



## Buying apartment in Ukraine

Any foreign citizen and legal entities can acquire, own and dispose of real property located in Ukraine. These proprietary rights are guaranteed by the Constitution and the Civil Code of Ukraine. The Ukrainian law permits owners of real property not only to own it but also to use such property for commercial purposes and gain profits from it.

Ukrainian laws provide for several ways of acquisition of real property in Ukraine, the most widespread one still being purchasing real property.

In Ukrainian property law, the legal estate (ownership of the property) is conveyed by entering into a purchase agreement which needs to be in writing, certified by the notary and registered.

The purchase price is agreed by the seller and the buyer. However, the purchase price can not be less than the expert value evaluated by the BTI (bureau of technical inventory). The expert evaluation can be applied for with the local BTI which issues an evaluation certificate.

When certifying the purchase agreement the notary will need to check the passport and Ukrainian tax identification code of the foreigner. Therefore, any foreign national intending to buy or sell real property will need to apply with the local tax authorities for a tax identification code (in practice, the application process for the personal tax ID takes up to 2 weeks).

Besides, the notary involved in the transaction has also to prove the seller's capacity to sell the property, inspect their title of the property along with any encumbrances affecting the property. Once the purchase agreement has been executed and certified by the notary, the notary makes a record of the purchase agreement in the state contract register.

Under Ukrainian law, the buyer becomes a lawful owner of the property only after their ownership right has been registered with the local BTI. Registration takes on average 30 days after the buyer submits a registration application.

When making a purchase deal following costs shall apply:

- notary fees for certification of the purchase agreement: 1% of the purchase price stated in the agreement;
- state pension fund charge applicable to the sale of real property: 1% of the purchase price.

In practice, the buyer and the seller agree to share the above expenses related to the deal (50/50 split).

It should also be noted that before purchasing real property in Ukraine a legal due diligence of the property is strongly advisable.

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