

Issue of Title Deeds and the Specific Performance Law in Cyprus

There are many people who buy Cyprus Property without Title Deeds being available and the majority of property is purchased and sold that way.

But when Title Deeds do become available you have to pay the Property Transfer Tax.

(Links follow for full information

<http://www.girltalk.pcs-net.com/b2/property-regulations/>

<http://www.girltalk.pcs-net.com/b2/tax-tips/valuations-for-property-transfer-tax/>)

So when and how do your Title Deeds become available and when they do is there any time limit to obtain the Title Deeds. What is the position if I do not do so?

Past Advice taken from the Cyprus Forum

<http://www.moi.gov.cy/moi/citizenscharter/CitizensCharter.nsf/All/14024F191F54EBBAC2256E550020466D?OpenDocument>

Quote:

The deposit of the contract of sale creates an encumbrance, which expires within six months from the date of the contract of sale or six months from the last date of transfer specified therein.

Members Cyprus Lawyer wrote

Quote:

The specific performance (registration of your contract with the Lands Office) is enforceable and can be executed within 6 months that it is practically and legally possible. In cases like yours the time of **the 6 months starts from the moment the title deeds are made available through the subdivision, something for which you will be notified immediately by the vendors.**

Nigel Howarth says

Quote:

Member wrote "The vendor of the land has not notified me at any time that the Title Deeds are available."

Nigel Howarth says "He does not have to notify you."

Past Advice taken from the CyprusLiving Forum

Nigel Howarth says

Quote:

I believe this means that you have six months to transfer ownership of the property transferred to your name once the Title Deed has been issued. If you fail to do so, the claim you have against the property resulting from depositing your contract of sale for Specific Performance will expire. **If your claim does expire, I believe the vendor can change his mind about selling you the property and may possibly be able to sell it to someone else** (this is what I need Louise's opinion on).

Current Advice taken from the CyprusLiving Forum

Louise Zambartas, Resident Lawyer, CyprusLiving Forum says

"I am of the view that the developer could not sell your property again. While the specific performance right may expire, the existence of your contract does not. The Land Registry will

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not allow any property to be sold unless a prior contract of sale has been cancelled."

If the buyer does not take up his Title Deeds when he could and should have done, he may lose the right to then claim for specific performance in court.

Without that right, the buyer will have a problem in forcing the issuance of his separate Title Deed.

Past Advice taken from the Cyprus Forum

Nigel Howarth says

Quote:

But "six months from the last date of transfer specified therein" depends very much on what your contract says. It may have clause in it that look a bit like this:

Transfer and registration of the premises in the name of the purchasers or such other person or corporate body as may be nominated by them shall be

made upon:

- (a) Full and final settlement by the purchasers of any amount due under the present agreement.
- (b) Obtaining by the Purchasers or their nominees of the consent of the Council of Ministers to acquire the site.

Should the Council of Ministers refuse permission to the Purchasers to acquire the site, they shall be entitled to indicate to the Vendors any other person to whom the Vendors shall be obliged to transfer the site and to enter into any contract with the new purchaser with similar terms as the present agreement without any contestation.

In this case, the term "six months from the last date of transfer specified therein" means six months after you have paid the full price AND the Council of Ministers have given their consent to own the property.

You may even have a clause like this in your contract:

In the event that the Council of Ministers shall refuse consent to the Purchasers to purchase or refuses to permit title to the property hereby sold to be put into the name of the Purchasers nominee, then this agreement shall be deemed to create in favour of the Purchasers a lease for a period of 30 years commencing as from the date of delivery of the said Property provided that if at any time during this period of 30 years the Purchasers or their successor in title shall nominate a nominee acceptable to the Council of Ministers the Vendors hereby undertakes accordingly to transfer ownership to that nominee and put title of the Property into that nominees name. The Purchaser will take the possession of the property as soon as the payment of £52.500, is made if the payment is earlier.

In this case, the term "**six months from the last date of transfer specified therein**" means **30 years if the Council of Ministers turns down your application.**

Current Advice taken from the CyprusLiving Forum

Loiuse Zambartas , Resident Lawyer, CyprusLiving Forum says "A common reason for not being ready to take the title deeds is delay in making the application for a permit to buy the property, formerly from the Council of Ministers. **If the permit is obtained AFTER the period when the buyers were allowed by Law to require the Court to order specific performance, they are too late and therefore lose their right to enforce the registration of the property into their names.**"

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Advice Provided by The Cyprus Property & Finance Centre

So when and how do your Title Deeds become available and when they do is there any time limit to obtain the Title Deeds. What is the position if I do not do so?

Quote:

The deposit of the contract of sale creates an encumbrance, which expires within six months from the date of the contract of sale or six months from the last date of transfer specified therein.

The time of the 6 months starts from the moment the title deeds are made available through the subdivision, something for which you will be notified immediately by the vendors.

The developer could not sell your property again.

It has been said that the presence of a clause in your contract for sale referring to the requirement for Permission from the Council of Ministers could delay the six month clock counting down.

It is now clear If the permit is obtained AFTER the period when the buyers were allowed by Law to require the Court to order specific performance, they are too late and therefore lose their right to enforce the registration of the property into their names.

And if you are registered as a resident of Cyprus then the Permission from the Council of Ministers does not even apply and the countdown starts from the time that you are advised by the vendor that the Title Deeds are available.

Quote:

If you are a national of an EU member country and are resident in Cyprus, you are allowed to own as much immovable property (a term that includes both land and property) as you wish. To confirm your residency, take your passport and Temporary Resident Permit to your local District Administration Office where the officers will issue a Certificate of Permanent Residence confirming your status

Only if you are a non EU National or a EU National not registered for residency in Cyprus are you required to obtain Permission from the Council of Ministers. The latter is reported widely to be likely to be rescinded in 2009.

John Mason

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The Real Guide for Cyprus Property Buyers ™ ®