

FAN Bulletin Copy

Restrictions of Foreign Ownership of Real Property (July 26, 2023)

Valued Client,

We've seen some confusion recently with regards to the requirements of Florida's new Conveyances to Foreign Entities Act, which took effect on July 1, 2023. Foreign principals from "*foreign countries of concern*" (The People's Republic of China, Russian Federation, Islamic Republic of Iran, Democratic People's Republic of Korea, Republic of Cuba, Venezuelan regime of Nicolas Maduro, Syrian Arab Republic) are now prohibited from owning or acquiring any agricultural land or real property on or within 10 miles of any institution or "critical infrastructure" facility anywhere in Florida.

We've been fielding questions regarding the now-required Affidavit of Non-Applicability of Restriction on Foreign Ownership – Natural Person(s) and the Affidavit of Non-Applicability of Restriction on Foreign Ownership – Entity. Specifically, who needs to produce the documents and who needs to sign them? We are attaching copies of both for your convenience. Several of our underwriting partners are requiring all buyers to sign both documents at every closing.

We would be delighted to discuss these new requirements as we understand them at the present time, but since the law is so new we do not have any solid information on how it will be applied or enforced in the times to come except as contained in the attached notices. We will not, unfortunately, be able to advise individual buyers on their specific situations other than requiring that they sign and comply with the notices attached to this bulletin. We do, however, also strongly advise that foreign buyers that are citizens of one of the subject countries speak with independent legal counsel in Florida before entering into a contract to purchase real estate in Florida because the law may impact their ability to purchase the property and that inability may result in a breach of the purchase and sale agreement.

We understand that this is new to everyone in our industry. With this bulletin, we are hoping that it helps provide some guidelines to the new process. Please note, we are unable to guide you, or your client, on whether they should enter a contract to purchase. If you have questions or would like to discuss the statute in greater detail, we are always happy to hear from you to try and help as much as we can. Simply give us a call or email us, and we'll set a time to discuss.

Regards,

Florida Agency Network