



## ISSUES RELATING TO FOREIGN INVESTMENT

### AUSTRIA

### CHSH

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- 1. Is state governmental permission required for foreign investors to acquire real estate? If so, please identify.**

The laws on the transfer of land of the federal states of Austria provide for restrictions on the acquisition of real properties, of certain rights in rem (such as for example building rights, usufruct) and on the conclusion of lease agreements concerning real properties by a foreigner or by a company in which foreigners hold the majority of the shares. For such transactions foreigners basically have to obtain the approval of the land transfer authorities. EU and EEA residents are treated like Austrian citizens and are therefore exempt from this requirement.

- 2. Are there other state restrictions imposed on ownership of real estate by foreign investors? To acquire interests in entities which own real estate? If so, please identify.**

Some federal states (for example, Vorarlberg) restrict the transfer of shares or the increase of the share capital of an Austrian company or an Austrian partnership owning real estate in the relevant federal state. For such transactions foreigners basically have to obtain the approval of the land transfer authorities. EU and EEA residents are treated like Austrian citizens and are therefore exempt from this requirement.

**3. Are foreign investors required to invest with a local partner? If not, is investment with a local partner advisable?**

Foreign investors are not required to invest with a local partner.

**4. What state taxes are levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate?**

There are no specific state taxes levied solely on foreign individuals or entities.

**5. Describe reporting requirements for reporting the acquisition, ownership or disposition of real estate which relate solely to foreign direct or indirect owners of real estate.**

According to the Foreign Currency Act 2004 the National Bank (OENB) can provide that certain disposals upon real properties require the approval of the OENB. Furthermore, the OENB can interdict certain disposals upon real properties. So far, the OENB has not issued any regulation according to which approval for the abovementioned transactions has to be obtained. However, the purchase of real estate located in Austria by an Austrian citizen from a foreigner and the sale of real estate located in Austria from an Austrian citizen to a foreigner has to be reported to the OENB. Furthermore, the repatriation of profits or the return of capital to foreigners has to be reported to the OENB.