A new practice has been introduced in the canton of Valais concerning the application of the Federal Act on the Acquisition of Real Estate by Persons Abroad (LFAIE)

Since 26 January 2026, the Valais land registry has instructed notaries to no longer execute any deeds of sale (including forward sale, conditional sale, promise of sale, pre-emption agreement, etc.) relating to the acquisition of a primary residence when the foreign purchaser, as defined by the LFAIE, does not have a legal and effective domicile in Switzerland at the time of signing.

In practice, individuals without a B permit are no longer eligible to sign an authentic deed to acquire a primary residence.

This new directive represents a clear tightening compared with the former Valais practice, which allowed a foreign purchaser without a residence permit to enter into a promise of sale or a forward sale for a primary residence, provided that the application for a residence permit had been submitted to the municipality before the deed was signed and that the permit was obtained no later than twelve months after the signing.

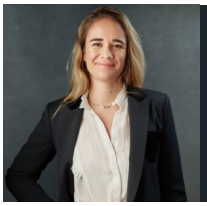
It also appears more restrictive than the practice currently in force in other cantons, in particular Geneva, Bern and Vaud. In Geneva, for instance, a preliminary sales agreement (or forward sale) may be signed on condition that the purchaser effectively takes up residence in the property within a maximum period of six months following signature. The deed is then subject to the condition of obtaining a decision confirming that the transaction is not subject to the LFAIE regime.

In a particularly volatile property market, this development in the Canton of Valais now prevents foreign purchasers from securing an acquisition prior to obtaining a residence permit and requires prior establishment of domicile in Switzerland. The period of transition may be structured by means of a lease agreement between the parties. Care must nevertheless be taken to ensure that the lease does not place the purchaser in a position analogous to that of an owner – for example, by virtue of its duration or the advance and full payment of rent – as this may contravene the LFAIE.

Should you require any further information on this subject, please do not hesitate to contact the authors or your usual contact person at Borel & Barbey. Our specialists will be pleased to assist you.



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