



CHANGES IN THE PROCEDURE FOR REGISTRATION OF REAL ESTATE

For the attention of heads of companies which are active in the real estate market

Pepeliaev Group advises that by 2017 a unified system for keeping records of real estate should be created in Russia

At present, the areas of state registration of rights to real estate and state cadastral record-keeping for real estate remain under double regulation based on two independent federal laws. Descriptions of real estate items and information about rights to them are kept in two different information resources: the Unified State Register of Real Estate (the “Real Estate Rights Register”) and the State Real Estate Cadastre (the “Cadastre”).

Such regulation often creates differences in the data that is stored in these information resources, which creates difficulties for right holders.

On 13 July the Russian President signed Federal Law No. 218-FZ “On the state registration of real estate” (the “Law”). The changes will come into force on 1 January 2017, except for several provisions which will become effective on 1 January 2020.

The most important provisions of the new Law are as follows.

The purpose of the Law is to create a uniform federal system in the area of state registration of rights to real estate and cadastral record-keeping for real estate, and to create a Uniform State Register of Real Estate (the “Real Estate Register”).

The Law introduces a uniform procedure for registration and record-keeping with respect to real estate items. This will remove the need to file a separate application for a real estate item to be entered into state cadastral records for the purpose of the subsequent state registration of rights to such real estate item. Thus, the Law will simplify the procedure for registering rights to real estate and will reduce the number of steps in the registration and record-keeping procedures. This means that the time required to register rights to real estate will be reduced to a minimum.

The Law provides that timeframes should be reduced for state cadastral registration and state registration of real estate rights and transactions. Starting from 2017, a differentiated timeframe will be introduced, which will be from 3 to 12 days (at present it is 18 days). Please note that if the documents are filed with a multi-functional centre, then the timeframe for registration and record-keeping procedures will be longer as compared with when the documents are filed with the registration authority.

It should also be mentioned that registration and record-keeping services will be transferred to an electronic form. Additionally, the Law entrenches the extraterritoriality principle, meaning that applicants may file documents independently of where the real estate items are located.

Another new development is that right holders and those who acquire rights will no longer be required to file an application for the state registration of rights which arise by operation of law. State and local authorities will send this information to the Federal Service for State Registration, Cadastre and Cartography by in the context of interdepartmental interaction and notaries will send it in the context of informational interaction.

The agencies mentioned above will have an obligation to send information about the results of the cadastral assessment of real estate, permitted use of the real estate, real estate items being entered into the register of cultural heritage sites, land categories, etc., for such information to be entered into the Real Estate Register. The Law establishes the details of how rights can be registered through notaries including registration of rights within one business day based on using notarised documents.

It is expected that the new procedure for information to be entered into the Real Estate Register will ensure that more reliable and better quality information on real estate items is entered into this Register, and will reduce the financial and time burden on applicants.

What to think about and what to do

The new law is intended to change completely the existing system of state registration and record-keeping of real estate.

We have reviewed the most important provisions of the new Law and in the future we will continue to acquaint you in more detail with the forthcoming changes.

Help from your adviser

Pepeliaev Group's lawyers provide comprehensive help and legal assistance on all matters connected with the current procedures for state registration of rights to real estate and cadastral record-keeping of real estate items. They are ready to answer any questions regarding the new regulation.

Contact details



Alexey Konevsky
Partner,
Head of Land, Real Estate and
Construction Practice
Pepeliaev Group
Tel.: +7 (495) 967-00-07
a.konevsky@pgplaw.ru



Sergey Spasennov
Partner (St Petersburg)
Pepeliaev Group
Tel.: +7 (812) 640-60-10
E-mail: s.spasennov@pgplaw.ru



Egor Lysenko
Head of Siberian office
“Pepeliaev Group”
(Krasnoyarsk)
Tel.: +7 (391) 277-73-00
E-mail: e.lysenko@pgplaw.ru