

The usufructuary may not enter into a land use right agreement in all cases

What happened to the usufructuary right to arable lands established under agreements concluded between persons who are not close relatives? – An expert of Kovács Réti Szegheő Law Firm asks. The most important implication of the termination of the usufructuary right by virtue of the new Act on transactions in agricultural and forestry land is that the usufructuary whose usufructuary right was terminated by virtue of the law as of 1 May, may no longer enter into a valid land use right agreement, or if s/he does, it shall be deemed as null and void – dr. Enikő Vida warns.

The usufructuary right to (and the right to use) arable lands established under agreement concluded between persons who are not close relatives was extinguished on 1 May 2014 when the new Act on transactions in agricultural and forestry land (Act CCXII of 2013) entered into force, by virtue of such law.

The physical person usufructuaries will be required to make a statement upon invitation from the land registry offices sent until 31 October 2014 within 15 days regarding the existence of the relationship of close relatives with the person who has established the usufructuary right.

Whereas the usufructuary right established under agreements concluded between persons who are not close relatives was extinguished on 1 May, the agreement concluded by the holder of the usufructuary right established under such agreement regarding the transfer of land use right was terminated on 1 September 2014 by virtue of law – the expert of Kovács Réti Szegheő Law Firm stated.

Deletion ex-officio

The usufructuary right registered in favour of a legal entity and an organisation without legal personality and extinguished will be deleted by the land registry offices prior to or on 31 December 2014 *ex officio* from the land registry.

The physical person usufructuaries shall declare on forms regarding the existence of the relationship of close relatives between them and the person who has established the usufructuary right, the owner of the real property as stated in the instrument serving as basis for registration.

No application for certificate is allowed

It is very important that on account of the failure to meet the 15-day deadline after the receipt of the invitation from the land registry office, no application for issuing a certificate will be allowed after 31 December 2014 – dr. Enikő Vida warns.

If based on the statement of a private individual, no relationship of close relatives exists or the right holder fails to make a statement within the deadline, the land registry office will delete *ex officio* the registered usufructuary right from the land register within six months after the elapse of the time limit granted for making a statement but not later than until 31 July 2015.

One of the most important implications of the expiry of the usufructuary right by virtue of the law is that the usufructuary, whose usufructuary right was extinguished on 1 May by virtue of the law, may no longer (thus not before deletion either) enter into a valid land use right agreement but if s/he does, it is considered null and void – the expert of Kovács Réti Szegheő Law Firm summarises.