

§1 In the continental territory of Brazil, the 5th country by area in the World, it is possible to a foreigner acquirer a peace of rural area. It is not easy, but it is possible under specific conditions.

§2 The first information that a foreigner should know is that the rural land shall be measured in rural module (“módulo rural”), which is a measurement concerned to (a) the economical exploration of an area, what means that, for example, a land in which is developed a horticultural activity will have a rural module that differs from a land used to cattle farming or forestry exploitation. Also, (b) the rural module will differ according to each Municipality (the urban and the rural area of a City) and (c) its own dimension (Decree 55.891/1965, Art. 11). Synthetically, it is the minimum area necessary for a family survive with the own work and enable their socioeconomic progression (Law 4.504/1.964, Artº 4, II, III). In this meaning, it is not allowed to divide the rural land in an area minor than a rural module (Law 5.868/1972, Art. 8º). Considering that 1 hectare (ha) = 10,000 m², considering that a “tax rural module” (“módulo fiscal”) is the average of the “rural module” in a Municipality, and considering that the value of the tax rural module in Brazil varies from 5 to 110 hectares according to the geographical region, then we can say that a rural module can vary from around 2ha (20,000 m²) in São Paulo to 100ha (1,000,000 m²) in Amazon. Yet, in Amazon you shall protect 80% of the area covered by native vegetation, as a Legal Reserve, in your rural area – number that decrease to 20% in São Paulo. (Law 12.651/2012, Art. 12).

§3 Said that, the foreigner natural person can acquirer rural area if resident in Brazil, trough Public Dead, observing that “*the acquisition of rural property by a foreign individual may not exceed 50 (fifty) modules of indefinite exploitation, in a continuous or discontinuous area*” (Law 5.709/1971, Article 3º) with “*authorization from INCRA (National Institute of Colonization and Agrarian Reform)*” (Decree 74.965/1974, Article 7º, § 2º). And if the area is minor than 3 (three) rural modules, in only one property, it is not necessary the mentioned authorization.

§4 In the case of foreigner legal entities acquiring rural property in Brazil (and a Brazilian legal entity with the majority of shares owned by foreigners is considered for this purpose as a foreigner legal entity), there is no limitation based on rural modules but based on a limit of “*1/4 (one quarter) of the surface of the Municipalities*” where the rural area are located (Decree 74.965/1974, Article 5º). But how this involves a sovereignty issue for the Brazilian State, there are other juridical and bureaucratic challenges when we are talking on the acquisition by foreigner companies.

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