

IMPORTANT COMMUNICATION IN RELATION TO RECENT LEGISLATIVE CHANGES OVER THE PURCHASE OF REAL ESTATE FOR FOREIGN CITIZENS NOT RESIDENT IN CHINA

The central Office of the Land Registry has recently published a memo entitled "on the official Governmental document n 131 2008" - a temporary legislative decree deliberated by the Chinese Government that, in view of promoting the development of the Real Estate Market, January 1st to December 31st 2009, has decided to suspend the norm that forbade the purchase of real estate to private citizens of foreign nationality unless done through a Company in China, thereby taking up residence.

In practical terms the law forbid private citizens from participating competitively in the purchase of real estate.

From today onwards, thanks to the institution of diplomatic and commercial relations between China and other countries, and in response to the pressing demand from companies operating in the field of real estate, a person not resident and not of Chinese nationality can proceed to the purchase of a real estate site on the Chinese territory.

In order to clarify the terms of this decree to readers, the "Housing Authority", following consultation with the National Commission for Building in Beijing has divulged the following statements:

1. A foreign citizen as person can purchase real estate, and doesn't have to request, as before, the "certificate of residence in China ", or to open a company in China; starting today, a travel Visa and a Visa for entering China are enough, and the purchase can take place directly.
2. A foreign citizen as a natural person can purchase no more than one house as private residence, while in respect to real estate for commercial use, offices and other types of buildings, he/she can purchase more than one. The prohibition of location to third parties is abolished, but the management of the location cannot be entrusted to the person not resident in China, for concerning this aspect the responsibility of managing the relationship remains entrusted to a company of Chinese origin.
3. The present legislative decree doesn't concern professional operators in the real estate field (estate agencies, real estate broker and others); for them, the provisions of the law for the purchase and the sale of real estate remain unvaried.