

SWISS LAW (FEDERAL LAW ON THE ACQUISITION OF REAL ESTATE BY NON-SWISS RESIDENT (LFAIE))

SO-CALLED « LEX KOLLER »

**Summary of current rules to resale to a foreign person:**

- 1) In order to be able to resell its property to foreign customers, the Swiss seller must be registered as owner in the Land Registry for **more than 5 years**.
- 2) The property must not exceed the net floor area, also called surface for foreigners, of 200 m<sup>2</sup> (with possibility of negotiating a few tens of square meters).
- 3) The property must be located in a tourist area. For the Commune of Bagnes, it is only Verbier-Station and the Mayens of Bruson.
- 4) A foreign purchaser who does not hold a Swiss resident permit (with an effective residence) must apply for a LFAIE permit. Those authorizations are restricted.

The procedure is as follows :

- a) The foreign purchaser signs a document called "Notice of Intent" that states his wishes to acquire the described property and that he has no other property in Switzerland.
- b) A draft deed of sale must be prepared by a notary, accompanied by plans and a surface certificate signed by an architect. Everything is then sent to the Legal Office of the Land Registry and Geomatics Department in Sion (State of Valais).
- c) The Office shall respond, usually within 15 days, and shall advise whether the file is acceptable and if a quota unit may be allocated for such sale.
- d) Upon receipt of this notice, all parties must sign the final deed of sale and send it back to the aforementioned Office within **30 days**. If the time limit is not respected, the guarantee of the quota unit becomes null.

It should be noted that the competent authority shall **prohibit any instalment payment** until the guarantee for the quota unit is granted. As a result, the purchaser is not financially bound during the waiting period. Both the purchaser and the seller can therefore change their minds as long as the definitive deed of sale has not been signed.

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Agence Eugster SA - Verbier