivery of the proposal for registration to the relevant Cadastral Office. A public notary deed is compulsory only in specific cases, such as transfer of real estate property not registered in Real Estate Cadastre. It is used very rarely. The register of the public notaries is available via www.nkr.cz.

7. Describe the procedure for payment of the purchase price to the seller?

Depending on the conditions agreed in the contract, the purchase price may be paid before signing of the contract, within period of time after signing, or through the escrow kept by the bank, notary public or lawyer. There are some specific rules regarding the fee of the public notary

8. What fees are involved (is there any limitation) and who is responsible for payment?

regarding the providing of escrow: Those rules are regulated by law and depend on the amount kept in escrow. Many options to secure the payment may be used and mixed together, such as escrow, bill of exchange and mortgage.

There is a obligatory administrative fee for registration paid to the Cadastral Office (approx. CZK 500 (€20), regardless of the value of the property). Notary fees, where applicable, are regulated by law and depend on value of the transferred property (purchase price). All other possible fees (lawyers, bank) are contractual. The parties of the contract are free to choose who will pay the fees.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The written contract has to be registered in the Real Estate Cadastre.

10. What taxes are involved?

It is necessary to pay either land transfer tax (seller), gift tax (donee), or heritage tax (heritor). All of them are stipulated by law. Gift and heritage taxes are based (i) on the value of the transferred property (progressive grading), and (ii) on filiation degree of the parties, and amount, for the transfer of property up to CZK 1,000,000 (approx. €40,000) to 1% (gift tax) resp. 0.5% (heritage tax) of the value of the property. Transfer tax is fixed and amounts to 3% of the value of the transferred property. There is no 'stamp tax' in the Czech Republic. Some of the transactions (usually between close relatives) are relieved from such a duty.

11. What is the most common form of investment structure in your country/jurisdiction?

Investment is usually made through a limited liability company (s.r.o. = Ltd) or joint-stock company (a.s. = Inc.). Sometimes, where there are a number of real estates to be transferred or the purchaser is a foreigner in order to avoid restrictions imposed by law, the transfer of real estate may happen by means of transfer of shares. In such a case, no land transfer tax, gift tax, or heritage tax is paid, but the transferor must pay income tax (depending on purchase price of the shares), which is sometimes very profitable.

12. What are the rules with regard to the liability for previous debts?

Generally, liability for debts regarding sold property is regulated by law. The parties are free to agree on representation and warranties regarding previous debts, including right to claim damages and contractual penalties. The seller remains fully liable for paying all the previous debts on the sold real estate. Exception is made for the payment of taxes (transfer, gift, heritage) where the buyer remains the guarantor for the fulfillment of the obligation by the seller. In such the case the buyer may claim damages against seller. Only where the debt remains with the real estate, i.e. mortgage registered in the Cadastral Register, the creditor may discharge his claim by realisation of the real estate - in such cases the buyer may claim damages against the seller.

13. How is a security interest in real estate created?

A security interest is usually created by written agreement between the owner (as a debtor) and the creditor. Court decision or administrative act may also give raise to the security. Security regarding real estate is perfected after registration in the Real Estate Cadastre.

14. Is the purchaser required to use a lawyer?

The use of a lawyer is not obligatory, but, except for very simple transactions, recommended.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national property register named Tinglynsingen is legally binding and holds information on present owners, purchase sum, mortgages and easements. The register covers all properties, and if it is a farm land or farm property, this is specifically noted. The register is publicly available via www.tinglynsing.dk.

2. What is the effect of a preliminary contract regarding real estate?

Usually a preliminary contract is entered into some months before completion day. A duly signed preliminary contract is binding between the parties, but not for creditors. The contract must contain identity of the parties, description of the property, land registration number, purchase price and a clause to cancel the transaction if no mortgage can be obtained. The assistance of a lawyer is optional, and there is no public notary. Authentication of signatures is required and proxies are used. It is possible to register the preliminary contract with the land register.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

In case pre-emptions rights or other restrictions (e.g. expropriation) apply with regard to a title to the land or property, such rights or restrictions have to be observed (by exercising or waiving them) in order for the purchaser to obtain the final title to the land.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

The main rule for buying real estate in Denmark is having proof of five years residency. If this condition is not fulfilled, a permission from the Ministry of Justice is required.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The seller is responsible for paying the brokerage fees.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

By registering the ownership at the national register electronically, on the basis of a written contract, the buyer becomes the legal owner. A public notary is not compulsory.

7. Describe the procedure for payment of the purchase price to the seller?

A notary is not necessary. The purchase price is deposited in a bank using an escrow account. Then the purchase price can be paid to seller when ownership is registered and the mortgage of the seller is paid. To secure the claim for payment, an escrow account is often used.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Lawyers fees are due according to the agreement between lawyer and client. Each party pays its own lawyer.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The title deeds have to be registered in the national register.

10. What taxes are involved?

The fee for registration in the national register (state fee) amounts 0.6% of the purchase price + DKK 1,400 (approx. €188). This is usually paid by buyer. For registration of mortgages an additional registration fee of 1.5% of the mortgage amount + DKK 1,400 (approx. €188) is due.

11. What is the most common form of investment structure in your country/jurisdiction?

The use of a share transfer instead of asset deal would avoid registration fees. The ultimate beneficial owner of entities must be disclosed.

12. What are the rules with regard to the liability for previous debts?

The seller is fully liable for previous debts, except if the contract does state that such debts are taken over by the buyer. The purchase sum will remain in escrow until all debts are paid. If this payment does not occur, the purchase sum will not be released to the seller, but paid back to the buyer.

13. How is a security interest in real estate created?

Security interests (mortgages) are registered in the national register, same as ownership.

14. Is the purchaser required to use a lawyer?

No lawyer is required.



SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

In England and Wales, there is a national property register called Land Registry (maintained by the Government and accessible to the public, see www.landregistry.gov.uk Tel: 0844 892 1111) which contains a unique title number for each property. It is only possible to register freehold titles and leasehold titles with a term of seven years or more. Registration is compulsory when these property interests change hands.

2. What is the effect of a preliminary contract regarding real estate?

A legally binding commitment for a sale and purchase of property only comes into effect on an "exchange of contracts". Only at this point will the parties be committed; prior to this point either party is entitled to withdraw from the transaction without any liability at all, even if the other party has incurred wasted costs. The contract will usually be unconditional and the parties will therefore be obliged to complete the sale and purchase on the date for completion specified in the contract. Title due diligence, searches and enquiries, surveys and the buyer's mortgage arrangements are all dealt with and finalised before exchange.

3. Are there different title rights to land/ principal forms of ownership and restrictions to the property rights?

There are only two legal estates in land as follows: Freehold - outright ownership of the property and the land on which it stands in perpetuity; and Leasehold - ownership of the property for a fixed period of time. When the lease expires, ownership of the property reverts back to the freeholder. In addition, there are a number of legal interests in land, (including easements and mortgages) and various equitable interests in land.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

The only statutory restriction is age; a person under the age of 18 cannot own a legal interest in land. There may however be contractual qualifications.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The seller will be responsible for paying the estate agent's fees (which will be a percentage of the agreed price and typically range between 1.5% and 3%).

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

The transfer of the legal title is made by way of a Transfer deed, executed by the parties. There is no requirement for any separate notarisation or legalisation of the Transfer deed. After completion, the Transfer deed will be sent to the Land Registry for registration. The legal title to the property only passes to the buyer when he/she is registered at the Land Registry as the owner of the property.

7. Describe the procedure for payment of the purchase price to the seller?

The buyer will arrange for the completion monies to be remitted to the client account of the buyer's solicitors some days before completion. If there is a mortgage, the buyer's solicitors will obtain the mortgage finance from the lender directly. On the day of completion, the monies will be transferred to the seller's solicitors' client account by same day bank transfer.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Each party is responsible for their own solicitors' fees. There is no legal limitation, but the Law Society provides guidance on the fees to be charged based on the value of the property. If the property is leasehold, there might also be: Landlord's legal and surveyors' fees and Managing Agents' fees. Such fees are usually paid by the seller. The buyer is

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The Transfer deed will need to be sent to the Land Registry for registration within 30 days of completion. Any mortgage or charge given by the buyer to a lender will need to be registered at Companies House (if the buyer is a company) within 21 days of its creation and then subsequently will be sent to the Land Registry for registration on the title.

10. What taxes are involved?

Stamp Duty Land Tax is payable by the buyer on the purchase price within 30 days of completion. The rate payable depends on the type of property and price paid, and as at August 2011 ranges between 0 and 5% (the latter applying for purchases over £1m). Value Added Tax (VAT) is generally only chargeable on commercial properties if an election has been made for the property to be subject to VAT. Capital Gains Tax is not payable on the sale of an individual's principal private residence, nor by a non-resident individual or company, but otherwise is likely to apply.

11. What is the most common form of investment structure in your country/ jurisdiction?

It is common for overseas buyers of investment property in England and Wales to purchase through an off-shore company, which would typically be newly incorporated for the transaction and would hold the property as its only asset. Owning an investment property through a special purpose vehicle (SPV) would avoid potential Inheritance Tax liabilities and on a sale of the property there will be no Capital Gains Tax payable. There is a further potential advantage in using an SPV when it comes to disposing of the property, as it is possible to sell the shares in the company rather than the property itself which could mean that the buyer will not pay Stamp Duty Land Tax (as there is no land transaction involved).

12. What are the rules with regard to the liability for previous debts?

Any mortgage or charge of the seller registered against the property will need to be discharged on completion.

13. How is a security interest in real estate created?

The security over the property will be created by a legal charge deed (if the buyer is a company, by a debenture deed, which creates a charge over all the assets of the company, including the property). The legal charge or debenture will be registered at the Land Registry at the same time as the Transfer deed. If the buyer is an English company then the legal charge or debenture will also need to be registered at Companies House within 21 days of its creation. There is no requirement for charges created by off-shore companies to be registered at Companies House, although the charge may need to be registered in the company's country of incorporation.

14. Is the purchaser required to use a lawyer?

There is no requirement under English law for a buyer to use a solicitor on a purchase of a property, but a buyer would be unwise to proceed without legal advice.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The ownership of real estate is recorded at the Land Register maintained by the land registry departments of county courts (www.just.ee/7837). The Estonian Land Register is a title-based electronic online register, accessible to all. Real estate can be searched at www.rik.ee/land_register. The information in the Land Register has legal power electronically.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract (agreement to enter into a contract in the future under the terms agreed upon in the preliminary contract) is a binding contract. Depending on the thoroughness of content of the preliminary contract, a claim of performance i.e. a claim of entering into a contract based on the preliminary contract and a claim for damages are possible. In the case of sale and purchase of real estate, the preliminary contract must be notarised in order to be valid. Such a notarised preliminary contract can be registered in the Land Register as a preliminary notation.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

The most important restriction to the property rights is the right, under certain circumstances, to expropriate property in public interests. Restrictions may also arise from the right of pre-emption arising out of law or a transaction. Examples of the right of pre-emption arising out of law are the right of a co-owner of an immovable, under certain circumstances, to exercise the right of pre-emption in case a legal share of an immovable in co-ownership is transferred. The State has a right of pre-emption upon transfer of an immovable located in specified areas.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are some restrictions based on nationality, residency and prior areas of activity.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

This depends on the agreement of the parties.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A notarised contract under the law of obligations does not suffice for the transfer of title. A notarised real right contract, i.e. a notarised agreement of the owner and the person acquiring the immovable about transfer of the real right to the person acquiring the immovable is also necessary. It is common for these contracts to be contained in the same notarial deed. A notarised real right contract must also be followed by the respective entry or registration in the Land Register. The buyer becomes the legal owner of the immovable property with the entry in the Land Register. In more complicated transactions, a preliminary notation in the Land Register is used to secure the transfer of title. A list of all the notaries can be found at www.notar.ee/18383.

7. Describe the procedure for payment of the purchase price to the seller?

The terms of payment are usually regulated in the sale contract and depend on the agreement of the parties. Generally the parties prefer to fulfill their reciprocal obligations simultaneously. In such case, the depositary account of the notary can be used in the process of payment of the purchase price to the vendor. It is quite common for the claim for payment to be secured by mortgage as well.

8. What fees are involved (is there any limitation) and who is responsible for payment?

The purchaser has to incur the possible costs of preparing or attesting the contract of sale and costs relating to the making of an entry in a public register on the basis of the contract. However, in many cases, the vendor agrees to incur all or part of these costs. Notary fees are between 5% and 0.15% of the transaction value (up to €639,120). For higher values, notary fees have a progressive fixed fee plus a declining percentage of the sum in excess of €639,120. 20% VAT is added to the notary fees. In case of bilateral transaction (e.g. sale), the notary fee is doubled. Additional fees apply if the notary registers a preliminary notation or a mortgage in the Land Register, the depositary account of the notary is used etc.

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The real right contract must be registered in the Land Register in order for the title to be transferred.

10. What are the taxes involved?

State fees for Land Register related operations place between 8% and 0.15% of the transaction value (up to €639,116.48). For higher values, the state fees are 0.16% of the transaction value, with a maximum of €2,556,46.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common investment form is private limited company (Osäühing, OÜ). The transfer of shares is usually executed by signing the share purchase agreement. The title to real property is created by registering the transfer in Land Register. If the shares of the company having the title of real property are registered in the electronic register, the transfer of the shares is not subject to notary fees and state duty, which can be considerably cheaper for the parties.

12. What are the rules with regard to the liability for previous debts?

Where an immovable property encumbered with a mortgage is transferred, it is usually freed from the mortgage before the transaction. Otherwise the immovable remains as a security of the previous owner's debt, despite the transfer of the property, and is thus subject to compulsory execution. Where the seller uses the purchase price to cover debts but it does not cover all previous debts, the buyer is not liable for the balance of the debt. Generally speaking, the buyer is not responsible for the previous owner's general debts (except in the case of transfer of an apartment ownership, regarding management costs).

13. How is a security interest in real estate created?

The payment of the purchase price or the loan taken to cover the purchase price may be secured by a mortgage, which is registered in the Land Register on the first available ranking. In case the debtor does not fulfill his/her obligations, the mortgagee may demand compulsory execution. The claims of the mortgagees are satisfied so that claims secured by mortgage with a higher ranking are satisfied first.

14. Is the purchaser required to use a lawyer?

The purchaser is not required to use a lawyer.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The title and mortgage register is a national public register of registration issues incorporated into the Land Information System (www.maanmittauslaitos.fi/en/real-property-24). The register includes information on property owners, mortgages and special rights concerning properties. Everyone can rely on the information listed. The other public national register concerning property is the cadastre, a public register kept of properties and other land and water areas.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract may be binding on one party or both of the parties. Any preliminary contract shall include the information on the intent to convey, the real estate to be conveyed, the seller and the buyer and the price or other consideration, the deadline for the conclusion of the sale of real estate as well as the conditions the fulfillment of which triggers the sale. The price or other consideration may be agreed later based on the preliminary contract. If the validity of the preliminary contract has not been indicated, it shall be five years from the conclusion of the preliminary contract. In case of non-conclusion of sale, the party liable for the non-conclusion shall compensate the other party for the reasonable costs necessary for the conclusion of the sale. The public notary/lawyers have no role with respect to the preliminary contract (there are no requirements related to the authentication of signatures required etc.). A preliminary contract regarding real estate shall be confirmed in public witnessing. The preliminary contract may be registered with the Official Purchase Price Register upheld by the National Land Survey.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Special rights which are more limited than the right to property ownership can be based on an agreement or a will. They include, for example, the right of tenancy, right of usufruct, pension rights and agreements on joint administration of a property. Special rights can also be registered into the public national property registers. The municipality might have the right to pre-emption in real estate purchase taking place in municipality's area (for real estate of more than 5,000m², or 3,000m² in the capital area), except if the purchaser is seller's spouse or a person who can inherit from the seller or when the state purchases. The Pre-emption Act includes provisions on pre-emption. Expropriation is only possible when the public interest so requires.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

From 01.01.2000, there are no restrictions for the buyer of real estate.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

There are no provisions concerning the responsibility for the payment of brokerage fees. In general, the seller is liable for the costs caused by brokerage but the parties may also agree otherwise.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

Sale of real estate shall be confirmed in public witnessing. Only a public purchase witness can confirm the sale, and without the public purchase witnessing the sale is null and void and the purchaser cannot get the title to the property purchased. Public purchase witnesses can be, for example, district registrars, public notaries, policy chiefs as well as persons appointed as public purchase witnesses based on an application

7. Describe the procedure for payment of the purchase price to the seller?

(see www.maanmittauslaitos.fi/en/yhteystiedot). A title must be applied for within six months from the signing of a deed of sale or other document confirming the ownership. Titles are granted by the land register authority. A public notary deed is not compulsory. A title application must be submitted to a district survey office within whose jurisdiction the property is located. The transfer tax must be paid before submitting the application for a title. The property owner will not be listed as an owner in the title and mortgage register until the title has been issued. A title is also a requirement for using the property as debt collateral.

8. What fees are involved (is there any limitation) and who is responsible for payment?

A notary does not play any role in the payment of the purchase price to the vendor and there are no specific rules or restrictions involved.

The fee of public purchase witnessing is €105. The party who has booked the public purchase witness is responsible for the fee.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

Documents that have to be submitted to the district survey office for a title are as follows: a title application, an original title deed and a voucher for the payment of transfer tax.

10. What taxes are involved?

The transfer tax rate is 4% of the purchase price or other charges. (The title itself costs €65, a pro forma registration of title €30, a certificate of registered title €20 and a certificate of mortgages and encumbrances €25.)

11. What is the most common form of investment structure in your country/jurisdiction?

There are no requirements for the registration of real estates in a share transfer. The transfer tax shall also be paid in a share transfer although the transfer tax rate by then is only 1.6%.

12. What are the rules with regard to the liability for previous debts?

If the property has been pledged, the transferring of real estate does not effect to pledge or debts related to the property. The buyer should always verify pledges or debts related to the property. The buyer may choose to be liable for debts related to the property but this requires creditor's approval.

13. How is a security interest in real estate created?

A mortgage serves as collateral for the property when the property is used as a security. The mortgage deed only serves as a certificate of the mortgage for security purposes. The mortgage deed shall be transferred to the creditor as a security for the receivables for a lien to be created. A mortgage application shall be submitted to the land register authority at the district survey office in whose jurisdiction the property is located. A mortgage object can be a property, a designated share of a property or an unseparated parcel belonging to another party than the property owner.

14. Is the purchaser required to use a lawyer?

No.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Real estate is recorded in a Land Registry, called Conservation des hypothèques. The different local mortgage offices are attached to the Exchequer Ministry (www.minefi.gouv.fr). Even if the Land Registry creates a legal enforcement, this can not be considered as an element of validity but as an element of opposability towards a third party. All the properties are covered by the Filing's Register and the Property File. The Land Registry is publicly available.

2. What is the effect of a preliminary contract regarding real estate?

There are three sorts of pre-contracts: Preference Pact, Unilateral Agreement to sell and Synallagmatic Agreement to sell. The Synallagmatic Agreement to sell is usually the only legally binding contract. Indeed, to conclude a sale, an agreement on the goods and the price is sufficient. In principle, the Synallagmatic Agreement to sell has to contain a determined or determinable price and a determined or determinable property. It has to set the deadline to regulate suspensive conditions and to sign the authenticated deed, and to reference the different fees and the party responsible for payment. There can be a death invalidity insurance disposition guaranteed to the beneficiary of the Synallagmatic Agreement to sell. It is possible to obtain a statement from a notary. This statement can be published. The notary has to witness the signatures of the parties.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

The usual way to become property owner consists in obtaining the title of the property (by sale, by succession, by gift). However, by exception, useful possession of the property under good faith for thirty years (usucapion) is another way. The use of ownership (usus) may be limited by regulatory measures which have divided up French territory into 'mountain areas' and 'littoral areas'. The fact to dispose of (abusus) can be limited, for example, when an owner wants to sell a listed immovable (immeuble classé). Pre-emption rights, previewed by the law, also consist in ownership limitations (e.g. before selling, the owner has to make the first proposal to the tenant). Expropriation may be operated for a public utility.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

With the exception of legal capacity and insolvency proceedings, French law does not impose restrictions on the buyer.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Both of the seller and the buyer can be responsible for paying the fees, but any arrangement must be detailed in the pre-contract. If the buyer has to bear all the fees, even negotiation fees, earnings' proxies (fees of the mandatory intermediary) have to be indicated in the pre-contract.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

For the opposability to third parties, a notary (www.notaires.fr) is required to sign the authentic deed. Generally, the notary is chosen by the seller but the buyer can appoint his/her own notary (who will share the fee with the seller notary). The buyer becomes the legal owner by the conclusion of the sale agreement. To give it opposability towards third parties, the authentic deed has to be published. The notary shall publish the sale of the property at the competent mortgage office within two months of the signature of the sale.

7. Describe the procedure for payment of the purchase price to the seller?

To protect the seller from a risk of non-payment from the buyer, the contract generally contains an 'ownership reserve clause'. The buyer has to send the monies to the notary's account some days before the deed will be signed, so that the money transfer to the seller may take place on the same day. The 'privilege' of the seller is an efficient guarantee for the seller to be paid of the price of the sale.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Notary fees have to be paid by the seller, but there may be a different stipulation as well. What is commonly called 'notary fees' in reality takes into account state and local taxes (80%), notary expenses for his/her client (10%) and notary fees (10%) which are composed of emoluments (proportional to the value of the property: 5% up to €45,735 and 2.5% beyond) and earnings freely agreed between the notary and his/her client. Total cost is around 7-8% for a property constructed more than 5 years ago and around 2-3% for a property less than that age.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The title deed has to be registered by the notary in the nearest local mortgage office on the Filing's Register.

10. What taxes are involved?

Refer to question 8.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common structure of property investment is the property civil company (société civile immobilière (SCI)). Its incorporation does not need the intervention of a notary, its publicity is easier and taxes are often lower (5% for all the shares of the company / loan which must be paid off).

12. What are the rules with regard to the liability for previous debts?

The creditor of a 'real right' (e.g. mortgage) can follow the property everywhere and can demand debt payment to everyone who becomes ownership of the property, even after a sale. Mostly, the buyer negotiates the price with the creditors to pay them off and becomes the owner of the immovable while the mortgage is withdrawn (mutual consent purge). However, the buyer sometimes could have to pay remaining debts without a 'mutual consent purge'. Unsecured creditors only have a general security right. They will be paid only if there is still money after the previous actions of the creditors who have a lien. Furthermore, the buyer will not have to pay them off. All immovable property can be subject to an additional right from the Public Treasury or from the Social Security.

13. How is a security interest in real estate created?

A conventional mortgage can be published by authentic notary deed at the mortgage office, together with the loan agreement.

14. Is the purchaser required to use a lawyer?

No.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

There is no publically available register. The Grundbuch (property register) is run by the local courts of the individual German communes. It is only available to public notaries and persons that have a title in the respective property or prove a reasonable interest in the information. The information contained in the register is legally binding.

2. What is the effect of a preliminary contract regarding real estate?

Preliminary contracts are not binding and are very unusual. Only in very few cases this type of contract may lead to claims for compensation of damages if the other party does not fulfill the agreement. Since all agreements related to real estate require a notarial deed, concluding a purchase agreement under conditions or including the right to withdraw from contract into the purchase agreement rather than signing an additional preliminary contract is advisable.

3. Are there different title rights to land/ principal forms of ownership and restrictions to the property rights?

German law includes ownership of plots, ownership of condominium and leasehold of plots. Ownership of a plot can be divided into ownership of shares of the plot and parts of joint ownership in conjunction with individual ownership of a certain apartment. The Government has a preemption right in case of any sale of property (other than condominium). If an apartment is rented already before the entire house gets divided into ownership on the single apartments (condominium), the tenant does have a right of pre-emption in the first event of sale.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no restrictions.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

There is no legal stipulation. The responsibility for brokerage fees is subject to the parties' agreement. Usually, the buyer is responsible, but this might be different depending on the market conditions.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A notarial deed is compulsory. Ownership will pass over upon registration in the land register which can take between a few weeks and several months depending on the land register. Due to this long period, parties usually agree to hand over the property upon payment of the purchase price or upon payment of the purchase price onto an escrow account. The notary will also ensure that the title will be transferred against payment of the purchase price and that any existing encumbrances are cancelled.

7. Describe the procedure for payment of the purchase price to the seller?

Generally, the implementation is conducted by the notary who independently has to ensure that both parties are well protected and that the agreement fairly meets the interests of all parties involved. A preliminary notice ("Vormerkung") is registered in the Grundbuch which secures the buyer's claim for transfer of title. Once such a notice has been registered, any application for new entries without the buyer's consent will not be valid vis-à-vis the buyer. Payment will only be made after the entry of this notice in the register and after the notary is in possession of all documents necessary to delete any encumbrances registered by the seller. Where the encumbrances of the seller have to be cancelled and new mortgages need to be registered, parties often agree to use the notary's escrow account.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Usually, the buyer has to pay the notary's fees, land register fees and land acquisition tax (except costs for the cancellation of existing mortgages etc. which are covered by vendor). However, by virtue of the law both parties are responsible for these costs. Fees are calculated on basis of the purchase price on a decreasing rate. Roughly, 3.5% of the purchase price will be charged by the notary and land register.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The transfer of title will only come into effect upon registration with the land register. Parties have to inform the tax authorities. Information will be made through the notary who is legally responsible for this obligation.

10. What taxes are involved?

Land acquisition tax is charged at different rates by the different German States and varies from 3.5% and 5% of the purchase price. The Land register will charge approximately 1% to 1.5% of the purchase price for the implementation of the transaction (see above).

11. What is the most common form of investment structure in your country/ jurisdiction?

The most common form is an asset deal. If all shares of an entity that owns real estate are being transferred, land acquisition tax will be charged (the same applies if the 'mother company' of the owner is being sold (tax authorities may check the ultimate beneficial owner). The only way of avoiding tax is to transfer less than 95% of the shares in a partnership. The remaining 5% may only be transferred 5 years later on. Since the seller will remain the shareholder for this time, the disadvantages are obvious.

12. What are the rules with regard to the liability for previous debts?

Generally, any owner is liable for mortgages that are registered, whilst the liability is limited to the property. Therefore, the purchase price usually is only to become due when the cancellation of existing encumbrances is secured by the notary. Only in few cases the real estate 'itself' is liable: besides mortgages and other encumbrances, this applies to taxes, public charges and house owner allowance. In the case the purchase price is paid in full to the seller and not used to pay previous such debts, the buyer will be liable for debts secured by mortgages and for taxes charges and accommodation allowance. The notary has to ensure that the seller does not receive the purchase price before all these debts have been settled.

13. How is a security interest in real estate created?

The most common interest is a Grundschuld (land charge), similar to a mortgage. The deed again requires notarisation and only comes into force upon registration in the land register. The implementation of the deed again is done by the notary. The loan agreement itself will not be registered in any way.

14. Is the purchaser required to use a lawyer?

There is no such requirement. A lawyer is recommended for 'difficult' transactions due to the structure of the financing.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

In Greece there are several land registries divided by regions, for more information visit www.ktimatologio.gr. All kinds of properties are registered and a lawyer can search in the registry house provided that he/she knows the owners full name.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract that has been signed before a public notary legally binds the parties. However, only the final contact can not be registered in the land registry. It is always prepared and signed before a public notary but the presence of lawyer is not mandatory.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

It is possible in the transaction contract to have terms that restrict property rights. For example, one can retain the 'enjoyment' of the property for as long as he/she lives without being the owner.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are specific restrictions regarding the buyer's nationality. A special permission for the transaction is required from the Ministry of Defense in some places close to the borders of other countries. Otherwise, any foreigner/individual company can buy property throughout Greece.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Both parties are responsible for the brokerage fees, which is usually 2% of the property value.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary deed (see www.hellenicnotaryassociation.gr) is compulsory for every kind of title transfer and the selection of the notary is being made usually by the buyer. For the buyer to be a legal owner a final contract must be signed and afterwards registered to the land registry. In the purchase deed the buyer must declare that he/she accepts the transaction and the asset in its current state.

7. Describe the procedure for payment of the purchase price to the seller?

The parties can select the way of payment and as a security their agreements can be written in the contract.

8. What fees are involved (is there any limitation) and who is responsible for payment?

The notary fees (specified by law, 1.2% of the purchase price plus 23% tax), the Lawyer fees (two lawyers must be present and sign the purchase deed, their fee is approx. 0.5% of the purchase price), the brokerage fees, and the land registry fees (€5,75 per €1,000 of the purchase price) are in accordance to the purchase price. The buyer must pay all the fees except for the vendor's legal fees.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

There must be a final contract prepared and signed by a public notary, which must be deposited to the completed land registry.

10. What taxes are involved?

Land transfer taxes amount to 9-11% of the purchase value plus registration taxes at 0.7%.

11. What is the most common form of investment structure in your country/jurisdiction?

The best way is to do the deal through a SA company, where the transfer of shares is 5%.

12. What are the rules with regard to the liability for previous debts?

The buyer's lawyer can search the land registry for mortgages and other burdens related to the specific assets, but if the property has been transferred the mortgages does follow the real estate. The buyer must pay all the debts of a general nature concerning the purchase deed (taxes) and all the other debts are paid by the seller. If there are debts related to the real estate that have not already been paid, the new owner of the asset is liable for them. Where there is a mortgage or another guaranteed debt the creditor can claim the debt from both.

13. How is a security interest in real estate created?

All mortgages and burdens must be registered to the land registry so as to be issued.

14. Is the purchaser required to use a lawyer?

The purchaser and the buyer must use lawyers if the purchase price is more than €30,000, if the property is located in Athens and more than €11,000 if the property located elsewhere in Greece.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national register for all land and property owners is Földhivatal (land office). Contact details are different for each region. The content of a title sheet is all public, and can be accessed by anyone. All information is legally binding. The register covers all properties.

2. What is the effect of a preliminary contract regarding real estate?

Pre-contracts are legally binding, although these cannot be submitted to the land registry for official registration. Minimum requirements to validate the contract are the written form, signature by the parties, property details, purchase price and the deadline for the signature of the final agreement. Two witnesses or a lawyer countersigning is not required, but advisable. Usually, all information, contained in the final contract, is also indicated in the preliminary agreement. A registration of the preliminary contract is not possible. The use of lawyer/notary is not required, but advisable.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Restriction to property rights can result from government or municipal decrees, the nature of the land, the personal qualities of the owner or the ownership. An owner has the right to surrender the possession, use or usufruct of a thing to another person, to use it as security or encumber it in another way and, furthermore, to transfer or abandon ownership. The ownership of real estate may not be abandoned.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no restrictions if the buyer is an EU citizen. For other nationalities, an ownership permit is needed. The procedure takes approx. 60 days to complete. An official passport copy, and declaration of use and financing is necessary. In practice, one non-EU citizen can only get one permit (for one property purchase).

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

It depends on the agreement of the parties, but it is usually the buyer who has to pay the brokerage fees.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary (see www.mokk.hu) is not required (but can be chosen instead of the lawyer), however a lawyer's assistance is required. The lawyer acts for both parties, except if the buyer brings the lawyer who then acts for the buyer only. The buyer becomes the owner by the final approval of the registration of ownership signed by the seller. This is issued when the buyer pays the full purchase price. As a security this approval may be deposited by the lawyer countersigning the sale and purchase agreement.

7. Describe the procedure for payment of the purchase price to the seller?

The assistance of a public notary is not needed. There are no specific rules or restrictions involved. Usually, to secure the claim for payment, an escrow is chosen. In practice, this is generally 10% of deposit and the rest is subject to the agreement of the parties.

8. What fees are involved (is there any limitation) and who is responsible for payment?

It depends on the agreement of the parties, but most of the time the buyer pays the lawyers fees (plus the taxes). The agency fee is the responsibility of the seller.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

Ownership has to be registered by the land office to the title sheet. This finalises the ownership transfer.

10. What taxes are involved?

The land office fee amounts approx. €50-60. The property transfer tax (stamp duty) is 4% of the market value of the non-residential properties and 2% of the value up to 4 million HUF, and 4% for the value above 4 million HUF of the market value of residential properties.

11. What is the most common form of investment structure in your country/jurisdiction?

Share transfer used to be more popular, since this was not taxable. Presently, after a change of this rule, the quota transfer is taxable if the company holds real estates. So the risk is greater now, if the purchase is for a business quota (hidden risks), rather, than the property itself. There is currently no advantage in using a form of investment structure.

12. What are the rules with regard to the liability for previous debts?

The liability of the new owner is starting when the title is transferred. For all previously occurred debts the previous owner is responsible. Where the purchase price does not cover all previous debts, if the buyer will be liable for such remaining debts, but with the real estate only not with his personal assets. The same prevails where the purchase price is paid in full to the seller and not used to pay previous such debts, the buyer will be liable for such debts. The buyer's liability for previous debts will not be subject to the creditor's approval. A creditor may claim the debt not against the buyer personally, but just against the real estate.

13. How is a security interest in real estate created?

Mortgage deeds are prepared by a notary, requiring thus a notary's assistance. The mortgages are registered on the title sheet of the properties. It is possible to register more mortgages on 2nd, 3rd, etc. ranks. It is possible to register frame mortgages, option rights and alienation prohibition as well. All of these are included on the title sheet of the property.

14. Is the purchaser required to use a lawyer?

The sale and purchase agreements have to be prepared and countersigned by a lawyer.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

There are two registers for ownership of real estate: (i) The Land Registry which most lawyers can assess online and; (ii) The Registry of Deeds which is gradually being phased out. There is no specific real estate classification (e.g. residential, industrial etc.). In relation to the Land Registry the register is a document of public record and accordingly one is entitled to rely on the information therein (e.g. with regard to ownership).

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract regarding real estate once executed by both parties is legally binding. The minimum requirements are as follows: (i) the property must be identifiable; (ii) the price; (iii) the parties; (iv) any specific particulars. Bearing in mind the current financial situation, it is very important that a prospective purchaser has finance and indeed that the vendor's lending institution will release any mortgage it has on the property. There is no requirement to use a notary but each party has its own lawyer. It is possible to register a contract but normally the final deed is registered, the lawyer for the purchaser must register it.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There can indeed be different title rights to land for example freehold, leasehold, a licence agreement etc. There are no specific restrictions regarding a buyer. Sole ownership by a company or individual, tenancy in common or joint tenancy. If both parties agree there can be preemption rights or restrictions to property rights e.g. that the premises can only be used as residential premises or that a vendor will have a right of way over a part of the property.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are specific restrictions. In some areas there is a requirement for local residency e.g. agricultural areas to have ties with the community.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The vendor is always responsible for paying brokerage fees.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A notary is not necessary. Each party appoints their own lawyer. Once there is a signed contract in place, title queries and other documentation is raised and examined followed by a transfer of the property which is done between the lawyers (i.e. money transferred in respect of title deeds). The lawyer then attends to stamping the Deed with the Revenue Commissioners and to registration. Timing is normally six weeks between the signing of the contract and the transfer of the property.

7. Describe the procedure for payment of the purchase price to the seller?

The procedure for payment is done by electronic funds transfer (EFT) or bank draft. All lawyers have client accounts and if there is any default on the client account the Law Society of Ireland refunds any client. Obtaining a mortgage is the responsibility of the purchaser. It used to be readily obtainable but has become more difficult in the current economic climate. A notary does not intervene.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees are agreed with the lawyer. Registration in the Land Registry is approx. €500.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

Deeds must be presented to the Revenue Commissioners for stamping. This is done by electronic E-Stamping and then subsequently registered usually in the Land Registry.

10. What taxes are involved?

The stamp duty changes between residential and non residential, first time buyers and others. The Revenue Commissioners list up-to-date details on their website. The rates do change constantly. At the moment it is 1% for all residential properties under €1 million, 2% for all residential properties over €1 million and 6% for all non residential properties over €80,000. There are various different stamp duty rates for investors, owner occupiers, residential, farmland etc.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common form is a limited liability company. The benefits possible when using a limited liability are exactly as one would expect which is an independent legal person and shareholders have limited liability.

12. What are the rules with regard to the liability for previous debts?

On closing, the lawyer will ensure all debts have been discharged. Normally he/she will request the seller's solicitors to obtain the amount due to discharge any debts and he/she will arrange to apportion the monies in this regard. The sale will not take place unless the buyer is satisfied he/she can obtain a fully title with all mortgages discharged. If there are debts due or likely to be due on the property it is a matter for the buyer to ensure that these are discharged.

13. How is a security interest in real estate created?

A mortgage if appropriate is registered in the Land Registry. New rules have been brought in that banks must appoint their own lawyer to register the security.

14. Is the purchaser required to use a lawyer?

The purchaser is required to use a lawyer apart from certain very limited circumstances.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Ownership, and all legal obligations relating there to are recorded by registering the deeds in the public local office or Conservatoria dei Registri Immobiliari, which covers all types of real estate.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract creates the obligation on the parties to transfer the property and to pay the price, but it does not transfer the title to the property. Usually, a preliminary contract is supported by a down payment from the buyer. If the buyer does not buy, he/she loses the down payment. If the seller does not buy, he/she has to pay the buyer twice the amount of the down payment. The seller must have a valid title to the property (including, the right to build if the property has not yet been built). The minimum requirements for the contract are the identity of the parties, the description of the property (including registration number) and the purchase price. The contract must be recorded in the Conservatoria as well as at the Registration Office for registration tax purposes (Ufficio del Registro). Both records are made by the public notary. Notarisation of the preliminary contract is required only if the parties (usually the buyer) wishes to record the contract at the Conservatoria (but this is optional). A preliminary contract regarding real estate is a legally binding contract provided it includes all relevant information such as parties, description of property, purchase price; it can be registered by the parties or a public notary, in which case it is considered to be known by third parties.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

In addition to full ownership, there are other forms of rights to land: (i) right to use the land (diritti di godimento), that is: right to surface (i.e. the right to build a property on a land owned by a third party), right of use (i.e. the right to use a property owned by a third party), right of usufruct, right to inhabit and usufruct (similar to the right of use); (ii) security interests (diritti di garanzia), that is the mortgage to secure repayment obligations of the owner or a third party; (iii) easements (servitù prediali). The real estate may be purchased directly or through an interlocutory party (company, trust etc).

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

The Buyer must be registered at the Agenzia delle Entrate with a proper tax identification number (Codice Fiscale). There are no general legal restrictions in purchasing real property.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

There are no statutory provisions as to who pays the brokerage fees. Customarily both parties are liable for brokerage fees, unless it has been otherwise agreed.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

In order to enable the buyer to record the sale at the Conservatoria (and to enforce its property rights against the seller and any third party), the agreement must be notarised. Therefore, a public notary is compulsory. The public notary is usually appointed and paid for by the buyer. The buyer becomes the legal owner as soon as the notarial deed of transfer is signed. The sale becomes enforceable against third parties as soon as the notarial deed of transfer is recorded at the Conservatoria. Timing may range up to a few months, depending on the circumstances.

7. Describe the procedure for payment of the purchase price to the seller?

Usually purchase price is paid by the buyer directly to the seller. Sometimes part of the purchase price is paid into an escrow account held by the public notary to secure certain post-closing obligations of the seller (such as the obligation to cancel the mortgage against the property). Usually purchase price is paid in full at completion. If this does not happen, a mortgage is automatically created against the property to secure payment of the balance of the purchase price. The notary stipulates the deed and authenticates the signatures; the payment is secured by a mortgage if the purchase price has not been completely paid.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees involved in the preparation of the deed are those of the notary and are usually paid by the buyer.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The deed must be registered to become a public document (legally known by third parties).

10. What taxes are involved?

The indirect taxes levied on the sale and purchase of a real estate are: registration tax and other indirect taxes equal to 10% of the tax value of the property if the seller is a natural person, and to 20% if the seller is a company. If the property becomes the primary residence of the buyer (prima casa), registration tax goes down to 3%. Registration tax (VAT if the vendor is a company), transfer tax and miscellaneous taxes are involved.

11. What is the most common form of investment structure in your country/jurisdiction?

Special purpose vehicles (SPVs) are rarely used for real estate for personal use, which are usually owned directly by the landlord. The sale of a property through a stock deal does not trigger indirect taxes (registration and other indirect taxes and VAT). The buyer, however, is exposed to the risk of past liabilities of the company whose shares are transferred. Real estate can be transferred directly or through shareholdings if it is owned by a company; in such case there are tax savings but the buyer assumes the risks of the company involved; the name of the buyer is indicated in the public deed.

12. What are the rules with regard to the liability for previous debts?

As a general rule, liabilities for previous debts are not transferred to the buyer (except if the sale is perfected through stock deal).

13. How is a security interest in real estate created?

A security interest is perfected through the registration at the Conservatoria of the notarial deed of mortgage. Property may be transferred through securitisation.

14. Is the purchaser required to use a lawyer?

No. The purchaser may act through the notary.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The Land Register (Zemesgramata) records real estate and the rights related to it. It is publicly available and its records possess public reliability (www.zemesgramata.lv). An owner's information is assessable once a property is identified and displayed. The search can be conducted by addresses, cadastral numbers or other relevant data. However, the ownership rights of an individual or a legal entity cannot be searched.

2. What is the effect of a preliminary contract regarding real estate?

A letter of intent (a preliminary contract according to Latvian legislation) with the purpose of entering into an agreement shall take effect as soon as the essential elements of the agreement have been established by it, i.e. the subject matter of the purchase and the purchase price. For identification purposes parties shall stipulate the cadastral number of a property and describe it. A letter of intent does not create rights to demand a property, but only establish a claim to enter into an agreement on the sale of a property for the agreed price. Upon the failure to enter into the agreement, a party may only seek damages. No registration is performed, but both parties shall sign it. Legal counsel shall be consulted to draft a proper letter of intent. It shall be regarded more as 'gentlemen's agreement' under the Latvian legislation.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Sole and joint properties are possible, the latter having restrictions and conditions stipulated in the Civil Law. Numerous limitations on exercising property rights are specified in building laws and protective zoning regulations. Either individuals or legal entities can be registered as owners. Co-ownership is possible in the form of common property by joint owners of undivided or divided shares. There are various restrictions that are stipulated in the building standards under the rules of Cabinet of Ministers and different legislative enactments of the Parliament. Expropriation is under the competence five district courts. Pre-emption rights are granted to co-owners and municipalities under the Civil Law and various other laws; a party can be also granted a pre-emption right according to an agreement.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Latvian and EU nationals can acquire land, providing that at least 50% of a company's shares are owned by the said nationals (in case of a legal entity being a buyer). Other nationals can obtain land with the permission of a local municipality where the land is located. Other restrictions apply and legal advice shall be required.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Usually a seller is responsible for covering the brokerage fees unless a buyer has also hired a broker for finding a property. No specific legislative enactments regulate payment or amount of the fees.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

The deed of corroboration must be signed before the public notary (list available at www.latvijasn timers.lv). Only the registration in the Land Register is to be regarded as sufficient evidence confirming the ownership rights. The title deed issued by the Land Register verifies the ownership title. The Land Register reviews the deed of corroboration within a two week period.

7. Describe the procedure for payment of the purchase price to the seller?

The public notary is only responsible for drafting the deed of corroboration and in general does not bear any responsibility as far as the contents of an agreement. Due to obtaining ownership title only after the registration in the Land Register, it is suggested to sign an escrow agreement with a reliable bank. Other precautionary measures are suggested after consulting local legal counsel.

8. What fees are involved (is there any limitation) and who is responsible for payment?

The notary shall charge for drafting the deed of corroboration and in general it shall be under €100. The practice of a law office servicing the deal could be to charge an interest from the total amount of the purchase price in the range of 5-10%. Brokerage fees are also usually applicable. A small registry fee for the registration of the title in the Land Register is applicable.

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The Land Register shall issue title deed (the certificate of the Land Register) to the owner or his/her authorised representative at the respective office of the Land Register. The title shall be registered in the State Unified Computerised Land Register.

10. What taxes are involved?

Stamp duty for the registration of the title in the Land register is applicable (2% of the purchase price, to a maximum of €43,000). Real estate tax for the previous period must be paid in order to proceed with the title change.

11. What is the most common form of investment structure in your country/jurisdiction?

Both share transfer and asset deals are used for transferring real estate. Depending on the circumstances of a deal, share transfer could be more efficient and faster, whereas an asset deal could involve potential participation of a municipality by using a right of first refusal.

12. What are the rules with regard to the liability for previous debts?

The vendor is expected to settle all the debts before the transfer of title has taken place. While the parties could also agree otherwise, it is not possible to transfer the title unless real estate tax obligations are fulfilled. As a general rule the owner of the property is liable for paying all debts to the creditors unless the parties (i.e. the seller and the buyer) have agreed otherwise; all the issues of debts beyond mortgages shall be settled between the parties in the agreement, except debts of general nature that the seller is obliged to settle in order to transfer the title. The buyer is not liable to cover any debts unless the parties have agreed otherwise. The buyer shall exercise precaution and check on the debts before signing the purchase deed.

13. How is a security interest in real estate created?

The deed of corroboration must be signed before the public notary and submitted to the Land Register. A respective agreement shall be submitted to the Land Register along with the deed of corroboration. Notice of a security is registered in the appropriate entry of a property at the Land Register.

14. Is the purchaser required to use a lawyer?

Requirement is not stipulated per se.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national property register is called Real Property Cadastre and Register of the State Enterprise Centre of Registers (V. Kudirkos st. 18, LT-03105 Vilnius. Tel: +370 8 5 268 8399, www.registrucentras.lt). The information from the date it is recorded is considered as true and comprehensive unless legally disputed.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract regarding real estate is a legally binding contract to enter the main sale-purchase contract in the future. The identity of the parties, description of the property, property unique/registration/cadastral number, purchase price, term to enter the main contract, obligations of the parties concerning the real property should be included. It is possible to register the preliminary contract in the property register. It is advisable but not compulsory to ask the lawyer to draft the preliminary contract or to consult. There are no special requirements of participation of public notary in the process of signing the preliminary contract.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Title rights include: (i) personal ownership (when the person is the sole owner of the property); (ii) common partial ownership (when exists the co-ownership to the property and co-owner has its clear defined part in property); and (iii) common joint ownership (when exists the co-ownership to the property and co-owner has no clear defined part in property). There are a lot of registered restrictions to the property rights - arrests, contracts of the co-owners, servitudes, preservative zones, restrictions to transfer to third persons and other. Other kind of restrictions to the property rights are expropriation rights, as well as pre-emption rights (in cases of co-ownership when the co-owner has this pre-emptive right to buy the part of the property that other co-owner is selling).

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Foreign, legal and natural persons, including organisations, are not eligible to acquire land of an agricultural purpose in the Republic of Lithuania until 30th April 2014.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

It depends on the agreement of the parties.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

The title to the new owner transfers by the notarised contracts (including deeds), shares subscription agreements, inheritance, administrative acts and by other ways. So the public notary deed is not compulsory in all cases (see www.notarurumai.lt for a list of notaries). The transfer of title is defined in the particular contract. The usual timing between the preliminary contract and the completion day is the point agreed by the parties. If no term is established in the agreement, the completion day must be no later than one year after the date of entering into the preliminary contract.

7. Describe the procedure for payment of the purchase price to the seller?

If the payment of the purchase price is not made on the day of the contract and the title is transferred to the buyer, the restrictions for the new owner may be recorded in the property register (restriction to transfer to the third persons, a mark about the debt for the property). The role of the public notary could be to issue the certificate of full payment of the price. The other option is to pay the price to the deposit

8. What fees are involved (is there any limitation) and who is responsible for payment?

account of the public notary and only after the transfer of title, to transfer the monies to the vendor. Options to secure the claim for payment are obligatory securities (guarantee, sponson, other) or real securities (mortgage, pledge).

The fees for concluding the sale-purchase contract of real estate are notary fees as well as there can be other fees (legal consultancy, preparing the contracts, etc.). The notary fees are fixed by law. There are 9 categories of fee rates connected with real estate. For example, the fees for the sale/purchase contract of real estate is 0.45% of the contract value, (but no less than €29 and no more than €5,793).

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The sale purchase agreement (including title deed), administrative acts or other basis for ownership is required for publication/registration.

10. What taxes are involved?

Registration fees in the Real Property Cadastre and Register plus miscellaneous taxes. The amount of registration fee in Real Property Cadastre and Register depends on particular circumstances - what object (land plot, buildings, flats or premises or juridical facts, restrictions or other rights) are registered as well as who the applicant is (legal or natural person). For example, if a natural person wants to register the land plot with a value of €290,000, he/she should pay €290 registration fee.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common investment structure in the Republic of Lithuania is the acquisition of company shares, but transferring real estate as a share is also possible. The benefit of transferring real estate as a share is that the company is not making the expenditures of paying the price, and that the parties do not need to pay the notary fee. Other expenditures are however connected with this transfer (evaluation of the property, increase of the share capital, changing and registration of the by-laws, legal documentation).

12. What are the rules with regard to the liability for previous debts?

If the owner of the property has the debt connected with the property usually there is a restriction of ownership registered in the Real Property Cadastre and Register. In general, the seller is liable for any previous debts, but parties in the contract can agree, e.g. that the buyer shall transfer the specified amount of money directly to the creditor (under the request of the creditor).

13. How is a security interest in real estate created?

The public notary must certify the mortgage sheet which is registered in public register called the Mortgage register.

14. Is the purchaser required to use a lawyer?

It is advisable but not compulsory to use a lawyer to prepare the documents or for consultation.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Ownership of real property is recorded in the national land and property register managed by l'Administration du Cadastre et de la Topographie (54 avenue Gaston Diderich, B.P. 1761, L-1017 Luxembourg, Tel: +352 44 901-1, www.act.public.lu, Email: Info@act.public.lu). Searches are usually performed by the notaries, but any person may apply for information and documents.

2. What is the effect of a preliminary contract regarding real estate?

The preliminary contract (compromis de vente) is, between the signing parties, a fully binding contract and may be enforced by the courts. For this contract to be valid, it is sufficient that the parties agree on the object of the deal and on a price. Besides, the sale and purchase needs to be notarised in order to be registered with the authorities and be opposable to third parties. As of the signature of the preliminary contract, the ownership of the property passes to the buyer who has to bear any risk of deterioration of the building. It is possible to register the preliminary contract with l'Administration de l'Enregistrement' within three months from the date of signature. The recording is done at fixed cost of €12 if the contract contains conditions precedent which are not yet realised. If it does not contain suspensive clauses, transfer taxes of 6% will have to be paid.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Full and absolute property exists under Luxembourg law. It entails the right to use the property (Usus), to dispose of it (Abusus) and to collect the incomes generated by the property (Fructus). Restrictions to the property rights are very limited, and may include for example, expropriation by the government for serious public interest grounds. Municipalities and the State have a pre-emptive right on vacant lands.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There is no restriction on foreigners wishing to buy property in Luxembourg, nor any restriction as regards residency.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

There are no legal provisions on who is responsible for paying brokerage fees. Usually, such fees are paid by the seller or as convened by the parties (usually 3% maximum of sale price).

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

The sale and purchase has to be notarised (by a notary deed) in order to be registered with the authorities. The notary (see www.notariat.lu) must register the change in ownership at the record office. A notary is usually chosen by both parties in the preliminary contract (by the purchaser in case of divergent opinions). The buyer becomes a legal owner upon signing of the preliminary sale contract. Towards third parties, the transfer of title only intervenes with the registration of the notary deed with the competent administration.

7. Describe the procedure for payment of the purchase price to the seller?

On the date of the signing of the preliminary contract, the buyer may be required to pay a deposit. In such case, the amount should be paid into an escrow account usually held by a notary chosen by the buyer. On the completion day, any remaining amount has to be paid beforehand into the notary escrow account. Then, the notary transfers the purchase price to the seller and pays agent's commissions. To ensure payment of the price to the seller of property, the law provides three guarantees: (i) the lien

8. What fees are involved (is there any limitation) and who is responsible for payment?

of the property sold; (ii) the right to rescind the contract of sale; (iii) a privilege on the property sold as long as the guaranteed selling price has not been paid.

The notary's fees are fixed by the law (except for the ancillaries and out of pocket expenses) and depend on the value of the purchase. These fees are paid for by the buyer. Mortgage and other financing fees are to be paid by the party having obtained the financing.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary is responsible for the recording of the change in ownership at the mortgage register.

10. What taxes are involved?

The registration tax (droit d'enregistrement) levied on buyers varies between 6% and 7.2 % of the purchase price. The sale of buildings is also subject to a duty (droit de transcription) of 1%, calculated on the value of the property. Under certain circumstances, the registration tax can be significantly reduced for Luxembourg residents by the way of a tax credit (€20,000 per person) if the buyer himself/herself agrees to inhabit the building.

11. What is the most common form of investment structure in your country/jurisdiction?

Real estate investments can be vehicled by real estate funds. Besides, commercial companies such as limited liability company, as well as civil companies (sociétés civiles immobilières) are usually used to own, manage and transfer real estate. Generally, no transfer taxes are levied on sellers or buyers upon the transfer of interests in entities which own real estate.

12. What are the rules with regard to the liability for previous debts?

The mortgage follows the sale of the building and therefore also binds the new owner thereof. In case of sale of a mortgaged property the notary ensures that the mortgagee is repaid in priority on the sale price of the building. In this case the creditor will normally grant release of his mortgage which is accordingly extinguished. In case the creditor would not be fully repaid, he/she would agree at most to reduce the outstanding mortgage amount. The purchaser would become the owner of a mortgaged property in favour of the original creditor, admitting, however he/she agreed to purchase the property under these conditions.

13. How is a security interest in real estate created?

Any mortgage deed including the loan specifications must be executed before the notary. To be effective against third parties, all mortgages must be recorded in the mortgage register of the place where the property is located. Registration is valid for 10 years, and may be subject to renewal.

14. Is the purchaser required to use a lawyer?

No. But the assistance of a lawyer is recommended.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The Public Registry registers all acts conveying ownership or real rights over all immovable property. Where property falls within designated areas known as Compulsory Land Registration Areas, all acts conveying ownership or real rights over immovables must be registered at the Land Registry at Casa Bolino, West Street, Valletta. All registers are open to inspection. Actual contracts may be inspected at the National Archives. All information contained therein is legally binding.

2. What is the effect of a preliminary contract regarding real estate?

The preliminary agreement (convenium) has a valid duration of three months (or any other time-frame expressly agreed by the parties). It is legally binding in the sense that a party may compel the other party to honour his promise within the period of validity or otherwise to pay damages in the event that the sale cannot be carried out. Information that is usually provided in a convenium includes: the identity of the parties, a detailed description of the property, the agreed purchase price, the amount of deposit paid on the convenium, and other conditions that need to be fulfilled prior to the conclusion of the sale. The convenium must be in notarial form and registered with the Inland Revenue Department within twenty-one days of its execution. The Notary's role with regard to the convenium is to publish it and, where the vendor is a non-Maltese resident, to obtain a tax clearance for such vendor before proceeding with the final contract.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

In Maltese Civil Law one's patrimonial rights are divided into either real rights or personal rights. The most common personal right with regard to property is the contract of lease. The unitary right of ownership can be fragmented into a number of parts some of which are then vested in a person and some in another. The Maltese Government enjoys the right to expropriate property (normally land) in specific cases only and if required for a public purpose. Pre-emption rights are not commonly used when dealing with immovable property.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Non-Maltese residents (including individuals who are not citizens of any EU Member State and individuals who though citizens of a EU Member State have not resided in Malta for a minimum continuous period of five years at any time prior to the date of acquisition) may not acquire immovable property by or under any title unless they obtain an Acquisition of Immovable Property (AIP) permit. Exceptions are granted for properties situated in a special designated areas.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Brokerage fees (1% each, unless otherwise agreed) are to be borne jointly by the vendor and the purchaser. In practice however, if a property is chosen through the services of an estate agency (and not a private agent or broker) then such fees are due solely by the vendor and generally amount to 5% of the agreed purchase price.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

Transfer of ownership occurs when the final contract of sale is published and signed, at the same time, by the vendor, purchaser and the public notary. The sale is complete and risk is transferred to the purchaser as soon as the property and the price have been agreed upon, notwithstanding that delivery or payment may have not yet been effected. All acts conveying ownership

7. Describe the procedure for payment of the purchase price to the seller?

8. What fees are involved (is there any limitation) and who is responsible for payment?

SECTION 3:

9. What are the publication/registration requirements (title deeds)?

10. What taxes are involved?

11. What is the most common form of investment structure in your country/jurisdiction?

12. What are the rules with regard to the liability for previous debts?

13. How is a security interest in real estate created?

14. Is the purchaser required to use a lawyer?

or real rights over all immovable property have to be published by a notary public chosen by the parties. They become operative with regard to third parties only upon their enrolment in the Public Registry.

The total balance due (i.e. total selling price less previously paid deposit) on selling price is paid to the vendor.

Notarial fees are equivalent to approximately 1% of the property's price and are usually paid by the purchaser. If lawyers are engaged, the parties usually pay their respective charges.

POST COMPLETION QUESTIONS & CONSIDERATIONS

The Public Notary has fifteen days within which to enroll the deed in the Public Registry and in the Land Registry, where applicable.

Stamp duty is at a rate of 5% of the value (reduced to 3.5% on the first €116,000 if the property is the purchaser's sole residence in Malta). Capital gains/final-withholding tax do apply.

Limited liability companies are without any doubt the most common form of investment structure in Malta. Subject to exceptions referred to in this template to be filled in by the parties to the transaction, the stamp duty on immovable property or on the transfer of shares in a company owning immovable property will remain charged at 5%.

The property of a debtor is the common guarantee of his creditors unless there exists between them a lawful cause of preference (which includes hypothecs and privileges). For debts guaranteed by mortgages, the purchase price will be used to pay such debts. In the case the purchase price is paid in full to the seller and not used to pay previous such debts, the buyer will be liable for the debts attached to the immovable he/she would have purchased. The buyer's liability to previous debts is not subject to the creditors' approval. The creditor can claim the debt against the buyer personally.

A security interest is created by means of a hypothec and/or privilege on the property which are recorded in the Public Registry. In the case of property located in a land registration area, mortgages are recorded on the title of the property.

The law does not require the parties to engage the services of a lawyer but it is in the interest of the purchaser to seek legal advice.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national property register for real estate and registered property is the Kadaster or Land Registry Office, www.kadaster.nl/english; This register collects information about registered properties in the Netherlands, records them in public registers and in cadastral maps and makes this information available to members of the public, companies and other interested parties in society. The information does not provide a certainty of the right involved, because this office is not allowed to investigate the correctness of this information. Furthermore there are some exceptions, such as an appeal on good faith.

2. What is the effect of a preliminary contract regarding real estate?

Where the buyer of a house or an apartment is a private person the contract has to be in writing. In the other situations it is possible to have an oral agreement. A preliminary contract for real estate is legally binding if the parties have an agreement about the essentials of the sale, such as identity of the parties, description of the property, land registration number, purchase price. To transfer the ownership a notarial deed is strictly necessary. It is possible to register this contract in the Land Registry Office. For six months the buyer has certain rights against other parties if the contract is registered. A Dutch public notary has to sign the contract also as a condition for registration. A contract which is also signed by a public notary is not a shred of evidence and is in principle stronger evidence than without a sign of a public notary.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There is a building and planting right, legal or economic ownership of land. Furthermore there are mortgages. All these rights also have restrictions.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no specific restrictions such as nationality for the buyer. However tax rules include conditions in case of paying tax for the transfer.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

In the contract is mentioned who is paying for such fees. There is no general rule for those fees and costs. However most of the time both parties pay their respective broker.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

To transfer the ownership of registered real estate it is necessary to have a contract and a notarial deed. Parties are free to choose the public notary (www.notaris.nl/page.asp?id=103). The notarial deed is also to secure this transfer of ownership. After this transfer the buyer is legal owner of the registered real estate. The conditions in the contract and the financial situation of the buyer relating to a possible mortgage impact on the time frame.

7. Describe the procedure for payment of the purchase price to the seller?

In the case of registered real estate, the payment will take place under the attention and a special account of a notary. In other situations, where a notarial deed is not necessary, the payment can take place as parties have agreed. There are options to secure the claim, such as an escrow or mortgage.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Fees include notary, broker, bank, tax administration, other debt collector's charges and administration costs. Payment depends on what the parties agree and their agreement with the notary, broker or bank.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary will order the registration of the transfer in the Land Registry Office.

10. What taxes are involved?

The tax for transfer is in general 6% of the purchase price. It depends if it is a private transaction or a business transaction. For more information www.belastingdienst.nl/english. The registration fee depends on the specific way of registration. For example €145 for a new client and €72 for a digital registration of a purchase agreement. The price list is published on the website of the Land Registry Office.

11. What is the most common form of investment structure in your country/jurisdiction?

There are forms of investment structure used and possible. There is no common form of an investment structure used in the Netherlands.

12. What are the rules with regard to the liability for previous debts?

Most of the time there is also a transfer of debts strictly connected with the real estate to the buyer. A buyer of real estate will pay the purchase price at the moment of the transfer by the notary. This purchase price will be used, if there is a mortgage of the seller, to pay the owner of the right of the mortgage. The seller is liable for paying the debts to this specific creditor. However this type of creditor has to agree with the purchase. The buyer will not be liable for this type of debt unless it is agreed between the seller, buyer and the specific creditor. Debts not guaranteed as well as debts of general nature are personal, so the buyer will not be liable for the debts before the transfer of the ownership. After the transfer the buyer could be liable for new obligations and new debts.

13. How is a security interest in real estate created?

A mortgage is created by a notarial deed which concludes the contract and conditions of the mortgage regarding the real estate and after registration of this notarial deed. The notarial deed has to include the amount of the loan.

14. Is the purchaser required to use a lawyer?

No, this is not required. However, be well-advised, to have the contract checked by a lawyer.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Norway has a National Property Register, which covers all real estate. Contact: Statens Kartverk, Kartverkveien 21, 3511 Hønefoss. Tel: +47 32118800, Email: tinglysing@statkart.no. The register has information about the registered owner, registered debts, obligations and rights according to the mentioned estate. All agreements according to the estate, such as lease agreements, preferred right to buy and selling etc. can be registered.

2. What is the effect of a preliminary contract regarding real estate?

The effect of a preliminary contract regarding real estate depends on the contract itself, and general Norwegian contract law. The contract is legally binding as far as the contract itself says. An offer to sell with corresponding accepts is binding. The real estate has to be identified with land registration number, identity of the parties. A contract can be registered in the National Property Register. The registered owner of the property has to sign and accept registration of all documents in the register on his property. Transportation of the registered owner has to be filled out on a special form (skjøte). The seller's signature has to be identified by two witnesses or a lawyer. Information usually provided in the contract includes specifications of property, parties (buyer & seller), price, fees, time for payment and payment conditions, and special circumstances regarding the said property.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

No.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are several restrictions regarding the buyer of real estate in Norway. The restrictions are different, depending on what kind of real estate is bought. Farmland needs permission (konsesjon). In different parts of the country buying a house for living or vacation purposes, also needs such permission. In some areas in Norway the buyer has to be a resident on the property for at least six months a year to be eligible to buy property.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The seller is responsible for paying fee's to the real estate broker. Fees/taxes to the authorities are paid by the buyer.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

Buyers and sellers are not obliged to use real estate brokers or lawyers to transfer registered owner in the National Property Register. Between both parties, the buyer becomes a legal owner when the contract obligations are fulfilled. When the deed is registered, the owner will also have the title secured according to third parties. Normally you do not need more than a few days between contract and transfer title secures, depending on what the contract itself says about time for transaction. In principal, the parties themselves draft the deed, but normally a real estate broker or a lawyer does this. Notaries play a role in the proceedings only when it comes to registration of the transaction, i.e. to register the new owner.

7. Describe the procedure for payment of the purchase price to the seller?

Normally a real estate broker or lawyer takes care of the payment. If so, they usually register documents on the actual estate in the register, which gives the broker/lawyer sole right to dispose the estate. The buyer pays to the broker/lawyer and the lawyer takes care of the transfer title and so on. Real estate brokers/lawyers entitled to do such transactions, are obligated to have an insurance (against embezzlement). Notaries are not used to such effect.

8. What fees are involved (is there any limitation) and who is responsible for payment?

When transfer a registered owner in the register, you normally have to pay a fee of 2.5% of the marked value of the estate. Fees of real estate brokers/lawyers depend on contract between seller and the actual broker/lawyer.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The deed must be recorded by the National Property Register. Normally this is done by the estate agent.

10. What taxes are involved?

Registration taxes 2.5% of state marked value. **Additional fees:** NOK 1,548 (approx. €205) for every document and NOK 1,935 (approx. €257) for mortgage documentation.

11. What is the most common form of investment structure in your country/jurisdiction?

Industrial estates, office buildings and so on are now normally sold as single purpose companies to avoid the 2.5% tax. Private houses are sold between persons.

12. What are the rules with regard to the liability for previous debts?

If previous debts are not paid during the transaction and therefore not moved from the register, the new owner will be responsible for any previous debts, still registered. The broker or the seller are normally liable for paying previous debts to the creditors. Where the purchase price does not cover all previous debts or where the purchase price is paid in full to the seller and not used to pay previous such debts, the buyer will be liable for debts guaranteed by mortgages and other real rights on the real estate, and for debts of general nature (taxes, social security and other contributions to the State). The buyer's liability for previous debts will be subject to the creditor's approval. Debts of general nature may be claimed against the buyer personally.

13. How is a security interest in real estate created?

Security interest in real estate is created by mortgage documents registered on the actual property.

14. Is the purchaser required to use a lawyer?

When buying professional real estates (industrial, office buildings and so on) it is normal to use a lawyer. When buying private houses, use of a lawyer is usually not necessary when the seller uses an authorised real estate broker.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

There are two types of publicly available land registers in Poland: (i) Land and Mortgage Register (accessible online at <http://ekw.ms.gov.pl>) for titles to land and encumbrances thereon, and (ii) Land and Buildings Register, for more technical information concerning physical features of the land, class of land and its use.

2. What is the effect of a preliminary contract regarding real estate?

The purpose of the preliminary contract, as a legally binding contract, is to legally formalise the details of the promised contract, and to establish a payment schedule for the price. The parties to validate the contract shall specify in the preliminary contract the essential provisions of the promised contract. A preliminary purchase contract may be concluded in the simple written form, or in the form of a notary deed (providing greater protection for the purchaser). Under a notary deed, should the seller refuse to conclude the promised contract, the purchaser can apply to the court to have the legal title transferred to him/her. The parties to the preliminary contract regarding real estate shall compulsorily specify the essential provisions of the promised contract.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Beside full ownership, perpetual usufruct is specific to the Polish legal system and is a widely used type of real estate right. The perpetual usufruct right is a narrower right, for a limited duration to enjoy the real property and with the obligation to pay an annual fee.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

In Poland, foreigners require a prior permit from the Ministry of Interior Affairs and Administration to acquire full ownership or perpetual usufruct rights over real estate or to acquire direct or indirect control of companies holding such rights. Usually, an entity from the European Economic Area does not require a permit. There are exceptions for agricultural land, forests and second residences. Local authorities have pre-emption rights over the sale of historical monuments, public utility investments and undeveloped lands acquired by the vendor directly from the State Treasury or from local authorities.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The broker fee (1.5-7 % of transaction value) is paid by the person that hires the broker. If the both parties are the principals, both parties pay the commission.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

The contract that transfers the title to the real estate must be signed before a Polish notary (see www.notariusze.waw.pl). The notary deed is the buyer's proof of ownership and the notary is required by law to instruct the land registry transfer the title of ownership into the purchaser's name, which can take up to 3 months.

7. Describe the procedure for payment of the purchase price to the seller?

The parties determine how the purchase price is paid. There are no special rules concerning the payment. The funds are transferred to the vendor, normally by bank transfer.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Generally, the buyer bears all costs of the transaction. The maximum rates of notary fees, set by law, depend on the value of the relevant transaction. For a value above PLN 2,000,000 (approx. €514,138), the fee amounts PLN 6,770 (€1,740) + 0.2% of the amount in excess of PLN 2,000,000, however no more than PLN 10,000 (excepted for persons in tax group 1). The parties to a notarial deed are jointly and severally liable for payment of the notary fees. Other transaction costs are, in most instances, set by statute.

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The existence of the owner or user's rights in the Land and Mortgage Register is the best way to prove the title to the property. The notary making the deed is required by law to file a title deed with the court maintaining in the Land and Mortgage Register so to register the title of ownership into the purchaser's name.

10. What taxes are involved?

The sale of real estate is taxed by either the Civil Law Transactions Tax (CLAT) at 2%, or by VAT at a variable rate. VAT applies, in general, when the real estate is sold within a business by a VAT payer. If VAT does not apply, CLAT applies. VAT on premises applies to the land on which such buildings are located. The VAT standard rate is 23%, reduced to 8% VAT for sale of perpetual usufruct of land for tenancy of buildings, or structures permanently on land, or parts of such buildings, or structures, if they are taxed at the rate of 8%. If VAT applies a seller is liable. If CLAT applies, a purchaser is liable, but a public notary is the tax remitter.

11. What is the most common form of investment structure in your country/jurisdiction?

A limited liability company is the most common entity which investors involve to purchase real estate. The advantage of the purchase of a company that holds real estate, rather than the real estate itself, is that CLAT of only 1% applies. No VAT applies to such a purchase.

12. What are the rules with regard to the liability for previous debts?

The change of the ownership is irrelevant to the existence of the mortgage. The creditor may satisfy his claim from the real estate, regardless of who owns it. The public guarantee of the land and mortgage register protects a purchaser who acquired the right from a person entered into the register. The purchaser does not bear responsibility for the other debts of the previous owner(s) of the real estate.

13. How is a security interest in real estate created?

The most commonly used forms of security are mortgages. The mortgage is registered into the land mortgage register by the appropriate court on the basis of the application filled up and submitted by the owner of the real estate. However, security assignments, registered pledges, financial pledges, power over bank accounts and additional security are often used in commercial real property financings.

14. Is the purchaser required to use a lawyer?

No, the purchaser is not required to use a lawyer for the transaction.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The national property register, Conservatória do Registo Predial is divided by city. See www.predialonline.pt.

2. What is the effect of a preliminary contract regarding real estate?

A duly signed preliminary contract is legally binding and can provide real estate effects preventing the seller from transferring the property to third parties (if registered) or merely obligational effects. It should contain, at least, the identification of the parties and of the property (plus, for an urban property, the licence of use issued by the municipality as well as an energetic certificate), obligations and rights created for each party, price, form and dates of payment, and the date in which the final contract is to be signed. Promissory contracts (as they are usually called in Portugal) usually include a clause of execução específica, which, in case of breach of contract by one of the parties, allows the other party to request the court to execute the contract on behalf of the breaching party. It is usual to include a clause allowing the promissory purchaser to cancel the contract in case the banks refuse loaning the price, under specific circumstances. It is possible to register the contract at the property register. For urban properties' preliminary contracts, the authentication of signatures is mandatory. Preliminary contracts should be drawn up by a lawyer, a solicitor or a notary.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Full property, usufruct, use (rustic property) or habitation (urban property). Restrictions to property rights include the right of surface, and the Servidão (an encumbrance that is imposed upon a property in exclusive benefit of another property (such as a right of way/passage or of views)) among others. The State can expropriate a property or a part of a property for public utility.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Any person (national or foreigner) can own property in Portugal, as long as he/she has a Portuguese taxpayer number and, in case of persons with residence abroad, a fiscal representative.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Usually the seller.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A notary deed is no longer mandatory. The conveyance may be either a public notary deed (www.irn.mj.pt) or an authenticated private document, which can be made by lawyers, solicitors and registrars. It is usual to foresee in the preliminary contract which party will appoint the notary, lawyer, etc. and notify the other party for that purpose. The buyer becomes a legal owner when the conveyance (public notary deed or authenticated private document) is signed. This transfer of title is secured by means of the registration of the conveyance at the land registry.

7. Describe the procedure for payment of the purchase price to the seller?

The entity that performs the conveyance document (notary, registrar, lawyer, etc.) confirms with the parties if the price has been duly paid. There are no specific rules or restrictions involved as far as the payment procedure is concerned. The general rule is that when the preliminary contract is signed, the buyer pays a deposit to the seller. Should the

8. What fees are involved (is there any limitation) and who is responsible for payment?

former breach the contract, he/she will lose the deposit in favor of the seller. Should the latter breach the contract, the buyer can demand twice the amount of the deposit. Usually, in order to secure the effectiveness of the payment on the conveyance date (so one can declare before the notary, lawyer, etc., that the price has been fully paid), the buyer requests a bank validated cheque (cheque visado or cheque bancário), which guarantees that the cheque will be honored by the bank.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The conveyance should be registered at the Land Registry and at the Tax Department.

10. What taxes are involved?

Land transfer tax (IMT: Rustic property 5%; Urban property 6.5%; For Habitation use 0% to 6%; property acquired by offshore entity 8%; some exemptions exist) and Stamp Duty.

11. What is the most common form of investment structure in your country/jurisdiction?

Should 75% or more of the shares of the company which owns the property be transferred, the same taxes will be due as if the land itself were being sold.

12. What are the rules with regard to the liability for previous debts?

The seller is responsible for previous debts. If there is mortgage on the property that is being sold to guarantee a debt of the seller and such mortgage is not withdrawn before the purchase deed, the buyer does not assume the debt and does not become liable for it (unless, obviously, there is a contract for said purpose between the parties). However, his property is still a guarantee for the seller's debt, since the mortgage is still registered. Should the seller not pay for said debt, the mortgage could be executed.

13. How is a security interest in real estate created?

Loans are usually secured by a mortgage, which must be constituted by means of a public notary deed or by private authenticated document and duly registered at the Land Registry. The registration of the mortgage at the Land Registry is constitutive of said right. Provisional acquisition registrations at the Land Registry can be made in order to secure the acquisition of the property in the conditions it has on the date of the preliminary contract. These registrations are converted in definitive registrations of acquisition when the conveyance is signed and registered.

14. Is the purchaser required to use a lawyer?

No, but it is advisable.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The ownership of real estate is recorded in The National Agency for Cadastre and Land Registration (No. 202A Splaiul Independentei, 1st floor, sector 6, Bucharest, Email: office@ancpi.ro, Tel: +40 (21)317.31.62). Land Registry recordings do not always guarantee the legal security of a transaction and additional verifications are strongly recommended.

2. What is the effect of a preliminary contract regarding real estate?

This legal instrument is very common in practice (mandatory injunction) and requires the parties to complete the sale in the future. It is sometimes required to obtain bank loans. The preliminary contract can be registered in the Land Registry. For the opposability towards third parties, it should be signed in front of the notary in order to authenticate the signature of the seller.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

Dismemberments of the ownership right (usufruct right, right to use, right of habitation) are also acknowledged under Romanian law. Superficies' rights, usufruct and the right of use, easements, mortgages, liens, lease agreements for more than 3 years, pre-emption rights, options, as well as other limitations or interdictions pertaining to disposal or encumbering of real estate can be registered with the Real Estate Book.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Romanian residents who are citizens of a member state of the E.U. may acquire land ownership rights in the same manner and under the same conditions as Romanian citizens, except for agricultural land and forest (where other conditions should be met). EU citizens not residing in Romania may acquire land ownership rights from 2012 (i.e. 5 years following Romania's accession to the E.U.). All other foreign citizens may acquire land ownership rights under any reciprocal agreements contained in international treaties concluded by Romania and the foreign citizen's State.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Usually the brokerage fees are paid by the party who hired the agent. If it is agreed, the fee can be paid jointly.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary deed is compulsory. The buyer appoints the notary (visit www.uniuneanotarilor.ro). Once the transfer of title deed is authenticated the buyer becomes the legal owner. To secure the title, it must be registered with the National Agency of Cadastre and Land Registration.

7. Describe the procedure for payment of the purchase price to the seller?

The price is either paid at the time of signing the deed (cash or by bank transfer) or in a certain period agreed on by the parties (the deed should have then specific provisions to that effect). In order to secure the payment the seller has the option of resolution clauses (registered in the Land Registry book), escrow bank account and mortgages.

8. What fees are involved (is there any limitation) and who is responsible for payment?

The buyer is responsible for paying the notary fees (between 0.5% and 2.5% of the price, according to a scale), lawyer fees (if a lawyer was hired by the buyer) and real estate broker. The seller is responsible for paying his lawyer and broker fees.

SECTION 3:

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary deed must be registered with the National Agency of Cadastre and Land Registration.

10. What taxes are involved?

Land book registration taxes, levied upon direct transfer, are currently set at 0.5% of the transaction value for legal entities and 0.15% of the transaction value for natural persons. Local authorities property tax and income tax for the profit on sale may apply. Value added tax (VAT) is also generally applicable to sale of buildings and development land, with certain exceptions, but is not applicable to sale of agricultural land.

11. What is the most common form of investment structure in your country/jurisdiction?

For a foreign investor coming to Romania to set up business, the most frequently used forms of companies are the limited liability company (SRL) and the joint-stock company (SA). The land transfer tax can be reduced if the real estate is transferred as a share transfer rather than as an asset deal.

12. What are the rules with regard to the liability for previous debts?

The public notary can not authenticate the deed without the fiscal certificate issued by the Authorities proving that there are no debts concerning taxes. If the transaction is concerning a building, a statement from the administrator of the condominium regarding the utilities is required by the notary. In the authenticated deed is included a statement from the seller that there are no debts. The buyer will not be liable for previous debts.

13. How is a security interest in real estate created?

The main type of security interests granted over real property is a mortgage. Mortgages may be created by agreement between the parties in the form of a notarised deed. The mortgage agreement must specify each piece of mortgaged property and the maximum secured amount. In order to be enforceable against third parties, mortgages must be registered with the Land Book. Mortgages are ranked chronologically based on when the mortgage was registered with the Land Book (and the Electronic Archive, where the mortgage also covers the movable assets attached to the mortgaged immovable).

14. Is the purchaser required to use a lawyer?

There is no regulation to use a lawyer but in order to be protected it is recommended.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The ownership of real estate is recorded in the Land Register (zemljiška knjiga). The register is public and is maintained by the Land Registry, located within each County court. The register can be accessed at any County court, notary, administrative unit (or via <https://evlozisce.sodisce.si>). Any information that has been entered into the Land Register is considered to be accurate and legally binding.

2. What is the effect of a preliminary contract regarding real estate?

The preliminary contract presents a commitment of both parties that the main contract will be entered into within a certain time period. If the preliminary contract meets all of the specified requirements, that the main contract needs to meet (written form, relevant information, certified signatures), then the preliminary contract is valid and legally binding. The preliminary contract should at least contain the identity of the parties (name, address, ID number, tax number), detailed description of the real estate and the price. It is also useful to determine deadlines for payment, transfer of the property and other relevant conditions. The preliminary contract cannot be registered in the Land Register. A notary official may certify the parties' signatures on the preliminary contract.

3. Are there different title rights to land/ principal forms of ownership and restrictions to the property rights?

There are several principal forms of ownership: complete ownership, joint ownership (where the shares may or may not be determined), as well as a special ownership model for individual parts of buildings. Ownership of real estate can be restricted to protect the public good (by law: expropriation) or in some cases also private interests (by law or a contract). In some cases, the municipality has the right of pre-emption for real estate located within a specific area.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no restrictions for citizens of the EU, Iceland, Norway, Lichtenstein, USA or OECD Member States. Citizens of EU candidates can acquire ownership of real estate in Slovenia only, providing that there is reciprocity between the countries. Citizens of any other country can obtain ownership only by inheritance, provided that there is reciprocity between the countries. Different regimes may apply to companies. In some cases, buyers involved in agriculture have right of pre-emption for real estate classified as agricultural.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Brokerage fees (maximum 4% of the price, except for a value of less than €10,000) are usually paid by the person who commissioned the real estate agency. An agreement to divide the fees among the seller and buyer is also possible and customary.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

Once the main contract has been signed, the seller must issue a special Land Registry Permission for the property, so that the buyer can register his ownership in the Land Register. The actual transfer of title occurs once the new owner is registered in the Land Register. Generally, a notary (see www.notar-z.si/en/seznam-notarjev) is only required to notarise the signature of the seller and to verify, that the required taxes have been paid.

7. Describe the procedure for payment of the purchase price to the seller?

The notary may hold the Land Registry Permission in escrow until the payment is made. Sometimes he/she acts as escrow agent for both parties and may also be instructed to file for the registration of transfer once conditions are fulfilled. Restrictions are applicable if the purchaser is

subject to special protection as a consumer. The law does not provide for any special security regarding the payment of purchase price. A restriction on sale may be entered in to the Land Register at the request of the owner.

8. What fees are involved (is there any limitation) and who is responsible for payment?

The notary fee (for certification of signatures of the vendor) is paid by the vendor. Contractual agreement may provide that the buyer covers the expenses. The fee depends on the value of the real estate (above €84,915 - the fee shall be €69).

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The transfer of real estate must be registered in the Land Register for the transfer to become legally binding.

10. What taxes are involved?

First sale of newly built structures is subject to VAT (20%) of the purchase price (8.5% for residential buildings built for social purposes). Other, secondary transactions with real estate are subject to the Real Property Transaction Tax Act (ZDPN-2)), in the amount of 2% of the price, and to be paid by the vendor.

11. What is the most common form of investment structure in your country/ jurisdiction?

Slovenian jurisdiction currently does not provide for these kinds of structures.

12. What are the rules with regard to the liability for previous debts?

A mortgage registered in the Land Register affects all of the successive acquirers of the property right on the real estate. Where the purchase price does not cover all previous debts, the buyer will be liable for such remaining debts (guaranteed debts and debts of general nature). The same applies if the purchase price is paid in full to the seller and not used to pay such previous debts. The creditor may claim against the buyer personally if the creditor's claim is not guaranteed by a mortgage.

13. How is a security interest in real estate created?

A mortgage is created (a) on the basis of a loan contract together with the appropriate Land Registry Permission, followed by registration in the Land Register or (b) on the basis of a loan contract in the form of a directly enforceable notarial deed followed by its registration in the Land Register and its notice of direct enforceability or (c) on the basis of a Court decision and the registration in the Land Register or (d) as provided by the law (e.g. in the process of enforcement on real estate).

Land debt is created on the basis of a unilateral statement of the owner (in the form of a notarial deed) followed by the registration in the Land Register and issue of the Land Letter by the Land Registry.

14. Is the purchaser required to use a lawyer?

No, but it is recommended.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

There is a national Property Register or Registro de la Propiedad which comes under the Ministry of Justice, Directorate General of Registers and Notaries (www.registradores.org) and has a local network. Entry on the Property Register has the effect of certification. Entries recording documents in the Property Register shall be of full effect unless declared to be inaccurate.

2. What is the effect of a preliminary contract regarding real estate?

A preliminary contract always causes legal effects to its parties and causes contractual responsibility. It is a private document that parties may decide to have or not. General rules for general contracts apply. For legal effects to third parties it has to be registered in the Property Register. It has to cover all essential information about the transaction, above all: identification of the parties, assignment and stipulated price of the real estate.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

As a general rule there is only one type of form of ownership: the property right (derecho de la propiedad). Property right can be divided into two parts: the usufructo (right to use and get the profits) and the nuda propiedad (bare legal title). Some types of restrictions to the property right can exist, but for its effectiveness in relations with a third party this restriction has to be revealed in the Register.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no restrictions regarding nationality nor residency.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Whoever contracts the broker to sell or to buy real estate is responsible for paying the fees.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary deed (escritura pública) is compulsory in real estate transactions. As a general rule the notary (www.notariosyregistradores.com) is appointed by the party that pays (buyer). It is presumed that the buyer becomes a legal owner of the real estate at the moment of signing the notary deed.

7. Describe the procedure for payment of the purchase price to the seller?

The notary takes into the deed the will of the parties, and checks their identity and legal capacity, draws up the document expressing the will of the parties to perform transaction. The participation of the notary guarantees authenticity. The notary should be informed of the payment method. The usual way to pay is a bank cheque. A mortgage is not usually used to secure payment but to secure loans. Resolution is the most used option to secure payments.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Notary fees are fixed by law, although there is some flexibility. In the transactions where the volume varies, such as real estate transactions, the fee will depend on the value of the object of transaction (i.e. fee €600 for a value of €100,000, €850 for a value of €500,000, €1,400 for a value of €2 million). Fees for values higher than €6,000,000 have to be agreed. Inscription fees at the Property Register are also due. All fees have to be paid by the buyer.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The notary has to communicate the transaction to the Property Register and the buyer has to deliver the deed to the Property Register.

10. What taxes are involved?

From the buyer's point of view, two different cases should be considered, depending on type of real estate: (i) Newly constructed real estate (first hand): VAT, Tax on Documented Legal Acts (0.5%-1%) (ii) Previously owned real estate (second hand): Patrimonial Transactions Tax (6%-7%) From the seller's point of view, profit tax (depending on the difference between previous acquisition price and sale price, and the effect of this into the Income tax or Company tax) should be taken into account. If the seller is a non-Spanish resident, retention is made. The rates for municipality tax have to be checked all times.

11. What is the most common form of investment structure in your country/jurisdiction?

In general, it is more common to use the asset deal transfer. If the value of the property exceeds 50% of the company's assets, the share transfer is considered by the tax authorities as an asset deal for tax purposes.

12. What are the rules with regard to the liability for previous debts?

Charges registered at the Property Register remain the owner's responsibility. The principal rule is prior tempore potior iure. The first right registered has full priority over the second and sub sequential registered rights. Whatever right duly registered (mortgage, burdens, enforcement of sentences, debtors with Social Insurance and tax department), only exists for the purpose of collection as far as it is duly registered. Any creditor can act against the property if the burden or the debt is registered.

13. How is a security interest in real estate created?

The mortgaged deed is drafted through a public notary deed. It can be part of a real estate transaction or it can be an independent deed. After signature, the notary has to communicate the business to the Property Register, and the lender has to deliver the deed to the Property Register.

14. Is the purchaser required to use a lawyer?

No, but it is recommended for both the buyer and the seller.

SECTION 1:

PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

Registrations concerning all real properties are recorded in the Real Property Register, kept by the National Land Survey (Lantmäteriet) (see www.lantmateriet.se). The authority guarantees the accuracy of it. General information and real property data are publicly available in return of a smaller fee.

2. What is the effect of a preliminary contract regarding real estate?

To be legally binding a preliminary contract must be documented in written form in a deed of transfer that includes the following minimum requirements: (i) the identity of the seller and the buyer; (ii) the name and number of the property; (iii) a clear declaration of transfer; and (iv) the purchase price. The seller's signature on the deed must be witnessed by two persons. It normally contains full terms and conditions of the transfer. The completion of the transfer is the payment of the purchase price, which is confirmed with a Bill of Sale. Some conditions must be inserted as part of the contract in order to be valid (e.g. reservation clauses). If the completion is made dependent on conditions during more than two years, it is considered as void (this does not apply to conditions that regulate the purchase price or land parcelling). Options to sell or buy do not fulfil the formal requirements for transfer and are, accordingly, not legally binding.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

The principal forms to hold land is through freehold (äganderätt), which entails permanent unrestricted ownership, and site leasehold (tomträtt) that is let by the government or municipalities in return for an annual fee for an undetermined period of time. The principal forms of ownership are: (i) sole ownership; and (ii) joint ownership. Restrictions to the property owner's rights include the right of public access to nature, compulsory purchase (expropriation) by the authorities to fulfil certain important public interests, and other restrictions.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

There are no specific restrictions.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

Brokerage fees are normally included in costs incurred by the seller.

SECTION 2:

COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A public notary deed is not compulsory. Title is transferred on the completion of a transaction; when the contract which fulfils all formal requirements of transfer has been signed and exchanged between the seller and the buyer. The title must however also be registered with the National Land Survey to officially hold the legal title.

7. Describe the procedure for payment of the purchase price to the seller?

The procedure for payment can be proceeded anyway the parties choose but it normally includes a down payment (escrow) when signing the preliminary contract, and the payment of the remaining purchase-sum on the day of closing. If completion of the purchase is conditioned upon payment and the buyer fails to effect the payment when due, the seller has right to cancel the contract under certain circumstances and to claim damages. The seller also has right to interest on overdue payment.

8. What fees are involved (is there any limitation) and who is responsible for payment?

SECTION 3:

The parties generally bear their own costs in a real estate transfer. Costs incurred by the buyer usually comprise cost for due diligence, stamp duty and legal advisers. Costs incurred by the seller usually include costs for brokers, surveyor and legal advisers.

POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The buyer must apply for registration of the title by presenting the contract in original and a certified copy of it to the National Land Survey Division Registration (Lantmäteriet Division Inskrivning) in the registration area of the purchased property, within three months of the completion.

10. What taxes are involved?

Costs incurred by the buyer comprise stamp duty, consisting of a service fee of SEK 825 (approx. €95) and tax. The real estate transfer triggers stamp tax (2011: 4.25% for legal persons and 1.5% for natural persons) and is paid by the buyer.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common form of investment structure in Sweden is commercially held real estate by limited liability companies or limited partnerships. There is no stamp duty when transferring real estate as shares since registration is not needed.

12. What are the rules with regard to the liability for previous debts?

After a legally binding contract has been signed, the contract, in principle, protects the buyer from the seller's creditors since the seller no longer has ownership of the property. Environmental liability for contamination occurred before the acquisition can be inherited by the new owner under certain circumstances. As regards to debts in form of mortgages or other encumbrances, the law provides that if the property has been mortgaged or encumbered with a higher amount than what could have been assumed at the time of the purchase, the buyer has the right to contain as much of the purchase price that corresponds to the amount of the mortgage, until the seller settles the debt. Thus, once the seller has arranged the mortgage to the assumed amount, the buyer shall pay the amount of the purchase price withheld.

13. How is a security interest in real estate created?

A security interest is created as the title-holder (the owner) pledges the real estate by applying for mortgage (inteckning) of the desired amount at the Land Registration Authority. If it is granted the Authority will register the mortgage of the real estate in the Real Property Register and issue a mortgage deed (pantbrev) of the same amount, either in physical or electronic (i.e. computerised mortgage certificate) form which is used for the actual granting of a lien; the mortgage deed itself does not express claims and must be tied to a specific obligation. The grant may only be made by the owner. The security is perfected as the pledgor delivers the mortgage deed to the pledgee, or as the pledgee is registered as the holder of the deed.

14. Is the purchaser required to use a lawyer?

No, the purchaser is not required to use a lawyer, although it is recommended.

SECTION 1:
PRELIMINARY STAGES QUESTIONS & CONSIDERATIONS

1. How is the ownership of real estate recorded and searched?

The Grundbuch (land property register) is run by the State. The registers, located in each larger area, can easily be found by telephone and internet listings. Information from the land property register is publically available if one can prove a reasonable interest in the information. The information contained in the register is legally binding.

2. What is the effect of a preliminary contract regarding real estate?

Preliminary contracts are only binding if they are notarised. All information for the purchase contract should be provided. If not notarised only in very few cases such contract may lead to claims for compensation of damages if the other party does not fulfill the agreement. Those contracts can not be registered in the register. Since all agreements related to real estate require notarisation, it is advisable to conclude a purchase agreement under conditions or include the right to withdraw from contract into the purchase agreement rather than signing an additional preliminary contract. The practice varies in the different Cantons. Preliminary contracts are more common in the French speaking part of Switzerland.

3. Are there different title rights to land/principal forms of ownership and restrictions to the property rights?

There are 3 types of ownerships: (i) sole ownership; (ii) co-ownership and (iii) joint ownership. Additionally there is a special type of ownership called Superficies (in German called Baurecht). A person gets the right for a maximum of 100 years to erect a construction on a third parties real estate which is notarised and registered by establishing an encumbrance on that real estate. A pre-emption right is foreseen by the law for co-ownership and can be agreed upon contractually. This is also possible for the right of purchase to a certain price and the right of redemption. Expropriation is only possible in a few cases of new projects of the State and against full compensation.

4. Are there specific restrictions regarding the buyer such as nationality, residency, other qualifications?

Only Swiss citizens or foreigners with 'Permit C' (4 years of permanent residence in Switzerland) are allowed to buy property in Switzerland. For holiday apartments the purchase restrictions may be different in the 25 Swiss cantons.

5. Who is responsible for paying the brokerage fees (seller, buyer or both jointly)?

The responsibility for brokerage fees is subject of the parties' agreement. Usually, the seller is responsible.

SECTION 2:
COMPLETION QUESTIONS & CONSIDERATIONS

6. What compulsory steps exist in your jurisdiction for the 'transfer of title'?

A notarial deed is compulsory. The notary is appointed by the parties. Ownership will immediately pass over upon registration in the land property register.

7. Describe the procedure for payment of the purchase price to the seller?

Generally, the implementation is conducted by the notary. Mostly, the buyer's bank gives an irrevocable promise of payment in the bank's name to the seller for the total purchase price under the condition that the contract is duly notarised. It is clarified in advance if new mortgage securities are necessary and if encumbrances of seller have to be cancelled. Those securities or encumbrances have to be established or cancelled in advance or at the same time as the registration by the public notary.

8. What fees are involved (is there any limitation) and who is responsible for payment?

Usually, both parties share the fees charged by the notary and the land register, but there are different unwritten rules all over Switzerland. However, by virtue of the law both parties are responsible for these costs. Fees are calculated on basis of the purchase price on a decreasing rate. Roughly, 0,3% of the purchase price will be charged by the notary and land register.

SECTION 3:
POST COMPLETION QUESTIONS & CONSIDERATIONS

9. What are the publication/registration requirements (title deeds)?

The transfer of title will only come into effect upon registration with the land register. Information to the tax authorities will be made through the notary who is legally responsible for this obligation.

10. What taxes are involved?

The tax for the change of property is charged in different rates by the different Swiss Cantons and varies from 0% to 3% of the purchase price. The taxes on profit of land price that have to be paid by the seller can be important and are usually ensured by paying the estimated tax amount directly to the tax authorities as a part of the purchase price by the buyer.

11. What is the most common form of investment structure in your country/jurisdiction?

The most common form is the direct purchase in the purchaser's name. A transfer of real estate as share transfer will be taxable if more than 50% of the shares are being transferred. The same applies if the mother company of the owner is being sold (tax authorities may check the ultimate beneficial owner).

12. What are the rules with regard to the liability for previous debts?

The owner is only liable for mortgages that are registered. The purchase price usually is only due when the cancellation of existing encumbrances is secured by the notary. Buyer will not be liable for pending taxes and other public debts related to the property for the time period before purchase. If not all the debts of the vendor are paid by the vendor the buyer risks that the creditor executes the mortgage. If the debts guaranteed by mortgages are paid there is no further risk for buyer as there is no direct liability of the buyer for any debts of the vendor. **Exception:** Taxes owed by vendor for the profit out of the sale of property can be secured by the state with a legal mortgage. These taxes are therefore calculated in advance by the parties and the respective amount is paid directly to the tax authority by the buyer.

13. How is a security interest in real estate created?

A mortgage deed in form of a Schuldbrief oder Grundpfandverschreibung requires notarisation and only comes into force upon registration in the land register. The implementation of the deed again is done by the notary. If not a mortgage evidenced by bearer, the creditor of the mortgage deed is registered. The loan agreement itself will not be registered in any way.

14. Is the purchaser required to use a lawyer?

There is no such requirement as the transaction will be made by the notary who as well drafts the agreements without extra costs.

Warranty	Nature of the warranty		Used		Party to provide	
	Legal	Contractual	Commonly	Not commonly	Seller	Buyer
1) Summary of warranties regarding real estate						
Immovable free from encumbrances	BE, DE, EE, IR, IT, LT, MT, PL, SL	AT, BE, BG, CH, CY, CZ, DK, FI, FR, GR, HU, IR, LU, LV, NL, NO, PT, RO, SE	AT, BE, BG, CH, CY, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL		AT, BE, BG, CH, CY, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	
Immovable free for other encumbrances	BE, DE, EE, IR, IT, MT, PL, SL	AT, BE, BG, CH, CY, CZ, DK, FI, FR, GR, HU, IR, LT, LU, LV, NO, PT, RO, SE	AT, BE, BG, CH, CY, CZ, DK, GR, HU, IT, LU, LV, NO, PL, PT, RO, SE, SL	EE, FI, FR, LT, MT	AT, BE, BG, CH, CY, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NO, PL, PT, RO, SE, SL	
Immovable free from contamination and environmental pollution	BE, DE, FR, PL, RO, SE	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, NL, PL, PT, SE, SL	AT, BE, CH, DK, EE, FR, IR, IT, NL, PL, SE	BG, CZ, DE, FI, GR, HU, LT, LU, LV, NO, PT, RO, SL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, NL, PL, PT, RO, SE, SL	SE
Immovable free from endorsements (lease contracts, or other contracts for use)	DE, PL, SE, SL	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, HU, IR, IT, LT, LV, MT, NL, NO, PL, PT, RO, SE, SL	LU, MT	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LV, MT, NL, NO, PL, PT, RO, SE, SL	
Immovable free from on-going court actions	LT, RO, SL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LU, LV, MT, NL, NO, PL, PT, SE	AT, BE, BG, CZ, DE, DK, EE, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, RO, SE, SL	CH, FI, FR, PT	BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	
Immovable free from third party rights	DE, LT, MT, PL, RO, SE, SL	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, HU, IR, IT, LU, LV, NL, NO, PT, SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, DE, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL		AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	IR
Immovable free from restrictions of use (such as heritage or nature conservation related restrictions)	BE, DE, IR, IT, PL, RO, SE, SL	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, HU, IR, LT, LU, LV, MT, NO, PL, PT, SE	BE, CH, CZ, DK, EE, FR, GR, IT, LT, LU, LV, NO, PL, SL	AT, BG, FI, DE, HU, MT, PT, RO, SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NO, PL, PT, RO, SE, SL	IR
Immovable with permits and licences	BE, BG, DE, HU, IT, PT, RO, SL	AT, BE, BG, CH, CZ, DK, EE, FI, FR, GR, LT, LU, LV, MT, NO, PL, SE	BE, BG, DE, DK, EE, FR, GR, IR, IT, LT, LU, LV, MT, PT, RO, SE, SL	CH, CZ, FI, HU, NO, PL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, NO, PL, PT, RO, SE, SL	IR
Immovable compliant with relevant zoning plans and building permits	BE, BG, DE, IR, IT, PL, RO, SE, SL	AT, CH, CZ, DK, EE, FI, FR, GR, HU, LT, LU, LV, MT, PL, SE	BE, BG, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, PL, SE, SL	CH, RO	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, PL, RO, SE, SL	IR, SE
Quiet use guarantee	BE, IT, LU, MT	AT, BE, BG, CH, CZ, DK, EE, FI, FR, DE, GR, LT, LU, LV, RO, SL	BE, IR, IT, MT, RO	BG, CH, CZ, DE, DK, EE, FI, FR, GR, LT, LU, LV, SE, SL	AT, BE, BG, CZ, DE, DK, EE, FI, FR, IT, LT, LU, LV, MT, RO, SL	GR, IR, LT

Warranty	Nature of the warranty		Used		Party to provide	
	Legal	Contractual	Commonly	Not commonly	Seller	Buyer
Immovable free from violations of public law	BE, DE, IT, LT, PL, RO, SL	AT, BG, CH, CZ, DK, EE, FI, FR, GR, LU, LV, NL, PL, SE	BE, DE, DK, GR, IR, IT, LT, LU, NL, RO, SE, SL	BG, CH, CZ, EE, FI, FR, LV, NO, PL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, PL, RO, SE, SL	IR
Immovable of suitable quality	BE, GR, HU, LT, PL, RO, SL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, IT, LU, LV, NL, NO, PL, PT, SE	BE, CH, CZ, DK, GR, HU, IR, LT, LV, NL, PL, SL	BG, DE, EE, FI, FR, LU, NO, PT, RO, SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, LT, LU, LV, NL, PL, PT, RO, SE, SL	IR
Certificate of energy performance	AT, BE, DK, FR, GR, HU, IR, IT, LT, LU, PL, PT, RO, SE	AT, BE, BG, CH, CZ, DE, EE, FI, LV, NO, SL	AT, BE, DK, EE, FI, FR, GR, IR, IT, LT, LU, PL, PT, SE, SL	BG, CH, CZ, DE, HU, LV, NO, RO	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, IR, LT, LU, LV, PL, PT, RO, SE, SL	GR, IR
Registration in the land register	AT, BE, BG, CH, DE, DK, GR, HU, IT, LV, MT, PL, PT, RO, SE, SL	AT, CZ, EE, FI, FR, IR, LT, LU, NL, NO	AT, BE, BG, CH, CZ, DE, DK, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	EE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	BE, GR, HU, IR, IT, LV, PL
Compliance with court injunctions and/or administrative orders	BG, DE, IT, RO, SL	AT, BE, CH, CZ, DK, EE, FI, FR, GR, LT, LU, LV, MT, NO, PL, PT, SE	BE, CZ, DE, DK, GR, IR, IT, LT, NO, RO, SE, SL	BG, CH, EE, FI, FR, LU, LV, MT, PL, PT	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, PL, PT, RO, SE, SL	IR
Compliance with legally prescribed inspections	BG, HU, IT, RO, SL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, LT, LU, LV, MT, NO, PL, SE	BE, DK, IR, IT, LT, NO, RO, SL	BG, CH, CZ, DE, EE, FI, FR, GR, LU, LV, MT, PL, SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, NO, PL, RO, SE, SL	
Warranty against visible defects	BG, CZ, DE, GR, HU, IT, MT, PL, PT, SE, SL	AT, BE, CH, DK, EE, FI, FR, LT, LU, LV, NL, NO	BE, BG, CH, CZ, DK, EE, FI, GR, IR, IT, LT, LV, MT, NL, NO, PL, PT, RO, SL	DE, FR, LU, SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SL	SE
Warranty against hidden (not apparent) aspects	BG, CZ, DE, GR, HU, LT, LU, LV, MT, PL, PT, SE, SL	AT, BE, CH, DK, EE, FI, FR, IT, LT, NL, NO, RO	BE, BG, CH, CZ, DK, EE, FI, GR, IR, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL	DE, FR, NO	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	
Payment of all debts and taxes in relation with the immovable	BG, DE, GR, HU, LV, MT, RO, SE, SL	AT, BE, CH, CZ, DK, EE, FI, FR, HU, IT, LT, LU, LV, NO, PL, PT, SE	AT, BE, BG, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NO, PL, RO, SE, SL	CH, PT	AT, BE, BG, CH, CZ, DE, DK, EE, FI, HU, LT, LU, LV, MT, NO, PL, PT, RO, SL	FR, GR, IT, SE

Key

AT	Austria	DE	Germany	FR	France	LU	Luxembourg	PT	Portugal
BE	Belgium	DK	Denmark	GR	Greece	LV	Latvia	RO	Romania
BG	Bulgaria	EN	England & Wales (1)	HU	Hungary (3)	LT	Lithuania	SL	Slovenia
CH	Switzerland	EE	Estonia	IR	Ireland	NL	Netherlands	SE	Sweden
CY	Cyprus	ES	Spain (2)	IT	Italy	NO	Norway		
CZ	Czech Republic	FI	Finland	LT	Lithuania	PL	Poland		

Warranty	Nature of the warranty		Used		Party to provide	
	Legal	Contractual	Commonly	Not commonly	Seller	Buyer

2) Summary of warranties regarding parties

Legal right, capacity, power and authority to execute the purchase deed	AT, BE, BG, CH, DE, EE, GR, HU, IT, LV, PT, SE, SL	AT, CY, CZ, DK, FI, FR, IR, LT, LU, MT, NL, NO, PL	AT, BE, BG, CH, CY, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, SE, SL		AT, BE, BG, CH, CY, CZ, DE, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	BG, BE, CY, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, SE, SL
Proof of ownership	BE, BG, CH, DE, EE, GR, HU, IR, IT, LT, LV, NO, PL, PT, RO, SE, SL	AT, CY, CZ, DK, FI, FR, IR, LU, MT, NL, NO	AT, BE, BG, CH, CY, DE, DK, EE, FI, FR, GR, HU, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	CZ	AT, BE, BG, CH, CY, CZ, DE, DK, EE, FI, FR, GR, HU, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	
Advance payment, or reservation deposit		AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LV, MT, NO, PL, PT, RO	LU, NL, SE, SL	CH, DK, FR	AT, BE, BG, CZ, DE, EE, FI, GR, HU, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL
Escrow to secure payment	SE	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, PT, RO, SL	AT, BE, CH, CZ, DE, DK, EE, FI, FR, GR, HU, LV, SE	BG, IT, LT, MT, PT, RO, SL	BG, DK, LV	AT, BE, BG, CH, CZ, DE, EE, FR, GR, HU, IT, LT, LU, LV, MT, PT, RO, SE, SL
Mortgage to secure payment	IT	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, GR, HU, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL	BE, BG, CZ, DK, EE, HU, IT, LT, MT, NL, PL, RO	AT, CH, DE, FI, FR, GR, LU, LV, PT, SE, SL	CH, DK	AT, BE, BG, CZ, EE, FI, FR, GR, HU, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL
Bill of exchange to secure payment		AT, BE, BG, CH, CZ, DE, EE, FI, FR, GR, IT, LT, LU, LV, MT, PL, PT, RO, SE, SL	BE, CH	AT, BG, CZ, DE, EE, FR, GR, IT, LT, LU, LV, MT, PL, PT, SE, SL	CH	AT, BE, BG, CZ, EE, FR, GR, IT, LT, LU, LV, MT, PL, PT, RO, SE, SL
Ownership reserve clause to secure payment		AT, BE, CH, CZ, DE, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, SL	BE, DE, FI, FR, HU, LU, RO, SE	AT, BG, CH, CZ, EE, GR, IT, LT, LV, MT, NL, PT, SL	BE, BG, CH, CZ, DE, EE, FI, HU, MT, RO, SL	BG, FR, DE, GR, IT, LT, LU, LV, NL, PT, SE
Penalty clause to secure payment	IR, SE	AT, BE, BG, CH, CZ, DE, EE, FI, FR, GR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PT, RO, SE, SL	BE, BG, CZ, EE, FI, IT, LT, LU, NL, NO, RO, SL	AT, CH, DE, FR, GR, HU, LV, MT, PT, SE	BE, BG, CH, EE, HU, RO, SL	BG, CH, CZ, FR, GR, IT, LT, LU, LV, MT, NL, PT, SE, SL

Key

AT	Austria	DE	Germany	FR	France	LU	Luxembourg	PT	Portugal
BE	Belgium	DK	Denmark	GR	Greece	LV	Latvia	RO	Romania
BG	Bulgaria	EN	England & Wales (1)	HU	Hungary (3)	MT	Malta	SL	Slovenia
CH	Switzerland	EE	Estonia	IR	Ireland	NL	Netherlands	SE	Sweden
CY	Cyprus	ES	Spain (2)	IT	Italy	NO	Norway		
CZ	Czech Republic	FI	Finland	LT	Lithuania	PL	Poland		

Warranty	Nature of the warranty		Used		Party to provide	
	Legal	Contractual	Commonly	Not commonly	Seller	Buyer

Right to terminate contract	BG, CZ, DE, DK, EE, GR, HU, IR, LV, PL, PT, SE, SL	BE, CH, DK, FI, FR, IR, IT, LT, LU, MT, NL, NO, PL, PT, RO, SE	BE, BG, CZ, DE, DK, EE, FR, GR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	CH, DE	BE, BG, CH, CZ, DK, EE, FR, GR, HU, IT, LT, LV, MT, NL, NO, PL, PT, RO, SE, SL	BE, BG, CH, CZ, EE, GR, HU, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL
Right to claim damages	AT, BE, CZ, DE, DK, EE, GR, HU, IR, IT, LV, NO, PL, PT, SE, SL	AT, BE, CH, FI, FR, IR, LT, LU, MT, NL, NO, PL, PT, RO, SE	BE, BG, CZ, DE, DK, EE, FI, GR, IT, LT, LU, NL, NO, PL, PT, RO, SE, SL	AT, CH, FR, LV, MT	BE, BG, CH, CZ, DE, DK, EE, FI, GR, HU, IT, LT, LU, LV, MT, NL, PL, PT, SE, SL	BE, BG, CH, DE, EE, FR, GR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL
Insurance to cover technical defaults and apparent / hidden defects	DK, IT, RO	AT, BE, BG, CH, CZ, DE, EE, FI, FR, GR, LT, LU, LV, MT, NO, PL, PT, SE, SL	CZ, DK, FR, IT, MT, SE	AT, BE, BG, CH, DE, EE, GR, LT, LU, LV, NO, PL, PT, RO, SL	BE, BG, CH, CZ, DK, EE, FR, GR, IT, LT, LU, LV, MT, PL, PT, RO, SE, SL	CH, EE, MT
Awareness of the immovable's condition, after examination	DE, DK, GR, PL, SL	AT, BE, BG, CH, CZ, EE, FI, FR, HU, IT, LT, LU, LV, MT, NO, SE	AT, BE, CH, CZ, DE, DK, EE, FR, GR, IT, LT, LU, NO, PL, SE, SL	BG, HU, LV, MT, RO	BE, CZ, DK, GR, HU, LT, LV, PL, RO, SE	BG, CH, DE, EE, FR, IT, LT, LU, MT, PL, SL
Delivery obligation	AT, BE, BG, CZ, DE, DK, FR, GR, HU, IT, LU, LV, PL, RO, SL	AT, CH, EE, FI, LT, MT, NL, NO, PL, PT, SE	AT, BE, CH, CZ, DE, DK, EE, FR, GR, IT, LU, LV, MT, NL, NO, PL, RO, SE, SL	LT, PT	AT, BE, BG, CH, CZ, DE, EE, FR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	BG, CH, CZ, DK, GR, LT, PL, PT, SL
Bank warranty	IT, SL	AT, BE, BG, CH, CZ, DE, EE, FI, FR, GR, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL	BE, CH, FR, GR, IT, MT, NL, RO, SE, SL	AT, BG, CZ, DE, EE, HU, LT, LU, LV, NO, PL, PT	CH, CZ, IT, SL	AT, BE, BG, CZ, DE, EE, FR, GR, LT, LU, LV, MT, NL, PL, PT, RO, SE, SL
Accuracy and completeness of information disclosed during the due diligence proceedings	DK, GR, IR, IT	AT, BE, BG, CH, CZ, DE, EE, FI, FR, HU, IR, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	BE, DK, FR, GR, MT, SE	CH, CZ, DE, EE, FI, HU, LT, LU, LV, NL, PL, PT, RO, SL	AT, BE, BG, CH, CZ, DE, DK, EE, FI, FR, HU, IT, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SL	EE, GR, IT, MT

(1) England & Wales: It is rare for warranties to be given by either seller or buyer on the sale and purchase of property in England and Wales, unless the property forms part of a development or is under construction, in which case warranties will often be required from the developer/contractor and others involved in the design or construction. The contract will usually require the buyer to purchase the property subject to all encumbrances and other matters affecting the property, save as specifically excluded. This is the reason why it is important for all of the title and other due diligence to be undertaken pre-exchange of contracts. The seller might be liable to the buyer in damages for misrepresentation if the seller provides incorrect or misleading information prior to exchange of contracts or fails to disclose a material fact.

(2) Spain: There are no warranties securing payment. When signing the 'escritura pública' at the notary office, the legal rights of the seller/buyer as well as the property title and the town hall qualification have all been checked. Any subsequent guarantees will only act as a complement to the main principles that are already guaranteed by law and the formal procedure of buying real estate.

(3) Hungary: Seller's warranty: There are no hidden defects of the property: Warranty period six months.