



Overview of Proposed eConveyancing System



What is eConveyancing?

eConveyancing, or electronic conveyancing, is the 'electronification' of the conveyancing process. The initial aim is to make electronic the interaction between solicitors, lenders and the Property Registration Authority (PRA). At the moment much of the conveyancing process is based on the delivery of paper which is slow, inefficient and costly. Where there is interaction electronically it is via ordinary email which is not secure. eConveyancing will result in dematerialisation with the removal of paper from the process and electronic interaction will occur via a secure hub. The design of this hub presents an opportunity to reduce system risk by introducing regulation and audit compliance, additional security and reducing delay.

When eConveyancing is implemented solicitors will exchange information and documents via this central hub. The hub will provide a secure central electronic work area allowing solicitors, lenders and the PRA to view information, exchange data and communicate information in order to complete property transactions. Via interaction with lenders, the hub will allow solicitors track the loan transaction, see when loan conditions are satisfied, arrange for release of loan funds and create and sign digital documents. Solicitors will be able to pull information directly from the PRA title register into the hub and into the documentation and this will be linked to their case management system. Loan funds will be transferred by electronic funds transfer with same day value. Once both solicitors are ready to complete, all aspects of the closing will occur almost simultaneously with documents lodged for registration and funds disbursement happening according to a predetermined sequence thus virtually eliminating the gap between completion and registration.

Benefits of eConveyancing

A core ethos of the move towards eConveyancing is to take advantage of advances in technology. Thus the aim is not to electronify the current paper bound, inefficient and cumbersome conveyancing process but rather to use the move towards eConveyancing to reform, re-engineer and redesign. Thus eConveyancing will deliver efficiencies and benefits to all stakeholders and not just solicitors.

1. Benefits For Consumers:

- Reduce conveyancing transaction time – *from months to a matter of weeks*
- Reduce costs – *associated with the multiple movements of paper*
- Reduce risk - *due to reduced gaps in the process and secure transfer of funds*
- Reduce opportunity of fraud – *purchase monies independently managed*
- Reduce errors and delay – *documents are system-generated*
- Improve transparency – *solicitors on both sides and banks all have system access*
- Increase consumer confidence in the process – *with modernisation, simplification and standardisation*

All of these measures will increase consumer confidence in conveyancing.

2. Benefits for Government:

- Encourage inward investment in the Irish economy
- Stimulate and simplify property transactions
- Facilitate implementation of *eGovernment strategy 2012-2015*
- Assist in implementing the *Public Service Reform Plan*
- Assist in implementing *Construction Strategy 2020* and *2016 Action Plan for Jobs*
- Enhance Ireland's position as a leader for eGovernment and eCommerce
- Improve Ireland's international World Bank ranking in property benchmarks
- Enable and fulfil the Property Registration Authority's eRegistration agenda
- Meet European Information Society agenda, data protection requirements and green agenda
- Deliver efficiencies in revenue collection (stamp duty, property taxes and PRA fees)

These benefits will be realised without any capital investment by Government.

The progress to date

Since the Law Society established its eConveyancing Task Force at the end of 2005, in anticipation of the related Law Reform Commission report, the members of the Task Force and Law Society staff have worked to engage stakeholders and map out the basis functionality of the system. The foundation of the project and its principles have been discussed at many seminars with practitioners and with other stakeholder groups. There has been a particular focus on engaging with the lenders and the PRA (who have been advancing eRegistration in parallel) as their participation in the project is key to delivering savings and efficiency.

eConveyancing had previously been recommended by the Law Reform Commission (LRC) in 2006 and in May 2014 the government made eConveyancing a key measure in *Construction 2020*. This report acknowledged the work done to date on the project under the aegis of the Law Society. The European Commission in its 2014 Assessment of the National Reform and Stability Programme for Ireland also urged eConveyancing to be progressed and identified it as an important factor in improving Ireland's business environment. At two appearances by the Law Society before the Joint Committee on Justice, Defence and Equality (25 June 2014 and 1 October 2014) all Deputies and Senators expressed emphatic support for the project and encouraged its implementation as soon as possible. At the appearance on the 1 October 2014 the lenders, represented by Noel Brett Chief Executive of Banking & Payments Federation Ireland (BPF) formerly IBF) acknowledged that the lenders are fully committed to the introduction of eConveyancing. He confirmed that the members of BPF would make the necessary investment in internal bank systems, work flows and staffing to enable lenders to participate fully in eConveyancing.

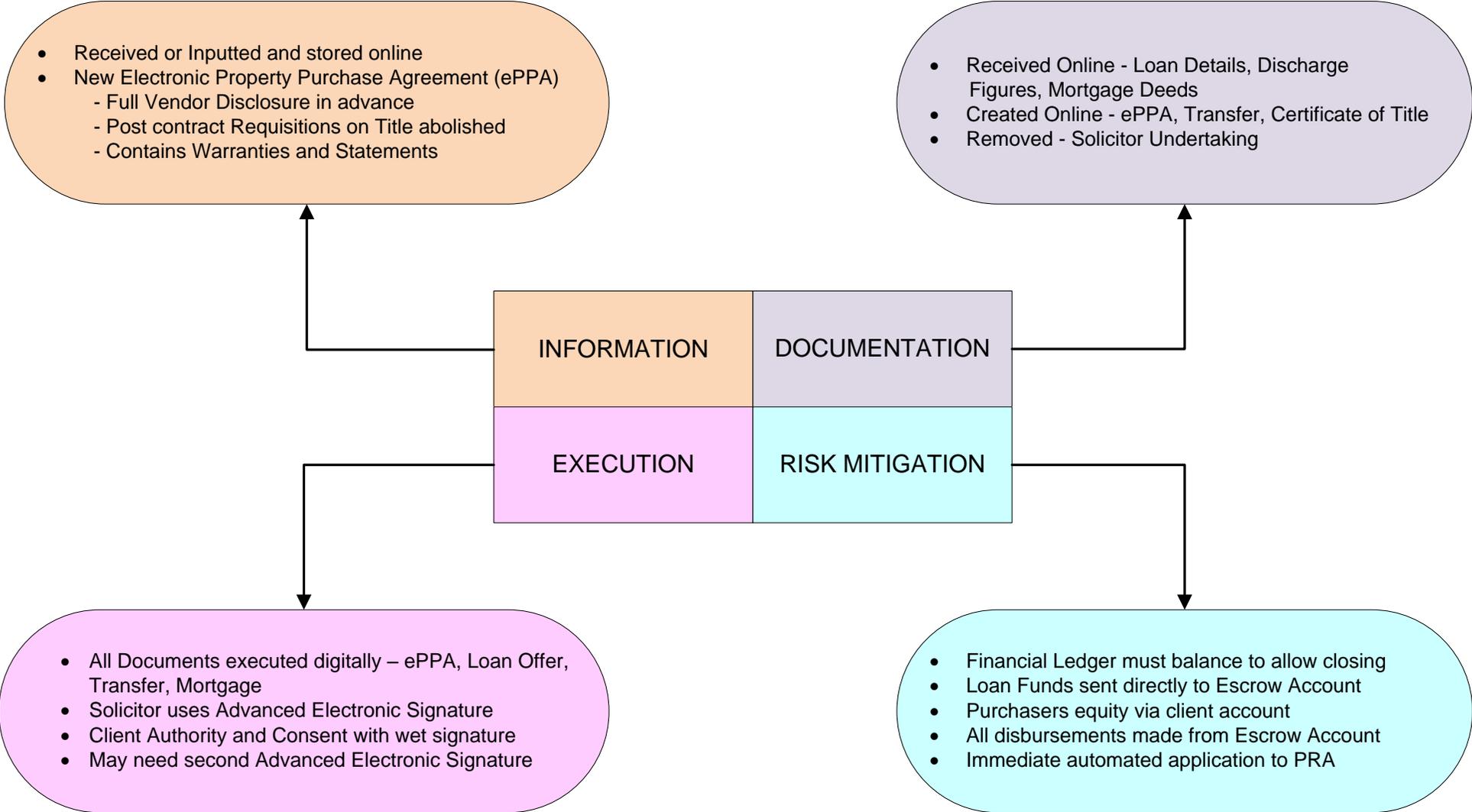
Next steps

The Law Society does not have the necessary financial resources or technical expertise to deliver a project of this magnitude and hence it was quickly recognised that a technology partner is required to assist in the implementation of eConveyancing.

In light of commitments by the lenders, and the already established support for eConveyancing from the government and the PRA, the project is now ready to enter an implementation phase.

This phase will require two elements from the Society. Firstly the relationship between the Society and its technology partner must be formalised initially by agreed Terms of Reference and then by definitive legal Agreements. Secondly the Society will need to work with its technology partner, the lenders and the PRA to design, develop, test and roll out the project. At present, LSI's provisional timeline for implementation envisages rollout of the eConveyancing system in 2019.

eConveyancing – What is different about it?



eConveyancing – If I ignore it will it go away?

Worldwide, eConveyancing is, in a very real sense, the wave of the future. It has already been successfully adopted in Australia and is underway in other common law jurisdictions including England, Scotland and Wales

The **Irish Government** and the **LRC** recognises that eConveyancing will improve our competitiveness and our ranking in the World Bank “Doing Business” league, thus attracting inward investment in the economy

The **Law Society** recognise that reform is long overdue. An eConveyancing system will enable procedural and legislative changes to be implemented swiftly and consistently across the country

NO, it’s not going away!
eConveyancing is inevitable and is here to stay

PI insurers are likely to load insurance premiums for firms who fail to adopt the eConveyancing system, once evidence of lower levels of claims emerges

Lenders recognise the risk-reduction (removal of undertakings) and efficiency benefits and will insist on universal adoption of eConveyancing; they will not indefinitely support a “two-track” conveyancing system

The **PRA** has finalised its eRegistration Strategy and will follow the precedent set in other jurisdictions where electronic applications are mandatory