

Serbia: New Rules for Purchase of Agricultural Land to Kick in By September

[As reported earlier](#), Serbia will soon revise the conditions for foreign ownership of agricultural land. The country's agricultural minister has now shared more details on how this change will be effected.

According to the minister, Serbia is planning to introduce a minimum residency requirement for anyone wishing to acquire land in the country. The minister at this point did not reveal what the minimum duration of residency for this purpose will be. He did, however, announce that the requirement will apply to individuals and legal persons alike.

Currently, foreign individuals and legal entities are expressly forbidden from owning agricultural land in Serbia. However, this strict rule can be circumvented by a foreigner establishing a company in Serbia and then purchasing the land through such company. It appears that following the amendments the circumvention will be more difficult, if the new rules would mandate that the company was resident in Serbia for a certain period of time prior to land purchase.

The draft amendments are expected to be published in June, when the interested public will be able to comment on them. The government is seeking to adopt the changes to the law before September 1, as that is the date from which Serbia must allow EU nationals to purchase agricultural land in Serbia under the same conditions as locals. And the government's fear appears to be that overly liberalized land purchase regime would lead to foreigners buying out large lots of Serbian land.

So, the government's idea seems to be to, on the one hand, liberalize the conditions for foreigners (as they currently cannot purchase agricultural land at all – at least not directly) and, on the other hand, to toughen them for locals – in order to have the same rules applicable to everyone.

More details about the upcoming changes will be available once the Ministry of Agriculture publishes the draft amendments. In any event, for foreigners wishing to invest in agricultural land in Serbia now may be a good time to act, by establishing a local limited liability company and purchasing the land through it. Otherwise, the risk is that, if the minimum residency requirement is indeed introduced, newly established companies would not be able to purchase agricultural land.