

## The practical impact of the judgement of the Court of Justice of the European Union on the acquisition of agricultural land in the Republic of Latvia.

As was reported this summer, on June 11, 2020, the Court of Justice of the European Union (hereinafter – the Court) delivered a judgment in case C-206/19 (hereinafter – the Judgment) on the compliance of the Law “On Land Privatisation in Rural Areas” (hereinafter – the Law) with the provisions of the European Union law.

The Court concluded that requirements set to foreign owners and representatives of companies regarding their proficiency of the national language and place of residence<sup>1</sup> involves direct discrimination on grounds of nationality, restricts the freedom of establishment of nationals of other Member States and is precluding to Articles 9, 10 and 14 of Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

Now that more than five months have passed since the Judgement, it is possible to have the first assessment of the practical impact of the Judgement. No amendments have yet been made to the Law; however, **our experience shows positive developments in matters concerning obtaining consent to the acquisition of agricultural land into ownership from local governments**, which are responsible for monitoring the lawfulness of transactions involving agricultural land.

Although the sample size is small, it shows that the principle of the supremacy of European Union law over national law prevails, as **multiple companies owned by non-Latvian EU citizens have been given consent to obtain agricultural land despite their lack of knowledge of Latvian language and their place of residence outside the Republic of Latvia**.

This gives a reason to expect that citizens of the Member States of the European Union, as well as of the countries of the European Economic Area, the Swiss Confederation and the Organisation for Economic Co-operation and Development will be able to acquire ownership of agricultural land (directly or through legal entities) under the same conditions as citizens of Latvia, provided that no other restrictions are imposed on them in future.

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<sup>1</sup> Article 28.1, Paragraph one, Clause 2 (f) of the Law “On Land Privatisation in Rural Areas” stipulates that the right of legal persons to acquire agricultural land in the territory of the Republic of Latvia is subject to the condition that the owner or owners representing more than half of the voting capital in the company and all persons entitled to represent the company, if they are nationals of other European Union Member States, citizens of states of the European Economic Area and the Swiss Confederation, have received the registration certificate of the Union citizen (have registered as residents of the Republic of Latvia) and a certificate regarding the proficiency of the national language at least at B2 level.