

Keep up to date with the latest legal developments on the real estate market in Austria, Belarus, Bulgaria, the Czech Republic, Hungary, Romania, the Slovak Republic and the Republic of Moldova with this special issue of the CHSH CEE newsletter.

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Filip Ballok explains the recent ruling of the Austrian Supreme Court and describes why Austrian property owners can now be held liable for damage caused by construction works to an adjacent property independent of fault.

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Sergei Makarchuk gives an overview of the Great Stone Industrial Park and the excellent opportunity it represents for those wishing to invest in high-level industrial production, providing investors with favourable terms for a safe and well protected investment in the long term.

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CHSHCEE Austria

Recent Ruling of the Austrian Supreme Court on Strict Liability of Real Estate Developers for Immissions

Investing in real estate projects and developing properties can be a complex undertaking that can pose significant challenges for investors and developers, all of which should be carefully assessed beforehand. Compensation claims for damage caused to adjacent buildings and properties during the course of construction works is one of the potential challenges they face.

In general, Austrian tort law stipulates that compensation claims for damages are granted only if the tortfeasor caused the damage either intentionally or at least negligently. For the contractual liability of the tortfeasor, slight negligence is sufficient. However, for any tortious liability for damages, which can occur during the course of the development of real estate properties or building construction on adjacent properties, the law requires in general gross negligence. This means that developers typically

cannot be held liable under tort law, as they do not perform the construction works themselves. Thus, the question of negligence in most cases does not even arise.

Nevertheless, the Austrian Supreme Court recently ruled in decision 3 Ob 114/18p that property owners can under certain circumstances be held liable for damage caused by construction works to an adjacent property independent of fault even if the construction works were approved by the authorities.

In the case at hand, the property owner commissioned a construction company to demolish buildings. The building authority issued the respective permit for demolition. Demolition was carried out by a contractor which, however, used defective machines, consequently causing considerable dust to be generated over an extended period of time. A neighbour claimed compensation for damages as a result of the dust, in order to cover the costs of cleaning and maintenance.

The Austrian Supreme Court granted the compensation claim not on the basis of general Austrian tort law, which would require at least gross negligence, but on the basis of an analogy to general compensation claims permitted under Section 364a of the Austrian Civil Code. This provision stipulates that a claim for

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compensation can be made on the basis of damage caused usually by immissions, such as wastewater, smoke, gas, heat, noise, vibration, etc. Such a compensation claim is granted independently of fault and has to be borne by the property owner.

The fact that the demolition was officially approved by building authorities and that they were performed by a professional contractor does not hold the property owner harmless from liability. According to the Austrian Supreme Court, the compensation claim must be granted in cases where the building permit creates an impression that the permitted measures are safe and within the limits of the law and that it de facto prevents neighbours from taking any kind of defensive measures.

As a result, the neighbour has a right to compensation from the property owner for damage typically caused by construction works. Of course, the property owner has a right of recourse against the contractor. However, given the risk that the contractor potentially has poor creditworthiness, the property owner might suffer a loss if the damage claims exceed the financial capabilities of the contractor.

Thus, in the course of investing in real estate projects and developing properties, property owners should always bear this liability in mind and, despite

having obtained an official building permit and having commissioned a professional contractor to carry out the works, property owners should regularly assess the possibility that damage will occur on or to adjacent properties.

Author:

Filip Ballok, Associate
CHSH Vienna

For more information

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE Belarus

Special Legal Regime of the Great Stone Industrial Park

Introduction

In 2012, a special economic zone called the "Great Stone" Chinese-Belarusian Industrial Park ("**Great Stone**") was created in Belarus. Located near the capital Minsk, Great Stone provides a special legal regime for its residents regardless of their origin. Thus, it applies to investors from any country, not only to those from China or Belarus. The special legal regime of the Great Stone will be in force until 15 June 2062.

The main legal acts governing the Great Stone are the Edict of the President of the Republic of Belarus No. 253 dated 5 June 2012 "On Chinese-Belarusian Industrial Park" and the Edict of the President of the Republic of Belarus No. 166 dated 12 May 2017 "On Perfection of the Special Legal Regime for the "Great Stone" Chinese-Belarusian Industrial Park.

Belarusian companies incorporated within the territory of the Great Stone

both by Belarusian and international investors which are registered as its residents ("**Residents**") enjoy a number of tax and non-tax benefits.

Key benefits related to real estate

Possession of real estate

The land plots in the Great Stone may be either purchased or leased by Residents.

In addition, unlike the standard procedure, Residents may obtain ownership of the land plots in the Great Stone or lease such plots without having to participate in a public auction.

Residents are exempt from land tax and real estate tax with respect to both land plots and buildings located within the territory of the Great Stone.

Construction

Project documentation, construction works, and building materials with respect to buildings in the Great Stone are not subject to the mandatory national conformity certification in Belarus.

Contractors and suppliers whose services are enlisted to construct buildings in the Great Stone may be selected by Residents without holding a public tender and without having to comply with other procurement procedures which would otherwise be mandatory for construction projects.

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Construction works on buildings in the Great Stone may be performed concurrently with the development of project documentation without it being necessary for documentation to be approved by the relevant authority before construction works begin.

The production of project documentation and the construction of buildings in the Great Stone may be performed in accordance with the technical norms in force in the European Union or China. Nevertheless, such foreign project documentation is subject to review by the relevant Belarusian state authorities (including but not limited to an environmental impact assessment). It is not mandatory to adapt foreign project documentation to bring it into line with Belarusian national standards.

Infrastructure

All transport and engineering infrastructure in the Great Stone (e.g. roads, electricity lines, gas pipelines, clean water and sewage pipelines, etc.) must be developed by the state with costs covered by national and local budgets.

Summary

The Great Stone provides an excellent opportunity to invest in high-level industrial production. It provides investors with very favourable terms for their real estate allocation in the long term, which makes the investments safe and well-protected.

For more information

Sergei Makarchuk, LL.M.
Managing Partner in Belarus, Advocate
sergei.makarchuk@chsh.com
Tel: +375 17 2663417

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE Bulgaria

Overview of taxes and fees related to real estate transactions

Below we outline the main taxes and fees related to the transfer and ownership of real property under Bulgarian law.

1. Taxes

Real estate transfer tax

The direct acquisition of real property (asset deal) is subject to real estate transfer tax. The tax rate is individually defined for each municipality by the municipal council and may vary between 0.1% and 3% of the purchase price or tax value of the property (whichever is higher). With respect to the donation of real property, the tax rate may vary between 3.3% and 6.6%.

No real estate transfer tax is due in the case of a share deal (acquiring a company which owns real property) or if the property is transferred to a company's capital as a contribution-in-kind. The same applies to acquisitions as a result of corporate transformations (merger, spin-off, etc.).

VAT

Transfers of ownership of urbanized land and new buildings (60 months or less from the date of issuance of the use permit) are subject to VAT at 20%.

The following are exempt from VAT:

- transfers of ownership of buildings which are not new, as well as transfers of ownership of parts of urbanized land which are adjacent to such buildings (the adjacent area is defined as the built-up area of the construction and a certain area around the building);
- transfers of ownership of non-urbanized land (such as agricultural land);
- the letting of buildings to individuals for residential purposes.

Real property tax

Owners of real property pay annual property tax. The tax rate is individually defined for each municipality by the municipal council and may vary between 0.1 and 4.5 of the tax value. The tax rate is higher (up to 7) for properties located in certain resorts as defined by the government.

2. Fees

Registration fee

Any acts transferring real property rights must be registered in the Property

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Register. The same applies to contracts creating securities over real property (such as mortgage contracts) and lease agreements with respect to real property with a term exceeding one year.

The registration fee due upon registration in the Property Register is 0.1% of the respective contract value.

Notary fees

Most acts transferring ownership rights (such as sale and purchase contracts), as well as contracts creating real securities, have to be notarized. In order to be registered in the Property Register, long-term lease contracts should also be notarized. The notary fees depend on the transaction value, and are capped at EUR 3,000.

For more information

Boyko Gerginov
Managing Partner in Bulgaria
boyko.gerginov@chsh.com
Tel: +359 2 401 09 99

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE Czech Republic

Right of superficies

The *right of superficies* is a re-established *right in rem* that has been reintroduced into Czech law by the new Civil Code. It is one of the ways in which a structure can be constructed on the surface or below the surface of land belonging to a third party. It constitutes an exception to the *superficies solo cedit* principle, i.e. where the structure is an integral part of the land and does not exist, with some exceptions, in its own right in the legal sense. The *right of superficies* prevents the structure from being considered part of the land from a legal perspective.

The purpose for establishing the *right of superficies* is therefore mainly economical in nature because investments in land are minor especially when compared to a classic purchase. The *right of superficies* is also used by municipalities as a way of co-financing their housing funds.

In most cases, the *right of superficies* is established by a contract concluded between a person who is entitled to construct a structure on third party land, i.e. the builder, and the owner of the plot of land. The legal relationship establishing the *right of superficies* must

be registered in the cadastral register, which is a public register.

The structure is inextricably linked with the *right of superficies* and therefore cannot be sold, donated or encumbered separately. The builder can only dispose of a *right of superficies*, i.e. the *right of superficies* can be sold, donated or encumbered. Destruction of the structure does not have any legal effect on the *right of superficies*. Furthermore, the *right of superficies* passes to the heir or another general legal successor.

The *right of superficies* cannot be established for an indefinite period. The Civil Code sets a maximum period of up to 99 years. The period must also be registered in the cadastral register. It should therefore only be used in cases in which the time of establishment is known in advance and the establishment is to be permanent because premature deregistration from the cadastral register could be complicated. After expiry of the period recorded in the cadastral register, the structure becomes part of the land and the owner is obliged to provide the builder with compensation for the structure amounting to half the value of the structure at the time the right of superficies lapses. In addition, any pledge and other rights attached to the *right of superficies* also lapse at the time the *right*

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of superficies lapses and this affects the amount of compensation to be provided.

It should be noted that one of the most important aspects is to define the structure to be constructed on the land. It is crucial for the builder to meet the requirements set out in the contract. Otherwise, the structure will not become part of the *right of superficies* and it will instead become part of the land. The owner of the land must then decide to either pay compensation for the structure or demand demolition of the structure at the builder's expenses.

The *right of superficies* offers parties considerable freedom when contracting with one another and therefore it can be tailored to meet their specific requirements. As the *right of superficies* is a good means by which municipal housing developments can maintain control over the municipality's assets, we are expecting the *right of superficies* to grow in importance in the future.

Author:

Mgr. Matěj Bolek, Associate
CHSH Kalis & Partner

For more information

JUDr. Petr Kališ
Managing Partner in the Czech Republic
petr.kalis@chsh.cz
Tel: +420 221 111 711

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE Hungary

Transaction Liability Insurance is More Popular than Ever in Hungary

Due to investors' reluctance to take on the risk of liability allocation during property acquisitions in Hungary, transaction liability insurance has become a valuable tool for deal facilitation for both sellers and buyers on the real estate market.

Right after its introduction to the market a couple of decades ago, American and Israeli investors were the first to demand the use of transaction insurance when acquiring real properties in Hungary. In the past few years even domestic investors and financial institutions have started requiring it for the coverage of inherent transaction risks that neither of the parties is willing to assume. Just about half of all real estate transactions with a value over EUR 10 million now involve transaction insurance.

As the market evolves, **warranty and indemnity insurance** seems to be the

most popular type of transaction liability insurance.

What does it cover?

The aim of warranty and indemnity insurance is to cover financial loss or liability arising from a breach of a seller's warranty and from claims under the seller's indemnification covenants.

Warranty is a commonly known institution under Hungarian law. If a warranty declaration is breached by the seller, the onus is on the buyer to prove the seller has committed a breach and then the seller is required to compensate the Buyer for the damage or loss the buyer suffered (i.e. the decrease in the value of the property) as a result of the breach.

Under Hungarian law, however, indemnity means an objective obligation to indemnify the injured party. In real estate transactions indemnities are usually provided by the seller as coverage for losses potentially caused by a specific event or predetermined risk. The due diligence phase of a transaction is where potential risks can in particular be revealed. Under the Seller's indemnification obligation, if a specific event or risk occurs, the Seller is obliged to make the Buyer whole for all the financial consequences of such a risk event.

Why is it beneficial?

The warranties and indemnities section of a sale and purchase agreement is usually the most heavily negotiated and contentious part of the whole transaction, often because of the different indemnification and warranty expectations and the widely differing requirements of limitations by the buyer and the seller. With warranty and indemnity insurance, the parties may bridge such differences and get security for otherwise uninsured risks.

Besides de-risking transactions by transferring deal risk to the insurance market, a warranty and indemnity insurance may also enable a clean exit for the seller and allows distressed or dissolving sellers to sell a business.

Which party should take it out?

Most commonly the buyer takes out the warranty and indemnity insurance policy and becomes the insured party. In this case if a breach occurs, the buyer can directly make a claim to the insurer under the policy for the amount to which it is contractually entitled under the sale and purchase agreement (subject to any policy exclusions). The advantage of this solution is that the insurer directly pays the amount to the buyer, without needing any contribution to the process from the seller.

On the other hand, it is also possible that the seller is the policyholder under a warranty and indemnity insurance policy. In this scenario, the seller seeks coverage for the buyer's claims arising from the seller's breach of its own warranties or indemnities. In this case the warranty and indemnity insurance is rather similar to liability insurance. If the claim is reported by the seller to the insurer, the insurer pays the relevant amount to it and it is then liable towards the buyer for the buyer's warranty or indemnity claims. In such a situation it is also possible that the buyer does not even know about the existence of the insurance.

Who is liable for the costs of the insurance?

Regardless of whether the buyer or the seller takes out the insurance, typically the seller covers all (or most) of the insurance costs (i.e. the premium). The insurance premium is usually calculated as a percentage of the total limit of insurance coverage and generally varies from 0.8 to 1.5% of the total sum insured. If the buyer is the insured party, the costs of the policy are usually covered by a reduction in the purchase price. The characteristics of the warranties, indemnities and limitations, the industry sector, the geographic risks, and the identity and creditworthiness of the parties can each have a serious impact on the amount of the premium.

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What are the likely risks that will be excluded from policies?

In many cases, insurers include certain exclusions in their policies that limit the scope of the insurance. These exclusions may be included for example because the insurer finds that the due diligence review of the target has not been comprehensive, or the issues raised in it have not been completely resolved. In addition, insurers tend to exclude coverage for certain issues, such as bribery and corruption, certain environmental matters, certain regulatory issues and financial warranties and certain tax risks, such as those resulting from transfer pricing arrangements.

Under what jurisdiction can insurance be taken out?

Warranty and indemnity insurance products are mostly offered in Hungary by foreign insurers (mainly entities incorporated in the United Kingdom). Logically, these insurers tend to insist on using the laws of England and Wales when issuing their policies. However, in the past few years – due to increased competition – some insurers have started to offer policies under Hungarian law for the Hungarian market, which has also contributed to the rapid spread of warranty and indemnity insurance arrangements. In Hungary all real estate

sale and purchase agreements must be concluded under Hungarian law, an insurance policy governed by the laws of Hungary can be easily “paired” with the sale and purchase agreement and can significantly decrease the risks and costs of possible claim enforcement under the insurance contract.

The increasing number of real estate transactions in Hungary has also significantly driven up demand for this multi-use transaction instrument, which has mainly gained popularity thanks to its power to close the gap between the transactional interests of the buyer and the seller. Recent trends in Hungary show that requests for title policies covering “unknown” title risks have decreased while demand for specific or “known” risks arising from not fully comprehensive due diligence reviews have vastly increased. As things presently stand, this trend is likely to continue and the popularity of warranty and indemnity insurance will only grow on the real estate market.

Authors:

CHSH Budapest, Real Estate and Construction Team
Dr. Wilhelm Stettner, Partner

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For more information

Dr. Wilhelm Stettner
Partner in Hungary
wilhelm.stettner@chsh.hu
Tel: +36 1 457 8040

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE Romania

Romanian Real Estate Market: challenges in a trend of consol- idation and maturation

Compared to previous years, 2018 was a fairly quiet year for real estate. Players in the industry estimate that in 2019 the market will continue to stabilize, reaching maturity.

The residential sector was the most active and dynamic in 2018, being heavily influenced by external factor, influence which will be also reflected in 2019. According to a study conducted by Re / Max Romania in partnership with Imobiliare.ro (gathering statistical data from the survey conducted on a sample of 300 respondents from 30 cities, over 50% of them being real estate agents or agency owners), the factors perceived as having the greatest influence on the domestic residential real estate market in 2018 were the Romanian Interbank Offer Rate evolution (ROBOR) and the Level of Indebtedness imposed by the National Bank of Romania (BNR). ROBOR at three months stood at 3.09% at the end of November (compared with 3.31% at its beginning), while ROBOR at six months fell

to 3.36% (versus 3.49%), consolidating the market along with the increased demand for housing, as well as a slight increase in prices. Another factor that significantly influenced the market at the end of 2018 was the lowering of the Level of Indebtedness. At the end of October, the BNR reduced the Level of Indebtedness from 70% to 30% for LEI loans and 15% for variable rate euro loans. For the *First Home Loan*, the debt ratio was reduced to 45% and for other housing loans to 40%.

Towards the end of 2018, there was a decline in the market due to BNR's decision and because of uncertainty, but it is expected that this decline will stabilize and the market will rise in the first quarter of 2019. As far as housing demand is concerned, the perspective of market players is that it is generally growing. It is worth mentioning that, according to Imobiliare.ro, the interest for purchases is, at least at the level of the country's big regional centers, very close to last year (a 2% decrease in Q3 2018 compared to Q3 2017). The positive perception of this indicator can be fueled by the fact that it is still significantly above the level recorded three years ago (when the residential market was already on an ascending trajectory). Thus, in the country's six major regional centers, interest in the acquisition of residential property is now 29% higher. The favourable outlook

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for the demand in the market is also reflected by the number of building permits issued at the national level: in the first seven months of the year 24,950 permits were issued for residential buildings, up 7.6% compared to the previous year, according to the official data published by the National Institute of Statistics (INS). A moderate price increase was also registered, with the differences from 2017 being in all major cities under the 10% threshold.

Regarding the Office Sector, Colliers International estimates that around 360,000 sqm of office space will be delivered in 2019, with 65% of the space being already pre-leased, and these percentages are projected to grow to 75-80%. As a result of 25% growth in stocks over a 24-month period, an increase in the vacancy rate is expected, estimated at 9-13%, according to Colliers International.

In the Retail Sector, 2019 and 2020 will bring the increase of the stock, new retail deliveries, according to Colliers estimated to be 500,000 square meters, double that of 2017-2018, the latter being the best year after the crisis from almost all points of view. Romania had the largest private consumption growth in Central and Eastern Europe, 6%, confirmed by the steady increase in consumption over the last 6-7 years. 2018 was not a year with too many deliveries, with approximately 135,000 square meters delivered.

An increase in rent is estimated to be around 10%.

The Industrial and Logistics sector is expected to expand from the West and Center Romania towards economic nodes such as Iasi, Constanta and Ploiesti. However, without heavy investment in light and heavy industry in those areas, the development of those regions is uncertain. This uncertainty is also a direct result of Western and Central markets, where heavy competition generates very attractive opportunities. According to Colliers, it is estimated that the industrial market will continue to grow, being heavily influenced by logistical pressures.

The Investment Market remained active and it is expected to continue to do so. The volume of real estate transactions in 2018 was over EUR 900 million, and ongoing transactions for office buildings in 2019 will be over EUR 500 million, according to Colliers, with office space yields at 7%.

As for the land market, market liquidity in 2018 increased by 15-20%, to over EUR 400 million, and it is expected that new demand for land in 2019 will be below that of previous years, which is why the market expects a slight decrease, including in pricing.

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For more information

Sebastian Bolda
Senior Attorney-in-law in Romania
sebastian.bolda@gp-chsh.ro
Tel: +40 356 007 033

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

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Slovak Republic

The amended Cadastral Act

Act No. 212/2018 amending Slovak Cadastral Act No. 162/1995 Coll. (the “Amendment”) came into force on 1 October 2018. The Amendment is intended to accelerate and improve the registration of real estate, create a better regulatory framework for the functioning of the real estate cadastre and its centralization, respond to advances in information technology related to the public cadastre and the provision of data from the real estate cadastre, having regard to the protection of personal data.

The Amendment (i) centralizes the organisational structure of the cadastre, which is now administered by the Slovak Geodesy Office instead of district offices, (ii) introduces a new definition of 'building', according to which buildings used for engineering purposes and small buildings must also be registered in the cadastre, and (iii) requires the price of all real estate to be recorded in the cadastre, with access to this data limited to the owner, state bodies and experts, etc. Most importantly, the general public will be most affected by the part of the Amendment which introduces requirements for applications for initiating cadastral proceedings.

New cadastral proceedings

Until the Amendment entered into force, the Slovak Cadastral Act only regulated applications for inserting/registering real estate in the cadastre, which was previously only subject to basic mandatory requirements. The Slovak Cadastral Act did not previously specify any requirements for applications relating to records, the incorporation of notes, the investigation of data recorded in the cadastre, the correction of errors and the updating of data, etc. It was thus left up to the claimant to decide which data to include in the application. The Amendment introduces a general legal framework for applications to initiate cadastral proceedings. According to Article 24 (1) of the Slovak Cadastral Act, an application for the initiation of cadastral proceedings must contain the following information:

- a) **Identification of the claimant;**
- b) **Identification of the district office** to which the application is addressed;
- c) **Statement defining the subject of the application**, i.e. setting out what the claimant is seeking (particular attention should be paid to defining the subject matter of the application for an insertion);

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- d) **Indication of the legal act** on the basis of which the right to real estate arises, changes or expires in the case of an application for an insertion;
- e) **Real estate designation** pursuant to Article 42(2) c);
- f) **Indication of the size of the co-ownership share** expressed as a fraction of the total;
- g) **Indication of an official verification number of the geometric plan** if the plot is divided or merged, or if an easement is established on part of the plot or when data is entered according to Article 46(2-4) and (6-8);
- h) **Indication of the place and date of the mandatory published contract** if the contract had to be published;
- i) **Indication of annexes**;
- j) **Request to send a notice of execution of a record, a notice of execution of a note or a request to send a notification of the result of the investigation of the changes of the cadastral data** to the electronic address or mailbox, if the claimant requested the notification in electronic form;

- k) **Request for accelerated insertion procedure**, if the claimant requests such acceleration.

Further requirements for applications to initiate cadastral proceedings may result from other provisions of the Slovak Cadastral Act or from the provisions of a specific legal regulation.

According to the requirements mentioned above, it is evident that the application for cadastral proceedings has to fulfil far more requirements than under the previous regime.

Conclusion

The Amendment of the Slovak Cadastral Act has introduced many changes regarding the functioning of the real estate cadastre, cadastral proceedings, and the provision of data from the real estate cadastre. The general public will be most affected by the part of the Amendment concerning cadastral proceedings, which imposes a wide range of requirements on the claimant's application. Applications must now contain an indication of what the claimant is seeking. Such a requirement did not exist until 30 September 2018.

Author:

Mgr. Veronika Šišková, LL.M.

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For more information

JUDr. Jozef Bannert
Partner in Slovakia
jozef.bannert@chsh.sk
Tel: +421 2 2064 8580

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

CHSHCEE

Moldova

Preferential tax regimes for investments in the Republic of Moldova

Introduction

Today, the Republic of Moldova is one of the most attractive destinations for investments in Eastern Europe, offering preferential tax regimes for investors. At present, fiscal facilities offered for residents of the Free Economic Zones (FEZ), Giurgiulesti International Free Port, IT parks and the Citizenship Program through Investments represent the main incentives.

In addition, Moldova has the advantage of being a bridge between East and West, as it is a signatory to the Association Agreement with the European Union (incl. DCFTA since 2014) and a member of the Community of Independent States. Moldova is also a Member of the World Trade Organization and a signatory to the Central European Free Trade Agreement. It has a Free Trade Agreement with Turkey and has 48 operational tax treaties in place, which safeguard

against double taxation with other jurisdictions.

The main facilities

Seven free economic zones were created by Law No. 440 of 27 July 2001: "Expo-Bussines-Chisinau", "Ungheni-Bussines", "Balti", "Otaci-Bussines", "Taraclia", "Valkanes", and "Tvardita".

Investing in these areas brings the following tax privileges: no VAT and excise duties are levied; the corporate tax rate is 6% instead of 12% as a general rule, with exemptions applied on income tax for exporting goods and services; the corporate tax rate for income derived from activities other than exporting goods and services is 9%; income tax exemption for between 3 and 5 years if an investment is made of between USD 1 and 5 million; 10-year state warranty in the case of a change in legislation, while this period may be extended to 20 years under certain conditions; dividends may be freely transferred outside of Moldovan territory, subject to meeting tax liabilities; special visa and work permits can be issued to foreign workers of FEZ residents. Investments in the territory of the FEZ benefit from state legal protection.

The Giurgiulesti International Free Port (GIFP), a Danube port with a unique location and a multimodal transport infrastructure, also enjoys a preferential re-

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game. In the first 10 years of the activity of the GIFP resident, a 75% reduction in corporate income tax is applicable in Moldova, 3% instead of 12% in general, plus the tax is reduced by 50% for the remaining period until 2030. All transactions in GIFP are exempted from customs duties, excise duties and VAT, including transactions between residents and for the provision of goods and services outside GIFP to residents.

In recent years, particular attention has been paid to the development of the IT sector in Moldova. Law No. 77 dated 21 April 2016, on information technology parks, provides tax incentives for this purpose. The main provision worth highlighting is the single tax of 7% on revenues. This tax includes: corporate income tax, personal income tax, immovable property tax, medical and social contributions, and local taxes.

Further, Moldova Citizenship by Investment (MCBI) is a new program. Introduced last year, the program allows an individual, in a period of about 90 days, to become a citizen of Moldova in exchange for making an investment starting from EUR 100,000. This means visa-free access to 122 destinations, including Europe's Schengen Area and the possibility to transfer citizenship to future generations.

One option to gain Moldovan citizenship under the MCBI program is to invest in real estate. The investment must be

worth at least EUR 250,000 in one or more real estate properties that must be maintained for a minimum of 5 years. This seems to be an excellent opportunity to buy agricultural land in Moldova, some of the richest in Europe, at very good prices for this region, ownership of which can only be transferred to Moldovan residents.

Summary

Currently, Moldova has one of the most favorable tax regimes in the region. The preferential regimes presented above represent a fertile environment for foreign investments. Moldova's geographical position, its cheap labour force and access to the largest international markets all represent a substantial advantage for export-oriented businesses, in an increasingly competitive economic world.

For more information

Natalia Balaban
Attorney-at-law
Tel.: +37379155557; +37369911333
natalia.balaban@gp-chsh.ro

Mag. Mark Krenn
Partner in Austria
Head of CHSH CEE Real Estate Practice
mark.krenn@chsh.com
Tel: +43 1 514 35 591

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Media owner and publisher: **Cerha Hempel Spiegelfeld Hlawati Rechtsanwälte GmbH**, Parkring 2, A-1010 Vienna | Tel: +43 1 514 350 Fax: +43 1 514 35 35 | email: office@chsh.com | Although this newsletter was created with the greatest of care, we nevertheless do not accept any responsibility whatsoever for its content being correct, complete or up to date. | [Visit us at www.chsh.com](http://www.chsh.com) | **CHSH** Cerha Hempel Spiegelfeld Hlawati
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