



ISSUES RELATING TO COMMERCIAL LEASING

BOLIVIA

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CONTACT INFORMATION

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- 1. Describe [National][state][territorial][provincial] or local transfer taxes payable on creation or assignment of a lease.**

There are no taxes payable on creation or assignment of a lease.

- 2. Describe any legal restrictions limiting the maximum term of a lease (including renewals).**

The law establishes a maximum of 10 years for the duration of a lease, however, if the purpose of the lease agreement is for a dwelling it is not affected by this restriction, unless: (1) If the tenant voluntarily delivers the property to the landlord. (2) Death of the tenant, except if the spouse and minor children are living in the property. (3) A final judgment of eviction is issued for causes expressly established in the law.

- 3. Describe any laws requiring landlords to allow a tenant to renew its lease.**

Any renewal of a lease should be with the consent of the contracting parties.

- 4. Describe any restrictions on rent that may be charged for to a tenant.**

There are no restrictions on rent that may be charged to a tenant.

5. Describe any laws permitting tenants to terminate a lease prior to its stated expiration date.

Permitting tenants to terminate a lease prior to its stated expiration date.

6. Describe any laws allowing tenants to assign or sublease without landlord's consent.

There are no laws allowing tenants to assign or sublease without the landlord's consent.

7. Describe any laws allowing landlord to restrict assignments or subleases by tenants.

There are no laws allowing landlords to restrict assignments or subleases by tenants.

8. What is the common form of eviction proceeding? What is the customary length of time for that proceeding?

The common form for eviction is the filing of a legal action. The length of time for the proceeding can well be over 5 years.

9. Are there any legal restrictions on pledging a leasehold interest as security for a financing?

There are no restrictions on pledging a leasehold interest.

10. Describe any requirements for landlords to hold security deposits in separate accounts and, if such requirements exist, describe if there can be one separate account for all tenant security deposits or whether each security deposit must be held in its own separate security deposit.

None.

11. Describe any required statutory or other legal disclosures to be made to all tenants.

None.

12. Describe all taxes on rent or other taxes that landlord are required to collect from tenants.

For any rent collected from tenants the landlord must issue an invoice that in the amount of the rent it should be included the VAT of 13% and the transaction tax of 3%.

13. Describe any limitations on the ability of landlords to exercise self-help.

Under the law, landlords may not exercise any self-help.

14. Describe whether remedies such as acceleration of rent must be expressly stated or whether they are implied.

Acceleration of rent must be expressly stated.

- 15. Describe whether there are any expedited remedies for tenant default and, if so, what lease provisions (such as waiver of jury trial, for example) would be required for a landlord to seek expedited remedies.**

There are no expedited remedies for tenant default.

- 16. Describe any formal requirements for the execution of a lease.**

The formal requirement for the execution of a lease is to file a legal action with the courts.

- 17. Describe whether a memorandum of lease or other document would need to be recorded for the lease to be enforceable against third parties.**

The Real Estate Law provides that lease agreements for duration of more than five years can be recorded with the Real Estate Office. This recording makes the lease agreement enforceable against third parties.

- 18. Describe any restrictions on the transfer of ownership of real properties subject to a lease. Does such a transfer affect the tenant's rights or obligations?**

If the landlord transfers ownership of the real property subject to a lease, this transfer shall not affect the tenants rights or obligations, provided, however, that the signatures of the contracted parties are acknowledged with a judge.