

E-conveyancing the way of the future

For the past 150 years when completing a property settlement it has been necessary for lawyers and banks to meet up to check and swap documents and bank cheques.

The party that ended up with the documents then had to lodge them at the Land Registry and notify government authorities about the transaction.

Many of our readers would have been involved in a settlement where they were selling one property and buying another and the settlements had to occur simultaneously or where multiple simultaneous settlements had to be finalised before you were able to get the keys to your new home.

There are a lot of things that can go wrong with a manual process involving the physical signing and handling of documents.

The commencement of a new e-conveyancing system will change this and bring the whole conveyancing process into the 21st century filling it with much needed speed, efficiency and accuracy.

What is e-conveyancing?

e-Conveyancing provides an electronic online business environment for completing property transactions including electronic lodgement with Land Registries and the electronic settlement of payment of funds.

This process is facilitated via a secure online environment to:

- Lodge the Land Title documents needed to register changes in property ownership and interests;
- Allow the various parties involved in the transaction to view and complete the documents online to conclude the property exchange or transaction; and
- Allow for the electronic settlement of all financial transactions at a nominated date including settlement monies, duties, taxes and any other disbursements.

The Benefits:

- Tangible time and cost efficiencies
- No requirement for physical documentation at settlement;
- No requirement to physically attend settlements
- Use of technology to reduce human error and settlement failure
- Aims to replace legacy paper-based approach.

This is a huge shift in the industry, similar to how share trading in the late 90s went from paper share certificates to online, revolutionising the stock broking industry and share trading generally.

Who provides the secure online environment?

An online property exchange known as PEXA has been established nationally to provide a standardised platform for the completion of online property transaction.

The PEXA platform has been rolled out gradually since December 2013 under an initiative lead by the Government backed National Electronic Conveyancing Development Limited.

The platform - developed by Accenture and hosted by Telstra - uses elements of Victoria's existing electronic conveyancing system, ECV.

PEXA removes the need to physically attend settlement. Basically, Land Registries, Financial Institutions and lawyers can access the platform and transact together online, performing lodgement right through to settlement from the comfort of their desk.

Through PEXA, the following transactions can be completed (subject to conditions):

- Mortgage
- Discharge Mortgage
- Caveat
- Withdrawal of Caveat
- Transfer Title
- Nomination
- Withdrawal of Nomination
- Consent
- Form 24, Form 25
- Notice of Acquisition
- Notice of Sale

How does it work?

Lawyers open an online workspace where the Land Registry documents and settlement schedule are created and information is shared with all parties to the transaction.

Once preparation is complete and the settlement date and time is reached, PEXA will automatically:

- Lodge documents with the Land Registry;
- Exchange loan funds and pay stamp duty and other third party beneficiaries;
- Remove the need for bank cheques and the wait that goes with them; and
- Remove the need to physically attend settlement.

How does this improve the current system?

It dramatically improves the current situation where lawyers representing the buyer and seller as well as the incoming and outgoing Bank are required to meet up and exchange printed documents and bank cheques before a property is able to settle.

Simple errors like a misspelt or missing names, names that don't match across documents or wrong cheque details can cause the settlement to fail.

Using PEXA the information is pre-populated in the system and verified against the land registry system, so it reduces error and gives certainty that the purchase will settle.

Full transfer functionality including online lodgement and financial settlement launched to Victorian property lawyers and conveyancers in January 2015.

If you would like to know more about e-conveyancing or would like help with your property matter contact us on (03) 9459 5764 or email admin@rtlegal.com.au.