Victorian electronic conveyancing commences

The first stage of Victoria's new Electronic Conveyancing (EC) system commenced on 21 August 2006.

Stage one enables financial institutions to process and electronically lodge mortgages and discharges of mortgage.

Known as EC Subscribers, stage one participants access the system via the Internet. Victoria's electronic conveyancing system will be one of the first e-commerce systems in Australia to use digital certificates to sign documents electronically.

Stage two, scheduled for second half of 2007, will involve financial institutions, solicitors and conveyancers. It will introduce the other major parts of the electronic conveyancing system, transfers and financial settlement.

Further information on the EC system can be obtained from www.landexchange.vic.gov.au/ec.

This bulletin provides an explanation of the changes customers may see as a result of the commencement of EC.

Electronically lodged instruments

Electronically lodged instruments will receive a dealing number, as do paper instruments. As in the past, the dealing number should be used when enquiring on progress of the transaction.

eCT / pCT

Electronic Conveyancing introduces new terms for a Certificate of Title - pCT (paper) and eCT (electronic).

An eCT is achieved by means of a flag or notification on the relevant volume/folio in the titles Register which identifies the name of the subscriber who has control of the eCT.

The Register will indicate the format of the Certificate of Title.

Where the Certificate of Title is electronic, its status will be displayed as 'eCT' on register search statements (see attached example on page 3).

The Registrar will also record the eCT control; that is the party who Land Registry recognises as entitled to control. An eCT can result from a registration or from a request from the customer through an Administrative Notice to convert a pCT to eCT. It is also important to note that only an EC Subscriber can control an eCT.
Changes to title search (Register Search Statement - RSS)

To assist customers, some details about an eCT are shown in a new section on the RSS beneath the words 'This information is provided for customer information only'. These are the Administrative Notices and eCT Control details that relate to this title.

Note: In another enhancement project, a new Body Corporate flag will also be shown in this section. Unlike other information on the RSS, which has the benefits of the State guarantee of title, this information is not warranted.

Administrative Notices

An Administrative Notice is an electronic notice that provides direction to the Registrar of the use, control and output of the Certificate of Title when using the Electronic Conveyancing process. This notice can appear on an RSS in two sections - activity in the last 125 days section and in the customer information only section, under Administrative Notices.

There are five types of Administrative Notices -

1. Convert a pCT to an eCT

   The paper Certificate of Title is to be converted to an electronic Certificate of Title.

2. Nominate an eCT to an electronic instrument

   The electronic Certificate of Title is nominated to the electronic instrument in an Electronic Lodgement File (ELF). This Administrative Notice is used to link the eCT to a specified ELF.

3. Nominate an eCT to a paper instrument

   The electronic Certificate of Title is nominated to a specified paper instrument.

4. Withdraw a nomination of an eCT

   The instrument is not to proceed so the electronic Certificate of Title nomination is withdrawn.

5. Convert an eCT to a pCT

   The electronic Certificate of Title is to be converted to a paper Certificate of Title.

Electronic instrument

The electronic instrument is formatted in a familiar way (see example of Instrument Report on page 4) and may be searched like any other instrument. A new feature is that unregistered electronic instruments may be searched.

A registered electronic instrument or Administrative Notice may be searched in the same manner as current instruments.

The major difference between the electronic and paper instrument is that electronic instruments contain certifications, justifications and a representation of the digital signature.

Justifications

Sometimes, the name of the person dealing is not the same as that of the Registered Proprietor. To accommodate these circumstances within EC, the concept of Justifications, whereby the parties to the electronic instrument can select an appropriate Justification has been introduced.

An example of a Justification would be 'marriage', where a change of name of the Registered Proprietor has occurred through marriage. This will appear on the Electronic Instrument Report in the section that is relevant to the name change, the appropriate registered proprietor.

Paper instrument lodged affecting an eCT

A paper instrument can be lodged affecting an eCT.

An Administrative Notice nominating the eCT to a specific paper instrument would need to be completed by the party holding eCT Control. This would appear in the appropriate section of the search statement. If the controlling party of the Certificate of Title after the instrument is registered is not a Subscriber, a pCT will issue.

Delivery of paper title for conversion to eCT

Following the submission of the Administrative Notice for the conversion from a pCT to an eCT, the paper certificate of title must be presented to Land Registry.

The delivery should be made to Level 9, 570 Bourke Street Melbourne at the Title Registration Services Reception desk.

Land Registry also requires the Subscriber to provide a covering letter clearly stating the purpose the pCTs are being presented (i.e. conversion of pCT to eCT). This letter should be on the company/organisation letterhead to enable Land Registry to return the pCTs to the correct party and location in the event the conversion does not proceed.

In the letter please state -

‘The following paper Certificate/s of Title are being presented to Land Registry Victoria for conversion to electronic Certificate/s of Title (eCT).

List of title volume and folios included in the Administrative Notice are ....’

Help desk operations

For all registration and search enquires, please contact the Land Registry Customer Service Centre on (03) 8636 2010.
REGISTRAR SEARCH STATEMENT Land Titles Office, Victoria

Security no : 124018907537H
Volume 10964 Folio 040
Produced 03/10/2006 09:00 am

LAND DESCRIPTION
Lot 1 on Title Plan 892190A.
Created by Application No. 124781Y 12/09/2006

REGISTERED PROPRIETOR
Estate Fee Simple
Sole Proprietor
JOHN CITIZEN of 570 BOURKE STREET MELBOURNE VIC 3000
Application No. 124781Y 12/09/2006

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION
SEE TP892190A FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>STATUS</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP124781Y</td>
<td>NON-SURVEY CONVERSION</td>
<td>Registered</td>
</tr>
<tr>
<td>AB569215W</td>
<td>AMEND eCT TO pCT</td>
<td>Registered</td>
</tr>
<tr>
<td>AB569217S</td>
<td>CONVERT TO eCT</td>
<td>Completed</td>
</tr>
</tbody>
</table>

The following information is provided for customer information only.

ADMINISTRATIVE NOTICES
NIL

eCT CONTROL MIDLANDS BANK
570 BOURKE STREET
MELBOURNE VIC
3000
Effective from 12/09/2006

STATEMENT END
DISCHARGE OF MORTGAGE
Section 84M Transfer of Land Act 1958

Date and Time Lodged: 12/09/2006 04:10:10 PM
Responsible Subscriber: MIDLANDS BANK
Reference: 12/782
Customer Code: 127822
Status: Unregistered

The mortgagee discharges the land described from the mortgaged or annuity secured by the mortgage.

Land: (volume and folio reference)
10994041

Mortgage or Charge number:
AE690216U

Registered Mortgagee(s):
MIDLANDS BANK

Applicant:
MIDLANDS BANK

The subscriber certifies that the subscriber is a party to an EC System Rules Representation Agreement with the Mortgagee and represents or by the Mortgagee's attorney.

The subscriber certifies that, where the subscriber is representing another, the subscriber has complied with the relevant Registrar of Title's Identity Guidelines to verify the identity of the Mortgagee and the corresponding Mortgagee.

The subscriber certifies that, where the subscriber is not representing another, it is a party to this transaction and has signed all relevant instruments for this transaction in its own right and behalf and has complied with the relevant Registrar of Title's Identity Guidelines to verify the identity of the Mortgagee.

The subscriber certifies that the subscriber holds all supporting documentation and evidence of the certifications given and that these will be retained for the period specified by the Registrar of Titles.

Dated: 12/09/2000
Signed by: BILL BLOGGS for (MIDLANDS BANK LTD) on behalf of MIDLANDS BANK

File Notes:
NIL

This is a representation of the digitally signed Electronic Instrument certified by Land Registry.

Statement End.