



THE AGRICULTURAL LAND ACT: THE TERMINATION OF THE MORATORIUM PERIOD FOR THE PURCHASE OF AGRICULTURAL LAND BY EUROPEAN UNION (EU) ENTITIES FROM JULY 1ST, 2023

August 21, 2023 > [Croatia](#) >

Acquisition of ownership over agricultural land in the Republic of Croatia

The Republic of Croatia holds a particular interest in safeguarding agricultural land as a valuable asset, warranting its distinct protection.

Therefore, citizens of third countries and legal entities with their registered seat in third countries are excluded from acquiring ownership over agricultural land in the Republic of Croatia unless otherwise determined by international agreement / special regulation or through inheritance by fulfilling the condition of reciprocity.

Furthermore, when the Republic of Croatia entered the European Union (EU) on July 1st, 2013, the ownership acquisition regime for EU citizens and legal entities with their registered seat in EU over agricultural land in the Republic of Croatia remained equal to that of the acquisition regime for citizens of third countries and legal entities with their registered seat in third countries.

Following Croatia's entry into the EU, there was an initial seven-year moratorium on agricultural land acquisition for EU citizens and legal entities with their registered seat in EU, which was later prolonged for an additional three years.

The significance of the Termination of the Moratorium Period

The purpose of the transition period was to prevent the potential rise in agricultural land prices in Croatia following its EU accession. This increase could result from the greater purchasing power of citizens from specific member states, consequently

limiting Croatian farmers' access to agricultural land and slowing down the essential agricultural sector restructuring process.

Precisely on the 10th anniversary of Croatia's EU accession, which fell on the first day of July, 2023, the moratorium, i.e. decision concerning the exemption from market liberalization – a measure aimed at shielding the agricultural sector against potential negative effects arising from the liberalized acquisition of agricultural land – ceased to be valid.

Therefore, EU citizens and entities with registered seat in EU are now able to freely acquire agricultural land in Croatia by meeting all the criteria determined for Croatian nationals and entities.

Conclusion

The Termination of the Moratorium Period which entered into force on July 1st, 2023 exempted EU citizens and entities with registered seat in EU from market restrictions, allowing them to acquire agricultural land of the Republic of Croatia under the same criteria as locals.

Although this situation benefits EU citizens and entities with registered seat in EU and it enables market freedom, Croatian farmers are concerned about the potential impact of the new circumstances on sectors that are already vulnerable and have experienced shocks, such as livestock and dairy.

Furthermore, during decade-long moratorium timeframe it was imperative to finalize land restitution and privatization processes, while also addressing cadastre and ownership rights regulations, which was failed to accomplish in its entirety.

In those circumstances, further implications of this moratorium termination will most definitely be the subject for future discussions.

Authors : Koraljka Devčić (Associate) and Anita Krizmanić (Partner)



More from Macesic & Partners LLC

- The Agricultural Land Act: the Termination of the Moratorium Period for the purchase of agricultural land by European Union (EU) entities from July 1st, 2023