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Office of the Registrar General - eConveyancing monthly update

September 2018

Topics covered in this edition:

- *Say hello electronic certificates of title (eCTs), goodbye paper titles*
- *Next round of national model operating requirements and participating rules out for consultation*
- *Steady growth in take-up rates*

Say hello, goodbye

For many of us, a weekend in September normally means one thing: footy finals. In my case, as a Demon fan (in AFL), I have the unusual experience of having a team to watch after more than a decade. And this year September is even more exciting—each weekend this month the banks are converting all mortgaged paper certificates of title to eCTs.

After a year in the planning, last weekend ANZ and CBA went first—all their paper titles are now eCTs. NAB and Westpac's turn tomorrow and Sunday. Then all remaining Authorised Deposit-taking Institutions in the subsequent weekends. Turns out there are five weekends in September—so, in the last one we can clean up anything still left. By month's end, close to two million paper titles will have been replaced by eCTs. At that point, those interested in the footy can watch their preferred grand final knowing that even if their team doesn't make it this year, NSW has taken a big step toward being fully digital.

Why is the conversion necessary? As we move to full digital conveyancing by 1 July 2019, removing paper from the process is essential. Continuing to have paper titles while transacting electronically would create duplication and dual processes.

What happens to my paper title that I have at home, or with my solicitor? Are you converting that too in September? No. If you have a paper title at home or with a trusted adviser this won't be converted as part of the bulk conversion process in September. However, the Government has mandated that by 1 July 2019 there will be no paper titles, whether mortgaged or not. More information on that process will be available very soon and once September is out of the way.

Importantly, if you are a lawyer or conveyancer and have a settlement in September you'll need to be prepared to ensure your settlement isn't delayed. This is what you need to do:

- conduct a CT inquiry at www.nswlrs.com.au and click on 'free online searches' to see if the title has been converted at least a few days before settlement.
- if the certificate of title has been converted and you are settling in paper, you will need the mortgagee to submit a CoRD holder consent through PEXA before settlement.
- from October, most Discharges of Mortgage will involve an eCT and require a CoRD holder consent.

In the meantime, our website also has lots of resources and information on the move to **eCTs**. Of course, please do not hesitate to contact the ORG if you need more information at: ORG-eConveyancing@finance.nsw.gov.au

A big thank you to representatives from the Law Society, Australian Institute of Conveyancers NSW, the four major banks and other financial reps, NSW Land Registry Services, PEXA, and others who have been invested heavily the planning for this change, and been out there raising awareness for a long time across NSW.

Next round of national model operating requirements and participation rules out for consultation

The Australian Registrars National Electronic Conveyancing Council (ARNECC) is responsible for the ongoing management of the national regulatory framework for eConveyancing. On Wednesday, ARNECC released draft amendments to the national Model Operating Requirements (which govern Electronic Lodgment Network Operators (ELNOs) and draft national Model Participation Rules (which govern subscribers to the electronic network system).

Please visit www.arnecc.gov.au to find the consultation draft of both documents, which will also contain information on how to provide feedback. Some important point:

- These rules are an essential part of the national regulatory framework.
- They are updated each year.

- They bring national consistency to how eConveyancing is regulated, which lessens the compliance burden for organisations that operate across state borders—ELNOs, banks, and large conveyancing or law firms.
- This latest round has some important proposed changes reflecting where we are up to in this reform. For example:
 - o MPRs allow attorneys a power of attorney to be a subscriber
 - o MORs have stronger access, separation and cyber security controls

The NSW Government will also put in place additional safeguards, controls and training for NSW needed to protect and prepare practitioners and customers in NSW, as NSW moves to a fully digital environment in less than ten months.

This is the case where circumstances here are different to other states, and we need tailored safeguards not available in the national requirements, or where stakeholders have raised concerns directly with us that are NSW specific. For example, all ELNOs operating in NSW will need to provide an appropriate consumer guarantee.

It is also important for the NSW Government that true competition emerges in the ELNO market. This involves developing a model for multiple ELNOs to interoperate in a secure way once more ELNOs are in the market. This means anyone using one ELNO will be able to complete transactions even if other parties are using an alternative ELNO, once they enter the market. This is our aim, and we will work with industry to develop a solution that considers technical and legal requirements for interoperability.

These are really exciting times. There is heaps going on in this industry. New technology, new possibilities. If you have questions on the draft model operating requirements and participation rules or the broader regulatory environment in NSW, please don't hesitate to contact the [ORG eConveyancing team](#). Please also visit our website for more information on the reform's [legal framework](#).

A steady increase in take-up in NSW

In August, 53 per cent of all possible lodgments in NSW were lodged electronically. This included:

- 59% of all mortgages;
- 39% of all transfers;
- 91% of all caveats;
- 58% of all discharges of mortgage; and
- 31% of all withdrawals of caveat.

Take-up has almost doubled in one year. Thank you again for organising yourselves and your businesses around the move to digital. We hope the following ORG resources help you with your transition.

- [Training](#)
- [FAQs and training videos](#)
- [Timeline for transition](#)
- [Subscriber compliance](#)
- [Legal framework](#)
- [Other news](#)

If you have other specific topics that you'd like us to cover or eConveyancing issues that you're wanting further help with, please contact the [ORG eConveyancing team](#).

Kind regards

Jeremy Cox
NSW Registrar General