
NEW DEADLINES FOR GEOREFERENCING RURAL PROPERTIES IN BRAZIL

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Introduction

According to the National Institute of Colonization and Agrarian Reform - INCRA - Brazil has about 5.5 million rural properties, of which approximately 5.2 million, or the equivalent of 94.5% have an area of less than 500 hectares.

Given the large number of rural properties, INCRA and the Brazilian Federal Revenue have been working to establish a unique rural property registration system in order to speed up and add security to access and check liens information on rural properties, thus, making it faster to negotiate and also to transfer them.

Known as the "Public System of Land Registration", or SPRT, this system was improved in 2001 after Federal Law 10,267, among other provisions, established the National Registry of Rural Properties - CNIR, responsible for unifying database information and generating a unique code to identify each rural property in Brazil. In order to allow for CNIR's general operations, the first requirement is mapping rural properties, which is considered, currently, the major obstacle to its implementation.

Aware of this need, Brazilian government initiated legislative actions to accurately map and define the areas and the

boundaries of each of these properties through georeferencing¹: Federal Law 10,267 amended the Public Records Act, determining the use of georeference in properties descriptions and listings; and Decree 7,620, extends the deadline for the georeference obligation.

The Rural Property Georeferencing Obligation

Rural property georeferencing became compulsory since the modifications of the Public Records Act. The main purpose of this obligation to real state owners is to introduce an accurate and reliable form of property delimitation, preventing doubled registrations and amending existing errors on public records.

Due to the high level of expertise, technical knowledge and access to information from surrounding properties required to georeference an area, checking the informed georeference is made by INCRA instead of Real Estate Registries, issuing the Certificate of Rural Property Registration - CCIR.

Deadline Alterations to Georeferencing Obligation

¹ Georeferencing the method used to marking lands through geographic coordinates.

The complexity of checking property coordinates to issue the CCIR proved to be very time consuming. After Decree 4,449/02 required georeference for Real Estate Registries to register dismemberments, partitions and gatherings, INCRA faced a huge demand for certification.

Therefore, in order to allow certificate issuance for all those properties, Decree 7620 extended georeference obligation deadlines, setting the following dates:

- (i) November 20th 2013 for 250 to 500 hectares properties;
- (ii) November 20th 2016 for 100 to 205 hectares properties;
- (iii) November 20th 2019 for 25 to 100 hectares properties; and
- (iv) November 20th, 2023 for properties with less than 25 hectares.

Although no fines for the noncompliance with the new terms have been settled, after these dates real estate registry alterations will no longer be possible. That is, owners of non-georeferenced properties who want to dismember the area after the stated deadline, must have to go through the certification procedure at INCRA in order to have it registered at the Real Estate Registry.

Considering that INCRA does not set terms for the approval of the georeferenced properties, performing the procedure after the deadlines may represent delays in the real estate negotiation. In addition, the lack of georeference can be an obstacle to updating property description, which can also provide greater registry reliability, characteristic that will undoubtedly be

evaluated on mortgage approvals and property sales.

Almeida Advogados has a specialized real estate advisory team and is available to answer any additional questions on these matter.