

Publisher: Parliament
Type of act: the law
Type of text: full text
Entry into force of the revision: 01.01.2024
Expiry of revision: Currently valid
Disclosure notice: RT I, 06.07.2023, 41

The Act on the Restriction of Acquisition of Immovable Property

Adopted on 08.02.2012
RT I, 23.02.2012, 11
entry into force on 04.03.2012

Amended by the following acts

Reception	Publication	Enforcement
14.06.2017	RT I, 04.07.2017, 1	01.01.2018
22.09.2021	RT I, 30.09.2021, 2	10.10.2021
20.06.2023	RT I, 06.07.2023, 6	01.01.2024

Chapter 1 General settings

§ 1. Scope of the Act

- (1) This Act stipulates the restrictions on the acquisition of real estate for the purpose of land revenue arising from public interest and real estate based on considerations of national security. Public interest within the meaning of this Act is, above all, the promotion of targeted and sustainable management of real estate with a special purpose, including agricultural and forest land.
- (2) For the purposes of this Act, agricultural land is an immovable property or a part of it in the composition of a plot of agricultural land or natural grassland, or a plot of both mentioned land.
- (3) For the purposes of this Act, forest land is a plot of forest land that is part of an immovable property or a part of it for the purpose of commercial land.
- (4) The land composition of the real estate to be acquired is determined on the basis of land cadastre data.
- (5) The provisions of the Administrative Procedure Act apply to the administrative procedure prescribed in this Act, taking into account the specifics of this Act.

§ 2. Scope of the Act

- (1) This Act shall not be applied in case of acquisition of immovable property:
- 1) on the basis of the Land Reform Act;
 - 2) if the acquirer is the Estonian state, an Estonian local government unit, another public legal entity established in Estonia or a state foundation established to support entrepreneurship in rural areas;
[RT I, 30.09.2021, 2 - enters into force. 10.10.2021]
 - 3) if a co-owner acquires a notional part of the immovable property from another co-owner;
 - 4) to the joint property of spouses or registered partners, if at least one of the spouses or registered partners is not subject to the restrictions provided for in this Act;
[RT I, 06.07.2023, 6 - enters into force. 01.01.2024]
 - 5) by the transferor's spouse, registered partner, descendant or relative of the ascendant;
[RT I, 06.07.2023, 6 - enters into force. 01.01.2024]
 - 6) by inheritance;
 - 7) if the immovable property is acquired through the merger or division of legal entities.
- (2) In this Act, the acquisition of a notional part of an immovable property is equated with the acquisition of an immovable property, if the immovable property as a whole meets the requirements set forth in § 4 subsections 3–5 of this Act or is located on the land area specified in § 10 subsection 1 of this Act.
- (3) In §§ 5 and 10 of this Act, the acquisition of a building right, encumbering an immovable property with usufruct for more than ten years or for an indefinite period, and encumbering an immovable property with a building right are equated with the acquisition of an immovable property. This subsection does not apply if the owner of the immovable property acquires the right to superstructure or if the immovable property is encumbered with usufruct or superstructure rights in favor of the owner of the immovable property.
- (4) This Act shall not be applied in case of acquisition of apartment ownership and apartment construction right, and in case of encumbrance of an immovable property with apartment construction right.

§ 3. Nullity of a transaction that violates restrictions

- (1) A transaction that violates the restrictions on the acquisition of immovable property provided in this Act is void.
- (2) In the case of a transaction that violates the restrictions on the acquisition of an immovable property with a special purpose in the Maatulundusmaa, the local government unit of the location of the immovable property (hereinafter *the local government unit*) requests correction of the entry in the land register and, in the event of a dispute, applies to the court to establish the invalidity of the transaction. The expenses of the national task performed by the local self-government unit are reimbursed to the municipality and city government

from the state budget.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(3) In case of a transaction that violates the restrictions on the acquisition of immovable property based on considerations of national security, the minister responsible for the field shall request the correction of the entry in the land register and, in the event of a dispute, apply to the court to establish the invalidity of the transaction.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

Chapter 2

Restrictions on the acquisition of land-use real estate

§ 4. Acquisition of immovable property containing agricultural and forest land by a person of the contracting state

(1) A citizen of Estonia or another contracting state of the European Economic Area or a member state of the Organization for Economic Cooperation and Development (hereinafter referred to as *a contracting state*) has the right to acquire immovable property containing agricultural and forest land without restrictions.

(2) A legal entity whose registered office is in a contracting state (hereinafter referred to as *a legal entity of a contracting state*) has the right to acquire agricultural land, forest land or immovable property containing less than ten hectares of agricultural and forest land in total without restrictions.

(3) A legal entity of a Contracting State has the right to acquire real estate containing ten hectares or more of agricultural land, if it has engaged in the production of agricultural products listed in Annex I of the Treaty on the Functioning of the European Union, with the exception of fish products and cotton (hereinafter referred to as *agricultural products*), for the three years immediately preceding the year of the transaction of acquisition of the real estate.

(4) A legal entity of a Contracting State has the right to acquire immovable property containing ten hectares of forest land or more, if it has engaged in forest management within the meaning of the Forest Act (hereinafter *forest management*) or in the production of agricultural products for the three years immediately preceding the year of the transaction of acquisition of the immovable property.

(5) A legal person of a Contracting State has the right to acquire immovable property containing less than ten hectares of agricultural land and less than ten hectares of forest land, but a total of ten hectares or more of agricultural and forest land, if he has engaged in agricultural products for the three years immediately preceding the year of the transaction of acquisition of the immovable property with production or forest management.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(6) If the legal entity of the contracting state does not meet the requirements set forth in subsections 3-5 of this section, it may acquire agricultural land, forest land or real estate containing a total of ten hectares or more of agricultural and forest land only with the permission of the council of the local government unit where the real estate to be acquired is located (hereinafter *the council*).

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

§ 5. Acquisition of immovable property containing agricultural and forest land by a third country person

(1) A citizen of a third country has the right to acquire immovable property containing agricultural and forest land only with the permission of the council, if he has lived permanently in Estonia for at least six months immediately before applying for a permit, or if he has worked in Estonia as a self-employed person in the year immediately preceding the year of applying for a permit:

[RT I, 04.07.2017, 1 - entry into force. 01.01.2018]

- 1) with the production of agricultural products, if the immovable property to be acquired contains agricultural land, or
- 2) with forest management or the production of agricultural products, if the immovable property to be acquired contains forest land or both agricultural and forest land.

(2) A citizen of a third country within the meaning of this Act is a natural person who is not a citizen of a contracting state.

(3) A legal entity of a third country has the right to acquire immovable property containing agricultural land only with the permission of the council, if it has engaged in the production of agricultural products in Estonia in the year immediately preceding the year of applying for the permit, and if its branch is entered in the Estonian business register.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(4) A legal entity of a third country has the right to acquire immovable property containing forest land only with the permission of the council, if it has engaged in forest management or production of agricultural products in Estonia in the year immediately preceding the year of applying for the permit, and if its branch is entered in the Estonian business register.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(5) A legal entity from a third country has the right to acquire immovable property containing both agricultural and forest land only with the permission of the council, if it has engaged in the production of agricultural products or forest management in Estonia in the year immediately preceding the year of applying for the permit, and if its branch has been entered in the Estonian business register.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(6) A legal entity of a third country within the meaning of this Act is a legal entity whose registered office is not in a treaty country.

§ 6. Application for a permit to acquire real estate containing agricultural and forest land

(1) The person specified in § 4 subsection 6 or § 5 subsection 1 or subsections 3–5 of this Act (hereinafter *the applicant*) submits a formal application to the local government unit to obtain a permit for the acquisition of immovable property containing agricultural and forest land (hereinafter in this chapter *permit application*) and the intended use of the immovable property action plan (hereinafter *action plan*).

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(2) A private legal entity performing public functions that wishes to acquire an immovable property for the purpose of performing public functions does not have to submit an action plan when applying for a permit. In the permit application, the named person indicates

which public functions he wishes to acquire the real estate for, and justifies the public interest for granting the permit.

(3) The form of the permit application shall be established by a regulation of the minister responsible for the field .
[RT I, 29.06.2014, 109 - entered into force. 01.07.2014, on the basis of § 107³ subsection 4 of the Government of the Republic Act, from July 1, 2014, "minister of agriculture" was replaced by the words "minister responsible for the field".]

(4) In the action plan, the applicant provides an overview of the activities planned for at least five years and confirms that the real estate to be acquired will be used efficiently, sustainably and purposefully in accordance with its intended purpose. Together with the action plan, the applicant submits documents that prove that there are sufficient funds, including financial means, to implement the activities described in the action plan.

(5) The person specified in subsection 4 of § 6 of this Act may, in the action plan, plan to give the property to be acquired to another person for use, by submitting to the local government unit a confirmation from the other person, which proves that the latter has been engaged in business in Estonia for the three years immediately preceding the year of the permit application:

[RT I, 04.07.2017, 1 - entry into force. 01.01.2018]

- 1) with the production of agricultural products, if the immovable property to be used contains agricultural land, or
- 2) with forest management or the production of agricultural products, if the immovable property to be used contains forest land or both agricultural and forest land.

(6) The person specified in subsection 4 of § 6 of this Act does not have to prove in the action plan the existence of the funds specified in subsection 4 of this section, if he plans in the action plan to give the land to be acquired for use to another person for at least five years in accordance with subsection 5 of this section.

(7) A person from a third country cannot plan the transfer of the real estate to be acquired to another person in the action plan.

§ 7. Processing of an application for a permit to acquire an immovable property containing agricultural and forest land

[RT I, 04.07.2017, 1 - entered into force. 01.01.2018]

(1) Upon receipt of a permit application, the local government unit shall check the appropriateness of the applicant, the permit application and the action plan, as well as the availability of the prescribed documents.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(2) If the applicant has not submitted all the prescribed documents or the submitted documents do not allow identifying the circumstances necessary for granting the permit, the local government unit shall set a deadline for the applicant to eliminate the deficiencies. If the applicant has not eliminated the deficiencies within the set deadline, the local government unit may refuse to review the permit application.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(3) The local government unit fails to review the permit application and returns it to the applicant if:

[RT I, 04.07.2017, 1 - entry into force. 01.01.2018]

- 1) the requirements set forth in § 5 subsection 1 or subsections 3–5 of this Act have not been met in relation to a person from a third country;
- 2) the requirements set forth in subsections 4 and 5 of § 6 of this Act have not been met;
- 3) the person of the third country plans to give another person the use of the immovable property to be acquired in the action plan.

(4) The council may make a decision to refuse to grant a permit for the acquisition of immovable property if:

- 1) the applicant or the permit application does not meet the requirements set forth in this Act;
- 2) the granting of a permit is contrary to the public interest within the meaning of this Act and there is no other overriding public interest;
- 3) the granting of a permit prevents the local government unit from fulfilling the tasks assigned to it by law.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

(5) The council makes a decision to grant a permit for the acquisition of real estate or a decision to refuse to grant a permit within 45 days from the submission of the permit application to the local government unit.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

§ 8. Processing of an application for a permit to acquire an immovable property containing agricultural and forest land

[Repealed - RT I, 04.07.2017, 1 - entered into force. 01.01.2018]

§ 9. Verification of compliance with requirements for the acquisition of real estate containing agricultural and forest land

(1) Compliance with the requirements set forth in § 4 subsections 3–5 of this Act and the existence of the permit specified in § 4 subsection 6 or § 5 subsection 1 or subsections 3–5 in the case of transfer of immovable property shall be checked by a notary, bailiff, bankruptcy administrator or the local government unit of the location of the immovable property.

(2) In order to verify compliance with the requirements set forth in subsections 3-5 of § 4 of this Act, a person submits to a notary public, a bailiff, a bankruptcy administrator or a local government unit a document issued by the competent authority of the country where the legal person of the contracting state is located, which proves the person's compliance with the specified requirements.

(3) A person who, in accordance with the requirements set out in § 4 subsections 3–5 or § 5 subsection 1 or subsections 3–5 of this Act, has engaged in the production of agricultural products or forest management in Estonia, submits a notary, bailiff, bankruptcy administrator or the local government unit where the immovable is located about this Tax and Customs Board certificate.

Chapter 3

State defense restrictions on the acquisition of real estate

§ 10. National defense restrictions

(1) A natural person who is not a citizen of a contracting state of the European Economic Area or the United Kingdom of Great Britain and Northern Ireland, or a legal entity whose seat is not in a contracting state of the European Economic Area or the United Kingdom of

Great Britain and Northern Ireland, is prohibited from acquiring real estate on the following land areas or land - in the event of a change in the size or name of the areas within their existing boundaries as of December 31, 1999:

[RT I, 30.09.2021, 2 - entered into force. 10.10.2021]

- 1) sea islands, with the exception of Saare- and Hiiumaa, Muhu and Vormsi;
- 2) Ida-Virumaa: Narva, Narva-Jõesuu and Sillamäe city, Alajõe, Iisaku, Illuka, Toila and Vaivara parishes;
- 3) Tartum County: Meeksi and Piirissaare municipality;
- 4) Põlva county: Mikitamäe, Orava, Rõpina and Värskä parishes;
- 5) Võrumaa: Meremäe, Misso and Vastseliina parish.

(2) In the event of a nationally important reason, the Government of the Republic may, by order, grant permission to the person specified in subsection 1 of this section to acquire immovable property on the land areas specified in the same subsection.

Chapter 4

Application settings

§ 11. Implementation of the Act

(1) The requirements provided for in this Act shall apply to the application for a permit for the acquisition of immovable property submitted on the basis of the previously valid Real Estate Acquisition Restriction Act and shall be processed on the basis and procedure provided for in this Act.

(2) A permit for the acquisition of immovable property valid at the time of entry into force of this Act, granted on the basis of the Act on Restrictions on the Acquisition of Immovable Property in force until then, is valid until it is revoked, the validity period expires or the right granted thereby is finally realized.

(3) The permit application, which was submitted before January 1, 2018 to the county governor of the location of the immovable property, but the procedure for which has not been completed by the county governor, shall be forwarded by the county governor together with other documents collected during the administrative procedure to the local government unit by December 31, 2017 at the latest. The local government unit carries out the permit procedure in accordance with § 7 of this Act.

[RT I, 04.07.2017, 1 - enters into force. 01.01.2018]

§ 12. Repeal of the law

[Omitted from this text.]