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Property Rights of Foreigners: Opportunities and Challenges

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Main Objective for study

Collect and analyze information on the data gathered by land registers in each EU Member State about real estate owners who are foreign nationals.

➤ Identify:

- Scope and type of collected data
- Legal basis for data collection
- Differences and common practices across Member States

➤ Evaluate how the collected information contributes to:

- Transparency
- Protection of property rights
- National and collective security
- Ensuring owner accessibility for tax administration purposes and other situations requiring owner involvement
- Compliance with national and EU regulations

Amendments to the Land Register Law (Effective January 1, 2025) LATVIA



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Key Changes:

Citizenship Requirement for Private Individuals

Private individuals must now provide their **citizenship** when registering property transactions.

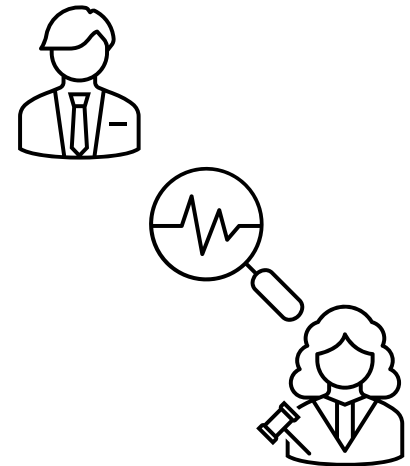
This change enhances **transparency** and aligns with international regulations on **anti-money laundering** and **terrorism financing**.

Disclosure of Beneficial Owners for Legal Entities

Legal entities must disclose their **beneficial owners** when registering property transactions.

Beneficial owner refers to any individual who **ultimately owns or controls** the entity.

This ensures **transparency** in property ownership and complies with **EU anti-money laundering directives**.



Amendments to the Land Register Law (Effective January 1, 2025) LATVIA

No information - 21956

Russia - 5609

Lithuania - 1202

Ukraine - 861

Germany - 481

Belarus - 411

Israel - 263

Estonia - 234

United Kingdom - 190

United States of America - 187

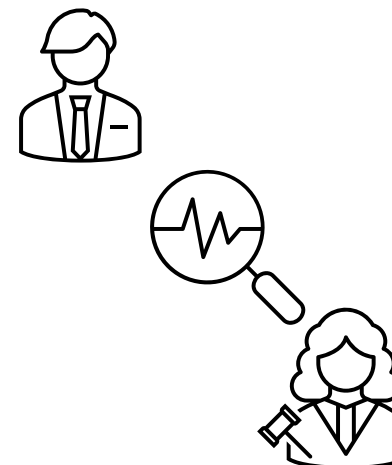
China - 140

France – 120

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EU experience



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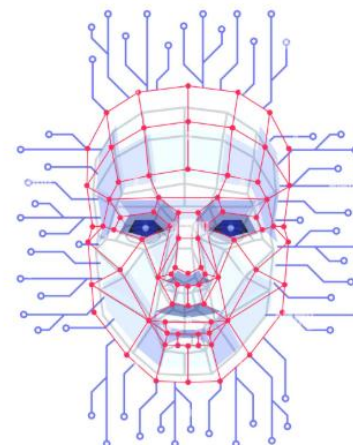


Foreign individuals profile

- Basic information
- Other information
- Contact information
- Unical ID



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Basic information of foreign individuals (name/surname ID number/birth date/etc)

- **Accurate Identification**

Ensures clear and unambiguous identification of property owners

Prevents registration under false or unclear identities

- **Protection of Property Rights**

Safeguards ownership rights against disputes

Enhances trust and security in real estate transactions

- **Taxation and Financial Obligations**

Ensures correct tax assessment and collection linked to the property owner

- **Support for Legal and Administrative Processes**

Enables proper delivery of legal documents and court notifications

Facilitates inheritance and transfer of ownership rights

- **National Security and Financial Crime Prevention**

Prevents fraud, money laundering, and circumvention of sanctions

Supports enforcement of international restrictions



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Basic information of foreign individuals (name/surname ID number/birth date/etc)

- **Name, Surname (ALL)**
- **Birth date** (ESTONIA, FINLAND, HUNGARY, LITHUANIA, SPAIN, LATVIA)
- **Birth place** (HUNGARY, LATVIA)
- **Living place** (HUNGARY, IRELAND, SPAIN, SWEDEN, THE NETHERLANDS, PORTUGAL, LATVIA)
- ***** Foreign ID**



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Other information of foreign individuals (citizenship/family status/etc)

- **Taxation and Financial Obligations**

Application of tax treaties and exemptions based on citizenship

Inheritance taxation and identification of rightful heirs

- **Inheritance and Property Transfer**

Facilitating succession procedures by identifying heirs

Enforcing specific inheritance rules based on citizenship or family status

- **Civil Law and Property Rights**

Determining property rights under matrimonial regimes or co-ownership

Clarifying applicable law in case of disputes

- **National Security and Property Oversight**

Monitoring property ownership concentration by foreign nationals

Enforcing international sanctions

- **Policy Making and Statistics**

Analyzing real estate market trends and foreign investment impact



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Other information of foreign individuals (citizenship/civil status/etc)

- **Examples:**

- Information about nationality (ESTONIA, FINLAND, HUNGARY, LITHUANIA, SPAIN, PORTUGAL, LATVIA)
- Information about Civil status (SPAIN, PORTUGAL, THE NETHERLANDS)
- Information about parents (HUNGARY, POLAND)
- Information about residence permit (ESTONIA)



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Contact information of foreign individuals

- **Tax Administration**

Collection of property taxes and related fees

Enforcement of overdue payments and penalties

- **Judicial and Legal Procedures**

Notification of court proceedings and legal obligations

Service of procedural documents

- **Public Order and Safety**

Communication regarding the maintenance and safety of properties

Emergency management and civil protection measures

- **Civil and Property Relations**

Facilitating communication for co-ownership and shared property matters

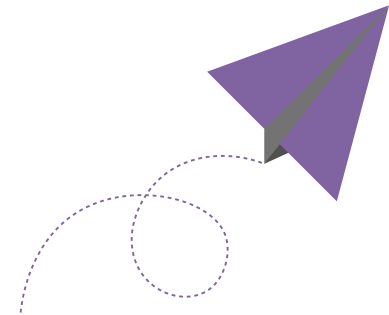
Supporting property transactions (sale, inheritance, etc.)

- **National Security and Prevention of Financial Crime**

Identification and verification to prevent money laundering and terrorist financing



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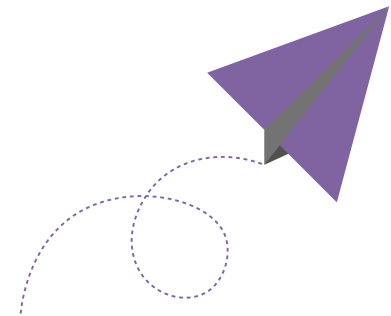


Contact information of foreign individuals

- Examples:
 - CROATIA - submit a notification of determination of the authorized representative for receiving letters with residence in the Republic of Croatia.
 - ESTONIA - In the case of a person who has no place of residence entered in the Estonian population register, their address is indicated additionally, and the land registry department is notified immediately of any change in the address.
 - THE NETHERLANDS - If parties do not have domicile in the Netherlands, they have to choose domicile in the Netherlands.



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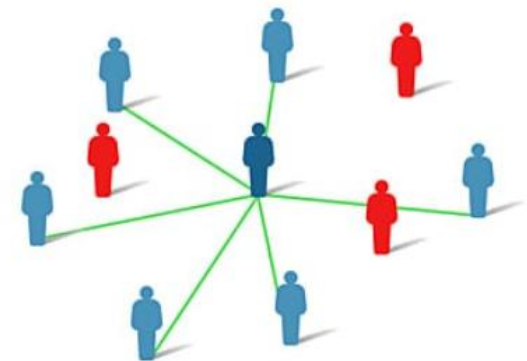


ID number

- **Accurate Identification of Owners**
- Avoids confusion between individuals with similar names
- Ensures that property rights are linked to the correct person
- **Security and Fraud Prevention**
- Reduces risk of identity fraud in property transactions
- Increases trust in land registry and notarized documents
- **Efficient Property Administration**
- Facilitates data exchange between institutions (e.g., land registry, tax authorities, courts)
- Enables quick access to property-related records (e.g., tax debts, encumbrances)
- **Succession and Transfer of Rights**
- Accurately identifies heirs in inheritance cases
- Prevents legal disputes arising from mistaken identity
- **Cross-Border Compatibility**
- Supports verification in international property ownership
- Aligns with EU interoperability standards (e.g., eIDAS, cross-border land registry cooperation)



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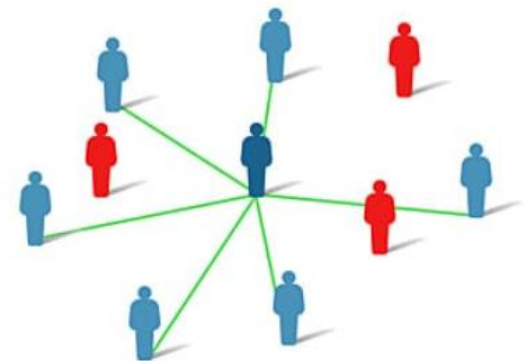
ID number

Examples:

- uniform person identification number (almost all)
 - National ID (CROATIA, FINLAND, POLAND, LITHUANIA, SPAIN, SWEDEN, LATVIA, SLOVAK REPUBLIC)
 - Original ID (BULGARIA, SLOVAK REPUBLIC, THE NETHERLANDS)
 - TAX number (ITALY, SWEDEN, PORTUGAL)
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- *Generation ID code for National interests:*
 - *Land Registry*
 - *Population register*
 - *Revenue Agency*
 - *Police*



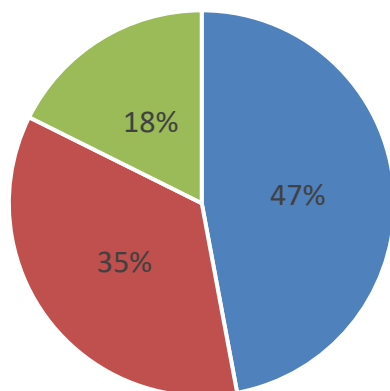
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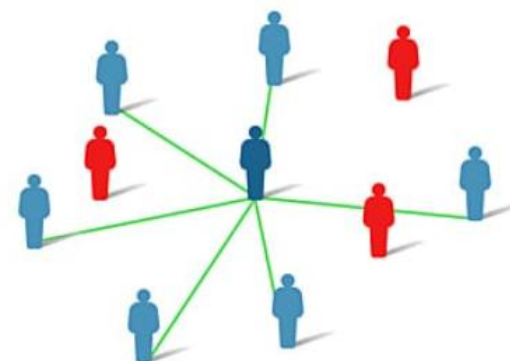
ID number use National



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■ Yes ■ No ■ No information



Summary

Precise identification of foreign nationals is crucial in the real estate sector, impacting legal, financial, and regulatory matters both at the national and EU levels. While the EU's upcoming digital identity solution could resolve many identification challenges, the broader issue remains. A coordinated approach is needed to address the acquisition of real estate by third-country nationals, ensuring both national and EU-wide interests are protected.



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Thank you for cooperation!