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Challenges and strategic views regarding agricultural lands from the perspective of post-2013 legislation

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September 10th, 2013

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Starting January 1st 2014, the acquisition of agricultural land, forests and forestry land by nationals of the EU-Member States, by nationals of the States which are a party to the European Economic Area Agreement (“EEAA”) and by companies formed in accordance with the laws of another Member State or an EEAA State which are neither established nor registered in Romania, shall be allowed.

- Treaty of Accession of Romania and Bulgaria to the European Union

Draft Laws:

- A. Draft Law with regard to the sale – purchase of agricultural land, located outside the city limits, by natural persons, as well as regarding the establishment of the Authority for the Administration and Regulation of the Estate Market;**

- B. Draft Law with regard to the First Land Book Registration of Agricultural Land and Forestry Land**

A. Draft Law with regard to the sale – purchase of agricultural land, located outside the city limits, by natural persons, as well as regarding the establishment of the Authority for the Administration and Regulation of the Estate Market

Scope:

- to regulate “**once and for all**” the sale purchase of lands by natural persons;
- to “**counter effects**” of the right of EU-residents and companies established according with the laws of an EU-member State, to acquire agricultural land in Romania starting January 1st, 2014

Interdictions and Restrictions

- Interdiction of a natural person to hold **ownership over more than 100 hectares of agricultural lands, located outside the city limits;**
- **Requirements regarding the purchaser** (natural person) of agricultural land, located outside the city limits:
 - ✓ The purchaser must prove its knowledge in the field of agriculture;
 - ✓ The purchaser must prove that it conducted agricultural activities for a period of at least 5 years;
 - ✓ If the purchaser already holds ownership over agricultural land, located outside the city limits, at the moment of enforcement of the Law (if such will be enacted), the purchaser must prove that it conducted agricultural activities on such lands;

- **Preemption Right in favor of:**

- ✓ Co-owners – natural persons;
- ✓ Neighbors - natural persons;
- ✓ Holder of a land lease agreement (concluded for a period of at least 5 years and registered with the Agricultural Register within the City Hall);
- ✓ Natural persons of up to 40 years conducting agricultural activities within the administrative territory where the relevant land is located;
- ✓ the Romanian State

- **Exercise of the Preemption right within 90 days as of registration of the sale offer with the competent City Hall**

- **Establishment of the Authority for Administering and Regulating the Estate Market**
 - ✓ Shall verify fulfillment of conditions provided by the Law for the sale purchase of agricultural lands, located outside the city limits, by natural persons (shall verify observance of Preemption right, shall display on its website any sale offer regarding land, subject to the preemption right, etc);
 - ✓ Shall issue a prior approval for the purpose of concluding a sale purchase agreement related to agricultural land, located outside the city limits, by natural persons;
 - ✓ Shall draft and administer a data basis of all agricultural lands in Romania, located outside the city limits; etc

B. Draft law on the First Land Book Registration of Agricultural Land and Forestry Land

- The holders of ownership titles over agricultural land and forestry land are entitled to fulfill all requirements provided by Law No. 7 on cadastre, **free of charge**;
- the fees of the cadastre experts shall be borne from the budget of the National Agency for Cadastre and Real Estate Publicity up to the amount of RON 400 per property

- The actions of the State in a pro-active and dynamic manner with regard to the accomplishment of land cadastre at national level
- The cadastre and land book registration of land at national level is of significant interest, for the purpose of:
 - ✓ Financing and proper development of agricultural projects;
 - ✓ Security of civil circuit;
 - ✓ Clarifying the legal status of lands;
 - ✓ Decrease in the number of disputes related to real estate; etc

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Thank you!



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