



January 2012

Selected changes in the legal regulation of real estate

1. Cancellation of restrictions on acquisition of real estate by foreigners

On 19 July 2011 the amendment of the Foreign Exchange Act (act No 219/1995 Coll.) has come into effect. This amendment has cancelled all restrictions on acquisition of real estate by foreigners. Both foreign individuals and foreign entities may now acquire real estate in the Czech Republic, including agricultural and forest land and secondary residence buildings.

However, the restrictions on acquisition of agriculture and forest land under the Act on Conditions of Transfer of Agricultural and Forest Land from the State Ownership to Third Parties (act No. 95/1995 Coll.) remain in force, i.e. the restrictions regarding cases when the agricultural or forest land is sold by the Land Fund of the Czech Republic.

2. Introduction of forms for application for entry of rights in the real estate cadastre

By an amendment to the Act on Registration of Ownership and other Substantive Rights Relating to the Real Estate, the forms of application to open the proceedings on authorization of entry of a right in the real estate cadastre has been introduced with the effect from 1 January 2012. The model forms have been published in the Collection of Laws by Decree of the Czech Office for Surveying, Mapping and Cadastre No. 401/2111 Coll. and are also available at the web site of this office (www.cuzk.cz). In year 2012, these forms can be used voluntarily. Since 1 January 2013 the applications to open the proceedings on authorization of entry of a right in the real estate cadastre can be filed only on these forms.

3. Increase of the fee for entry of a right in the real estate cadastre

With the effect from 1 January 2012, the administrative fee for acceptance of an application to open proceedings on authorization of entry of a right in the real estate cadastre has been increased from CZK 500 to CZK 1,000.

4. Introduction of special rates of tax on land for paved surfaces used for business activity or in connection therewith

With the effect from 1 January 2012 special rates of tax on land for paved surfaces used for business activity or in connection therewith have been introduced.