

CONSTITUTIONAL LAW ON THE SUBJECTS, PROCEDURE, TERMS AND CONDITIONS AND RESTRICTIONS OF THE ACQUISITION INTO OWNERSHIP OF LAND PLOTS PROVIDED FOR IN ARTICLE 47, PARAGRAPH 2 OF THE CONSTITUTION OF THE REPUBLIC OF LITHUANIA

Article 1. Objectives of the Law

In implementing the provisions of Article 47, paragraph 2, of the Constitution, the following shall be established:

- 1) the subjects which may be permitted to acquire into ownership non-agricultural land plots for conducting in Lithuania activities provided for in this Law;
- 2) conditions, procedure and restrictions in compliance with which the subjects established by this Law may acquire into ownership a plot of land;
- 3) grounds for determining the size of the land plot being acquired into ownership.

Article 2. Definitions

As used in this Law:

1. "National subjects" means:
 - 1) local governments (municipalities) of the Republic of Lithuania;
 - 2) enterprises set up in accordance with the procedure established by the laws of the Republic of Lithuania and having the rights of a legal person, which have their registered office, central administration or principal place of business in Lithuania, carry out economic activities here, and in which the rights of effective control belong to the citizens of Lithuania, municipalities, the State or to other enterprises of Lithuanian origin in which the rights of effective control also belong to the citizens of Lithuania, or municipalities, or the State;
 - 3) public organisations of citizens of the Republic of Lithuania and other associations of Lithuania's citizens with the rights of a legal person, the registered offices whereof are in the territory of Lithuania and which are engaged in actual continuous (for not less than a five-year period) activities provided for in their statutes, as well as State-recognised traditional churches and other religious organisations with the rights of a legal person;
 - 4) non-profit legal persons established by the subjects listed in subparagraph 3 of paragraph 1 hereof, which engage in actual activities of social assistance and care.
2. "Foreign subjects" means:
 - 1) enterprises set up or acquired by the enterprises of foreign origin or foreign nationals and registered by the rights of a legal person in Lithuania, which have here their registered office, central administration or principal place of business, carry out their economic

activities here, and in which the rights of effective control belong to the enterprises of foreign origin or to foreign nationals;

2) enterprises of foreign origin, which have set up in Lithuania their subsidiaries or branches without the rights of legal persons for the purpose of their economic activities;

3) foreign nationals who are engaged in the set up business in Lithuania.

3. Foreign subject's origin means the belonging of a foreign enterprise which is acquiring or setting up an enterprise, subsidiary or branch in Lithuania to a corresponding foreign state where the subject is registered, has its registered office, central administration or principal place of business and with which its operations possess a real and continuous link. Real links means principal business activities in a corresponding foreign state or membership in business or professional organisations. Continuous links means duration for no less than a five-year period of joint activities in corresponding foreign states or duration of actual relations. When the founder is a foreign private person, his origin shall be judged from his nationality and actual continuous relations with a corresponding foreign state.

4. Rights of effective control means management of the enterprise's capital and holding of the block of shares, which ensure the possibility of taking decisions on the disposal of property and(or) enterprise management.

5. Economic activities means unlimited and permanent activities of industrial, commercial and professional character and the activities of craftsmen or other activities in Lithuania, which have been established and registered in accordance with the procedure established by law whereby profit is sought in compliance with the procedure and conditions established by the laws of the Republic of Lithuania. Direct economic activities means specific economic activities stated in the documents of founding in Lithuania of the enterprise or its subsidiary or branch.

6. Non-agricultural land plots means plots of land which, according to the detailed plans approved by the State in the established manner, are designated for the construction of buildings and facilities required for special-purpose activities as well as land plots under the existing buildings and facilities designated for special-purpose activities which are necessary for the operation of said buildings and facilities.

7. Buildings and facilities means such buildings and facilities which are connected with the land and which may not be moved without changing their purpose and essence:

1) buildings and facilities of enterprises, their subsidiaries or branches as well as buildings and facilities required for the direct economic activities of foreign nationals in Lithuania;

2) buildings and facilities required for the performance of direct functions of the national subjects -legal persons which are not enterprises;

3) buildings and facilities required for the implementation of functions of municipalities as established by law.

Article 3. Subjects which may be Permitted to Acquire Land Plots into Ownership
Acquisition into ownership of land plots required for the construction and operation of buildings and facilities shall be permitted under this Law to:

- 1) national subjects;
- 2) foreign subjects whose origin corresponds to the one set forth in Article 4 of this Law, with the exception of foreign nationals;
- 3) foreign nationals - no later than after the expiry of the transitional period provided for by the Europe Agreement establishing the Association of the European Communities and their member states and the Republic of Lithuania.

Article 4. Foreign Subjects Meeting the Criteria of European and Transatlantic Integration

The criteria of European and Transatlantic integration embarked on by Lithuania shall be met by the foreign subjects which, judging by the indicators of their origin, are from:

- 1) the European Union member states or States Parties to the Europe Agreement which have established the Association with the European Communities and their member states;
- 2) states which at the moment of the enactment of this Law are members of the Organisation for Economic Co-operation and Development (OECD) or the North Atlantic Treaty Organisation.

Article 5. Rights of other Foreign Subjects

Foreign subjects which do not meet the criteria set forth in Article 4 of this Law and which conduct economic activities in Lithuania may only be leased land plots required for the construction and operation of buildings and facilities designated for the above activities.

Article 6. Land Plots which may be Acquired by the Subjects Specified in this Law

1. Complying with the procedure and conditions established in this Law, municipalities may acquire into ownership non-agricultural land plots necessary for the operation of buildings and facilities designated for the purpose of implementation of their functions as well as land plots for the construction of such buildings and facilities designated for the above-mentioned purpose, with the exception of land, specified in Article 7 of this Law.
2. Other subjects determined by this Law may acquire into ownership, complying with the procedure and conditions established in this Law, non-agricultural land plots necessary for the operation of the existing buildings and facilities designated for the purpose of their direct activities as well as land plots for the construction and operation of such buildings and facilities, with the exception of land specified in Article 7 of this Law. Other land which is necessary for their direct economic activities in Lithuania may only be leased by the above-mentioned subjects.

Article 7. Land which may not be Acquired by the Subjects Determined by this Law

1. The subjects determined by this Law may not acquire into ownership the following land:

- 1) land under the objects belonging to the Republic of Lithuania by the right of exclusive ownership;
- 2) land of national parks, national reservations, reserves, protective area of the territory of biosphere monitoring;
- 3) agricultural land;
- 4) forestry land, with the exception of plots necessary for operation of buildings and facilities designated for economic activities which have been provided for in the approved planning documents;
- 5) land of recreational forests and forest shelter belts, rivers and other water bodies exceeding 1 hectare in size as well as their protective bank area;
- 6) land of resorts and communal recreational territories, separate communal public recreational areas and objects;
- 7) land of state-protected natural carcass, monuments of nature, history, archaeology and culture as well as the surrounding protective areas;
- 8) land of territories reserved, according to design projects, under communal roads and engineering service lines, objects of infrastructure of communal use in towns or other localities, and for other common needs of the community;
- 9) land under public roads, railway lines, airports, sea and river ports, main pipe-lines and other engineering service lines of communal use as well as land necessary for their operation;
- 10) land allotted, in accordance with the procedure established by law, under the free trade (economic) zones territory;
- 11) land of protected territories where deposits of mineral resources and other natural resources have been found, with the exception of land which, according to planning documents, has been directly allotted for the construction of buildings and facilities required for the mining or use of said mineral resources;
- 12) land of the Curonian Spit, the 15-km wide strip of coastal land of the Baltic Sea and the Curonian Lagoon, with the exception of towns that are not resorts;
- 13) land assigned to the frontier;
- 14) land of the territories assigned or reserved for the needs of the national defence as well as territories where land acquisition restrictions are established by laws or Government decrees for safety reasons.

2. The prohibition set forth in sub-paragraph 12, paragraph 1 hereof shall not apply to the municipalities of appropriate territories wishing to acquire a plot of land required for the operation of buildings and facilities designated for the performance of their functions prescribed by law or for the construction of such buildings and facilities.

Article 8. Prohibition to Sell Land prior to the Restoration of Citizens' Rights to it

The subject who holds the land to which, under the laws of the Republic of Lithuania, the rights of ownership of a citizen of the Republic of Lithuania must be restored may not sell the land prior to the restoration of said rights. The subjects specified by law may acquire such land only after the restoration, in accordance with law, of the ownership rights to the citizen of the Republic of Lithuania and after the registration of land ownership in accordance with the procedure established by law.

Article 9. Determining the Size of the Land Plot being Acquired

The size of the land plot, required for the operation, according to their functional requirements, of buildings and facilities designated for economic activities, including land for the facilities appurtenant to the buildings shall be determined according to the plan of the land plot with the buildings and facilities located thereon which has been approved by the authorised institution and drawn up in compliance with the design standards and technical conditions as well as rational land use requirements valid or recognised in the Republic of Lithuania.

Land plot boundaries shall be approved according to the procedure established by law.

Article 10. Procedure for the Issue of Permits to Acquire a Land Plot

1. The subjects as defined in this Law, which desire to acquire a plot of non- agricultural land shall file a written application with the Government of the Republic of Lithuania.

2. An enterprise that applies for the permit for the acquisition into ownership a land plot must, along with the application, submit documents and other official information specified by the Government, necessary for the determining the origin of the subject and the possessor of the rights of effective control, as well as documentation provided by the state land surveyor, concerning the plot in question. If the permit is requested for the acquisition of a land plot for the construction of buildings or facilities necessary for economic activities, the investing subjects must also furnish required information as to the capital being invested, specific investments and the plans of direct economic activities in Lithuania, creation of new jobs being, and environmental safety guarantees.

3. The subjects specified in Article 2 of this Law, except enterprises and municipalities, that are willing to obtain the permit for the acquisition into their ownership a land plot for the operation of buildings and facilities necessary for their direct activities or for the construction of such buildings and facilities, must, along with the application, submit documents

evidencing that the subject and the purpose of the property being acquired meet the conditions established by this Law.

4. The subject who applies for the permit for the acquisition of a land plot for the investment associated with the construction of buildings and facilities, must make a written obligation to the Government of the Republic of Lithuania to complete the construction of buildings and facilities by a certain deadline and to start economic activities of a certain planned type. The subject that fails to fulfill its obligations shall pay penalties in the amount prescribed by the law.

5. The agency that keeps land cadastre must, at the request of the owner, issue necessary documentation concerning the plot of land.

6. The Government shall set the form of the application, specify the documents and information that must be submitted, as well as establish the procedures for filing and consideration of applications and the issue of permits.

7. Upon receipt of an application for the acquisition of a land plot into the ownership, the Government or an institution authorised by it, shall consider it and being ascertained that the entity which desires to acquire a land plot and said plot meet the conditions established by this Law, shall adopt the decision relative to the issue of permit.

8. The permission to acquire a land plot may not be granted if the requested activity is subject to restrictions or prohibitions established by the law or other legal act.

Article 11. The Seimas Commission Supervising the Implementation of this Law

The Seimas, adhering to the principle of proportional representation of parliamentary groups, shall form the commission which, acting in accordance with the powers conferred on it by the Seimas and its approved regulations, shall supervise whether the Government or an institution authorised by it issue permits to subjects that meet the conditions established by this Law for the acquisition into their ownership the land plots necessary for the construction and operation of buildings and facilities.

Article 12. Methods of the Acquisition into the Ownership of Land Plots

Upon obtaining the Government's permission, the subjects specified in Article 3 of this Law may acquire a plot of land:

1. From the citizens of the Republic of Lithuania and the subjects specified in this Law with the exception of land which is the property of the State or a municipality by the following methods :

- 1) by purchase;
- 2) by exchange;
- 3) other methods that do not contradict the conditions established by this law.

2. The land which is the property of the State and municipalities:

- a) by public purchase-sale;
 - b) in the case the buildings and facilities are owned already by an entity that meets the conditions established by this Law and it rents the land from the state -by purchase.
3. Special procedures for the acquisition and transfer of the land plots necessary for the fulfilment of the functions of municipalities shall be established by the law.

Article 13. Conditions of the Transfer of Land to other Person

1. The subjects may transfer the land plot acquired into the ownership in accordance with the procedure and conditions established by this Law to the citizens of the Republic of Lithuania and the State of Lithuania without restrictions, whereas to other subjects specified by this Law - only in accordance with the procedure and conditions provided by this Law.
2. The provision of this Article shall also apply when acquiring a shareholding ensuring effective control of an enterprise.

Article 14. Land Plot Transfer Transactions

1. The transaction of the acquisition of a land plot irrespective of the method of acquisition must be notarised and registered in accordance with the procedure established by the law. The notary may certify the transaction only after the permit issued in accordance with the procedure established by this Law is presented.
2. No transaction may be concluded and shall be in effect under which the land plot with the buildings and facilities on it has been acquired into the ownership by a subject that does not meet the conditions established by this Law.

Article 15. Declaring Land Acquisition Transactions Invalid

1. If the permit to acquire a land plot has been issued on the basis of submitted fraudulent information or not in compliance with the procedure and conditions established by laws, the permit and the transaction concluded on the basis thereof may be declared invalid by court.
2. Land transfer transactions violating the requirements of this or other laws shall be declared invalid by court.
3. Special statute of limitations shall apply in respect to transactions concluded in violation of the conditions, procedure and restrictions established by this Law.

Article 16. This Law and International Agreements

1. The right of foreign subjects, whose origin is specified in Article 4 of this Law, to acquire land plots in Lithuania shall be the preference the purpose whereof is the

implementation of the European and Transatlantic integration into state alliances and organisations embarked on by Lithuania and the provisions of the Europe Agreement establishing an association between the European Communities and their Member States and the Republic of Lithuania. This preference shall be applied on the reciprocal basis, when the subjects of Lithuanian origin are accorded not less rights in a foreign state.

2. No international agreement may be concluded and shall not be valid, which would establish the right to acquire land plots into the ownership to foreign subjects which do not meet the conditions specified in Article 4 of this Law.

3. No international agreement of the Republic of Lithuania concluded prior to the entry into force of this Law, with the exception of the agreement specified in paragraph 1 hereof, may be interpreted as providing the grounds for the obtaining the permit to acquire a land plot into the ownership to foreign subjects which do not meet the conditions of Article 3 of this Law.

Article 17. Entering of the Law into the List of Constitutional Laws

This constitutional law must be entered into the list of Constitutional Laws of the Republic of Lithuania.

Article 18. Entry into Force of this Law

1. This Law shall enter into force on the day after the entry into force of Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Lithuania, of the other part.

2. From the day on which the Republic of Lithuania becomes a full and equal member of the European Union and until the adoption of the law replacing this constitutional law only those provisions of this Law shall be in force which will not contradict the agreement of Lithuanian's membership in the European Union.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

Algirdas Brazauskas
President of the Republic

Vilnius
20 June 1996
No. I-1392