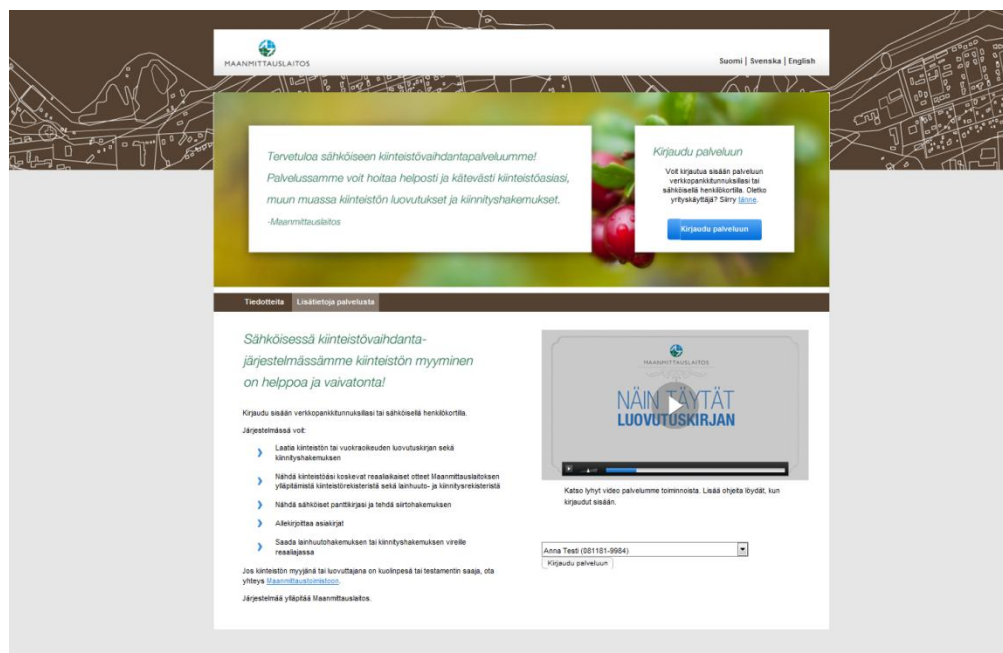




Electronic Property Transaction System

A part of the new system for registrations of title and mortgages



JUST/2011/JCIV/AG/3332

Henrik Ungern
Chief Registrar
National Land Survey of Finland





To start with...

- Referring to what professor Jos Dumortier said in the **XVI GENERAL ASSEMBLY** in Brussels, 4th December 2012
- “Since last decade we have understood that it makes no sense to sign and to transmit electronic documents”
- “In the context of digital processes we produce evidence by registering what happens. Not by exchanging signed documents.”





Why Electronic Property Transaction System (EPTS)?

- **Improve availability, quality and provide more customer orientated services for real estate exchange**
- **Need for developing web based services for the citizens (tax authorities)**
- **Pressure to enhance productivity and service capability in state offices**
 - **Remove overlapping paper processes**
 - **Utilize fully e-Solutions of other authorities**
 - **Less manual checks needed**
- **Provide possibilities for e.g. Banks to improve their productivity**





SERVICES PROVIDED BY THE ELECTRONIC PROPERTY TRANSACTION SYSTEM



System in brief

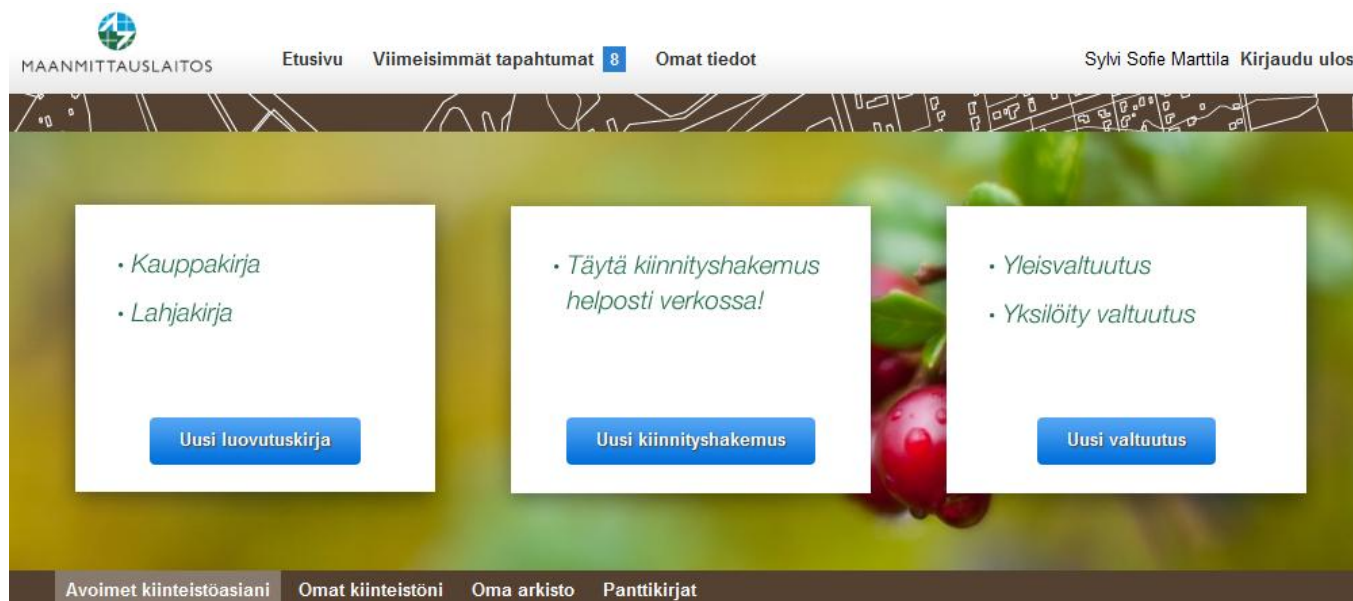
- **Solution for managing activities related to real estate conveyance**
- **Secure web-based solution**
- **Meant for all parties of real estate conveyance (sellers, buyers, real estate agents and banks)**
- **Basic principles of the system**
 - **Seller (owner) is always the initiator for the process**
 - **Actor must always be authenticated with strong authentication**





In the Electronic Property Transaction System:

- Log into the system using strong authentication
- Browse basic information related to properties
- Authorise another to act on your behalf
- Write a conveyance deed and preliminary agreement related to a property or leasehold transfer
- Write an electronic promissory note to transfer mortgage deeds
- Write a mortgage application
- Write applications to transfer mortgage deeds and notifications of transfer pertaining to the holdership of mortgage deeds
- Sign or approve documents electronically
- Institute proceedings concerning an application for registration of title or mortgage in real time





The following will not be available via the service for now:

- **Joint mortgages**
- **Applications to modify a mortgage** (a separate decree is required):
 - **Extinguish, extend, combine or apportion a mortgage**
 - **Dissolve a joint mortgage**
 - **Change the order of precedence**
 - **Convert a printed mortgage deed into electronic form**
 - **Convert an electronic mortgage deed into an printed one**
- **Acquisitions by inheritance and bequests**
- **Writing a lease agreement**
- **Sales of undivided estates of deceased people**





Authentication

- **Members of the public use the “Vetuma” authentication and payment service**
 - **Online banking codes, mobile certificate, electronic personal identity card**
- **Organisations use the “Katso” -service of the Tax Administration**
- **The above mentioned authentication methods are not suitable for large organisations with many transactions, such as banks, real estate brokers etc.**





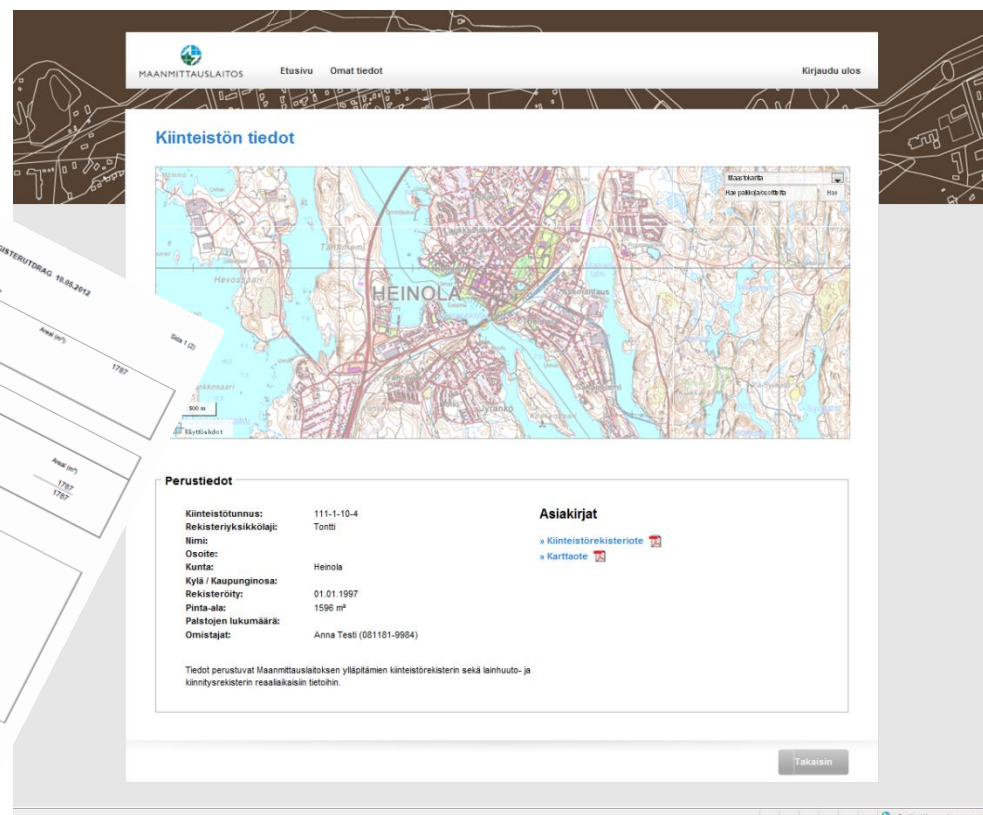
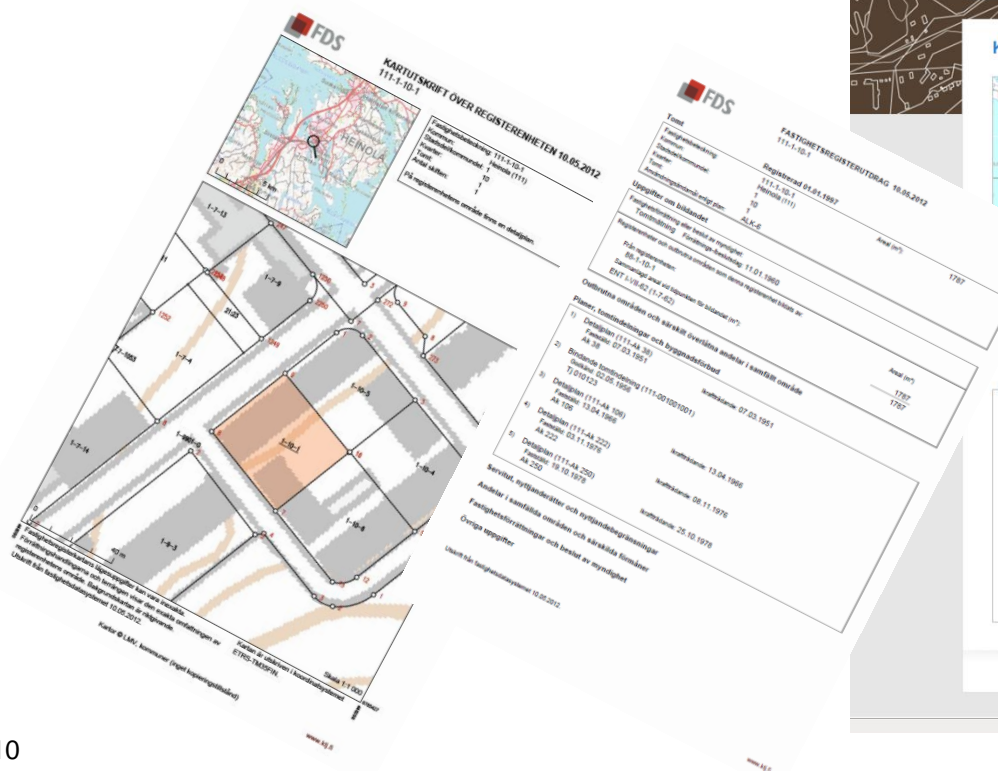
Authentication of contracted customers in the system

- **Contracted customers (e.g. banks and estate agents) are offered an alternative where the organisation transmits user data to the system**
- **User access control can be linked to the one-step log-in systems of customer organisations**
 - **Faster access and fewer log-ins**
- **The ability to use this system requires integration with the interface services that will be built into the Electronic Property Transaction System**



Browsing property information

- The user can see the updated information concerning the property in question in the Cadastral Register and the Land Register (title and mortgage register)





Authorisation

- **Users can grant electronic authorisations (proxy) to others**
- **The authorisation can apply to:**
 - **Buying a property**
 - **Selling a property**
 - **Writing a draft**
- **It is possible to authorise others to write a draft of a document or to write and sign a final version of a document**





Writing a conveyance deed

- **Independent of time and place**
- **The seller always takes the initiative**
 - **The seller must be the titleholder of record of the property to be sold**
- **All parties can edit the conveyance deed online → changes are visible in real time**
- **It is possible to comment the conveyance deed**
- **NLS archives the conveyance deed that has been approved by all parties**
 - **Signed documents are stored in the service for a limited time, when they can be downloaded by the parties**
 - **Documents that are significant to the decision related to the registration of title or mortgage are stored in the NLS digital archive, the parties are responsible for storing other documents**





Writing a conveyance deed

- The service checks and completes the deed of sale with information from the Land Register as well as other registers kept by the authorities (Population Information System (PIS), Business Information System (BIS))
- The service helps and advises the user in writing the deed of sale
- It is possible to write promissory notes related to the conveyance in connection with a sale
- No public purchase witness required
→ enables online transactions
- A transaction is carried out when the buyer and seller have approved the identical copies of the deed of sale
- Proceedings to register title are initiated immediately

Kiinteistön kauppakirja

Luovutuskirjan tiedot

Kommentit

✓ Luonnostilassa

✓ Odottaa allekirjoituksia

Allekirjoitettu

Luovutuksen kohde

Kiinteistötunnus: 111-1-10-4
Rekisteriyksikkölaji: Tontti
Pinta-ala: 1596 m²
Osoite: TODO
Kunta: Heinola

[Lisää lisätietoja luovutuksen kohteesta](#)

Kohteeseen liittyvät asiakirjat

Kiinteistörekisteriote

Karttaote

Rasitustodistus

Lainhuutotodistus

Luovutuksen osapuolet

Muokattu 20.09.2012 15:59 Sylvi Sofie Marttila

Osapuoli	Nimi	Henkilö-tytunnus	Osuus kiinteistöstä	Tila
Myyjä	Sylvi Sofie Marttila	081181-9984	1/1	Allekirjoitus puuttuu
Ostaja	Kanerva T	180162-9968	1/2	Allekirjoittanut
Ostaja	Anna Demo	010170-960F	1/2	Allekirjoittanut

Määritä osapuolet

Kauppahinta

Muokattu 20.09.2012 15:59 Sylvi Sofie Marttila

Kauppahinta	23 235 €
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Promissory notes

- In conjunction with a property transaction it is possible to write an electronic promissory note on the initiative of the seller
- The covenantor (the bank of the seller) can edit the draft of the document
- The promissory note is approved using strong authentication





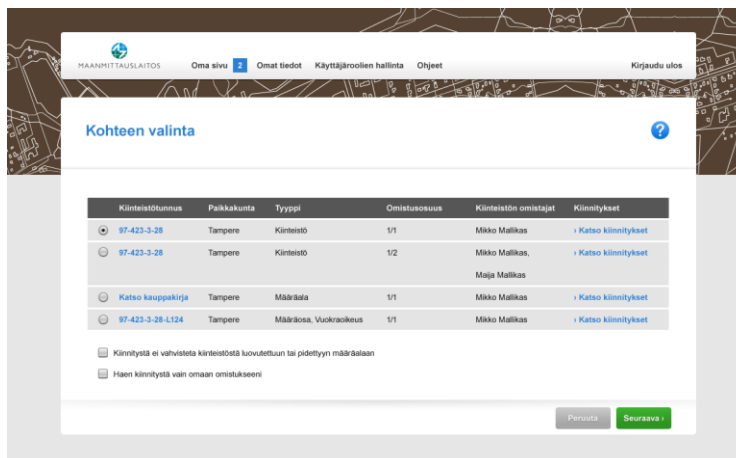
Signatures

- **All documents are always signed/approved using strong authentication**
- **Logging into the service is not sufficient, the authentication must be performed whenever a document is signed**
- **When a document is signed, the following are checked again:**
 - **The legal capacity of the person, e.g. is the signer alive (PIS)**
 - **The financial status of a business, e.g. bankruptcy (BIS)**
 - **Data in the Land Register, e.g. restrictions of property rights**
- **User data is saved in the system log at the moment of signature**
 - **The information is used to verify the events at the moment the document is signed, if necessary e.g. to investigate suspected malpractice**



Mortgages

- In the Electronic Property Transaction System you can write mortgage applications and applications to transfer electronic mortgage deeds
- Write a notification of transfer of holdership regarding printed mortgage deeds
- Proceedings are automatically instituted regarding mortgage applications after the application has been signed > faster transfer of securities
- The necessity of transferring printed mortgage deeds decreases as electronic mortgage deeds become more common



MAANMITTAUSLAITOS Oma sivu Omat tiedot Käyttäjätietojen hallinta Ohjeet Kirjautuu ulos

Kohteen valinta

Kiinteistönumeros	Paikkakunta	Tyyppi	Omitusosuus	Kiinteistön omistajat	Kiinnitykset
<input checked="" type="radio"/> 97-423-3-28	Tampere	Kiinteistö	1/1	Mikko Malikas	Katso kiinnitykset
<input checked="" type="radio"/> 97-423-3-28	Tampere	Kiinteistö	1/2	Mikko Malikas Maja Malikas	Katso kiinnitykset
<input type="radio"/> Katso kauppa- ja vuokrasopimus	Tampere	Määräala	1/1	Mikko Malikas	Katso kiinnitykset
<input type="radio"/> 97-423-3-28-1124	Tampere	Määräosa, Vuokrasopimus	1/1	Mikko Malikas	Katso kiinnitykset

☐ Kiinnitystä ei vahvisteta kiinteistöstä kuvutettuun tai pidettyyn määrään
☐ Haen kiinnitystä vain omaan omistukseen

[Peruuta](#) [Seuraava](#)





Mortgage deeds

- Electronic mortgage deeds are introduced in addition to current printed mortgage deeds
- The electronic mortgage deed consists of entries in the Land Register
- The legal effects related to the transfer of a printed mortgage deed are replaced by entries in the register concerning the recipient of the mortgage deed

Avoimet kiinteistöasiani

Omat kiinteistöni

Oma arkisto

Panttikirjat

Hae kiinteistötunnuksella

111-1-10-4

Hae

Näytetään 10 ensimmäistä osuaa.

Päiväys	Panttikirjan numero	Tunnus	Rahamäärä (€)	Muoto	Saaja	Toiminnot
22.5.2012	232	111-1-10-4	134 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
22.5.2012	233	111-1-10-4	124 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
22.5.2012	234	111-1-10-4	1 223 245 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
31.8.2012	9876589	111-1-10-4	200 000 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
31.8.2012	9876590	111-1-10-4	5 000 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
23.5.2012	243	111-1-10-4	5 464 €	Kirjallinen	Sylvi Testi	
23.5.2012	244	111-1-10-4	33 321 144 €	Kirjallinen	Sylvi Testi	
31.8.2012	9876588	111-1-10-4	1 110 000 €	Sähköinen	Sylvi Testi	Täytä siirtohakemus
29.5.2012	247	111-1-10-4	56 456 456 €	Kirjallinen	Sylvi Testi	
29.5.2012	246	111-1-10-4	32 123 123 €	Kirjallinen	Sylvi Testi	





Advantages for professional users

- **The open drafting environment makes it possible to:**
 - **Draft documents more freely outside the online service > interest groups are more involved**
 - **Draft documents without authorisation**
 - **The creation of services produced by businesses**
- **Drafts are uploaded into the online service for approval**
- **The use of such services requires integration with the interface services that will be used in the Electronic Property Transaction Service**





Service delivery charge

- **Cost savings and a more efficient process of registration**
- **Clear and simple pricing**
- **The public purchase witness charge is replaced by a service delivery charge paid by the seller at the conclusion of the sale**
- **Users are directed to pay registration charges in advance to decrease billing after the fact**
- **Contracted customers have the option to be billed on an organisational level**
- **In the Electronic Property Transaction System charges are paid in an online bank or by credit card**





CONSEQUENCES FOR EMPLOYEES



Registrations of titles and mortgages

- **Electronic applications and other documents**
- **The quality of conveyance deeds and mortgage applications improves**
- **Less billing as more charges are paid in advance**
- **Applications are entered automatically in the registers → instituted proceedings are no longer manually entered into the register**
- **Preliminary checks can be utilised, e.g. PIS and BIS data**
- **Electronic cadastral survey document**
 - **The service of a decision can be sent electronically**
 - **The service of an application in writing is always sent in writing**
- **Mechanical signature**
- **Fewer mortgage needs in writing to be delivered and (electronic mortgage deeds)**





Process of information services

- **Smaller number of registration applications in writing brought to customer service points**
- **Smaller number of public purchase witnessing and fewer public purchase witnesses are appointed**
- **Customer service employees must be able to use the new system as well as know the customer's process**





Timetable for implementation

- **Development started 8/2012**
- **New land registry into use 5/2012**
 - **Precondition: EPTS can not be built on old land registry**
- **Electronic property transaction system in use 11/2013 onwards**





Expected number of users

- **After the legislation has entered into force it is estimated that:**
 - **Within five years approx. 50% of printed mortgage deeds will have been converted to electronic mortgage deeds**
 - **Within ten years approx. 80% of mortgage deeds should be electronic**
- **During the preparation phase, the hypothesis is that the proportion of online property transactions will be 1/3 within five years and 1/2 within ten years**
- **Compare with Denmark:**
 - **Electronic and automatic conveyance process**
 - **All property transactions are made electronically**
 - **Complete changeover four years ago**





Summary

- **The NLS is a pioneer among governmental authorities in this area**
- **A new, demanding task for the NLS customer service that is genuinely performed online**
- **The Electronic Property Transaction System means savings in costs**
- **The traditional deed of sale authenticated by a public purchase witness as well as traditional mortgage applications in writing are used in parallel with the new system**
- **Crucial that banks and estate agents become users of the new system**
- **The scheduled implementation date of the Electronic Property Transaction System is 1st November 2013**





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1812–2012

Thank you!

LANTMÄTERIVERKET LANTMATERIVERKET.FI

**VIRKAMIESTEN PITÄÄ YLIPÄIN
OLLA TOISILLENSÄ AVULLISIA.**
Asetus 15.5.1848

**TJENSTEMÄN BÖRA I ALLMÄNHET
VARA HVARANDRE BEHJELPLIGE.**
Förordning 15.5.1848



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