



INFORMATION SHEET

ELECTRONIC REGISTRATION (E-DEALING) – WHAT DOES THIS MEAN FOR CLIENTS?

With the further advancement of the technological age one of the newest changes to the practice of Conveyancing is the ability for lawyers to now register documents electronically.

Many law firms have been slowly changing their internal procedures to accommodate this new registration process, however the urgency has recently increased because as from May 2007 Land Information New Zealand (LINZ) will no longer accept paper registrations in order to discharge a mortgage.

By way of background, prior to e-dealing, when a Transfer and/or a mortgage was signed by a client the lawyer certified that the document was correct and then forwarded it to LINZ for registration. We would certify that the documents were correct, confirmed the identity of the parties, and also that the documents had been executed correctly. LINZ staff would then check that all documents were all certified correct and physically attended to their registration. Once registered the Title Register was altered and the Title appeared in the name of the new purchaser(s) along with the new mortgage (if any). This process could/can sometimes take up to 15 working days, depending on how large the workload LINZ has at the particular time. With e-dealing the alteration to the Register is instantaneous.

Under the new system we will no longer be physically forwarding documents to LINZ, and we therefore, no longer have the partial protection of the document checking process by LINZ. As a result, the Law Society is enforcing a more stringent process which requires **every** client to sign an Authority and Instruction form (A & I form), whether you are a new or an existing client of this firm. The A & I form is our proof of authority to implement the e-dealing. It gives us the required authority to alter the LINZ Register on the client's behalf.

There are three different A & I forms available (which can be downloaded from our website (www.lawfirm.co.nz):

- (a) Private Individual Client;
- (b) Private Corporate Client; and
- (c) Public Corporate Client.

Wherever possible, we would appreciate it if you could download the appropriate form to be completed before attending at our offices. If you do not have access to the internet, please telephone us and we can forward a form to you for completion. This saves both of us time.

Each client must sign the relevant form personally. A client cannot sign for and on behalf of a partner or spouse without written authorisation in the form of a power of attorney. An appropriate form of identification (e.g passport or driver's licence) must be provided by the client to us when signing the form. A photocopy of that ID must be attached to the form. The form must be completed before the e-dealing can take place. This may involve you meeting with us briefly at the outset of your transaction.

Although this procedure may seem like more work for both lawyer and client alike, the extra work is outweighed by the benefits to the client. There will no longer be an agency charge which earlier resulted from the documents being pre-checked before registration at LINZ and the property is immediately transferred into the new purchaser's name – usually on the date of settlement.

Our firm is beginning its e-dealing process by registering discharges of mortgages electronically. If all you are doing is discharging your mortgage over your property then we are not required to obtain your authority to do this by way of e-dealing. It is sufficient for the mortgagee to provide us with it's authority. However, we will be registering other documents electronically from now on.

An example of how the above may work is as follows:

You have just signed an agreement to purchase a property. The real estate agent has forwarded the signed agreement to us. You will be obtaining a mortgage to purchase this property. We will contact you regarding you completing the A&I Form. We will advise you to download it from our website or we can send one out to you. You will complete as many of the details as you can and then pop in to see us so we can meet you and witness your signature.

So, for the sake of filling in a form and coming to meet us you save on the agency charges to register documents and get an instantaneous transfer of your property into your name.

If you have any queries at all about e-dealing, please don't hesitate to contact us.