Legislative Council

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Addendum to the Report of the Bills Committee on Land Registration (Amendment) Bill 2000

Purpose

This paper seeks to inform members on the latest development on the matter relating to the provisions on removal of stopped deeds Note1 under the Land Registration (Amendment) Bill 2000.

Background

At present, there is no provision under the Land Registration Ordinance (Cap. 128) (the Ordinance) to remove stopped deeds from the land register. number of stopped deeds has caused inconvenience to searchers since deeds which have not been registered are not available for search. The Bill proposes to empower the Land Registrar to remove the entries of these stopped deeds and the instruments temporarily withdrawn by the lodging parties from the land register after one year from the date of delivery. Concern has been raised that the proposed removal will have the effect of altering the principal Ordinance as to the priority of registered instruments. In consultation with the Law Society (LS), the Administration has prepared Committee Stage amendments providing for the priority position between competing interests in the event of reinstatement of removed stopped deeds. However, as there may be cases of exception to the general principles under certain limited circumstances, the Administration is requested to consult the Bar Association on the proposed amendments as well as members' concern about the propriety to amend the Regulations rather than the principal Ordinance, which deals with priority between registered instruments and effect of non-registration. In order not to delay the resumption of Second Reading debate on the Bill which aims to bring improvement to the procedures of land registration, the Administration has been requested to delete the proposed provisions relating to removal of stopped deeds from the Bill.

Stopped deeds refer to deeds withheld from registration due to mistakes or other issues.

3. At the last meeting of the House Committee on 14 June 2002, members were informed of LS's opposition to the resumption of Second Reading debate on the Bill without the provision to remove long outstanding stopped deeds from the land register. Noting that the response from the Bar Association would be ready before the Administration met with LS on 18 June 2002, members agreed to the proposal that the Administration should discuss with LS on the possibility of further amendments to be presented to the Bills Committee for scrutiny in time so that the provisions on stopped deeds can be added back to the Bill before it resumes Second Reading debate before the end of this session.

Latest position

- 4. On 18 June 2002, the Administration wrote to the Chairman of the Bills Committee to advise on the latest development on the matter, as set out in its letter attached at the **Appendix**. In gist, feedback from the Bar Association has indicated support for the introduction of a power to remove stopped deeds. However, there are other points which the Administration finds merit in their ideas but needs time to consider their implications and how legislation can be drafted to give the intended effect. As such, it is not possible for the Administration to add back the provisions on stopped deeds to the Bill within this session. Nevertheless, the Administration has undertaken to provide a draft of proposed new legislation on power to remove stopped deeds for consideration by LS in July 2002. Subject to the outcome of discussions with all the relevant parties, the Administration will present the new legislation for scrutiny of the Legislative Council in October 2002.
- 5. Meanwhile, the Administration has given notice to resume Second Reading debate on the Bill at the Council meeting on 3 July 2002.

Legislative Council Secretariat 20 June 2002

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18 June 2002

The Hon. Albert Chan Wai-yip Chairman Bills Committee on Land Registration (Amendment) Bill c/o Board B, 2/F Kapok Mansion 123 Castle Peak Road, Tsuen Wan New Territories

Land Registration (Amendment) Bill Stopped Deeds Provisions

Further to my letter of Friday 14th I would like to report the latest developments on the matter of the provision to remove stopped deeds.

This morning I received substantial comments from the Bar Association. While these are supportive of introducing a power to remove stopped deeds they also raise a number of suggestions about the proposed provisions.

We have made an initial examination of these suggestions within the Land Registry. We do not see any major difficulties. But, there is one point that would reopen a question we have earlier agreed with the Law Society and there are several other points where we may find merit in their ideas but still need time to consider any implications and how to draft the legislation to give the intended effect. I have discussed these points with the Chairman of the Law Society Property Committee this afternoon. I have advised that there is no way in which we could agree on how to revise the legislation, draft the amended provisions and get them to the Bills Committee for scrutiny in time for you to advise the House Committee this coming Friday that the stopped deeds provisions can be added back to the Bill within this session.

I have agreed with the Chairman of the Law Society Property Committee that we will provide for consideration at their next meeting in July a draft of proposed new legislation on power to remove stopped deeds. I have undertaken to work with them so as to be able to complete discussion on these provisions over the summer. Our aim is to be able to come back to the Legislative Council in October with a scheme that is agreed by all parties, so that the proposed legislative amendments for removal of stopped deeds will be put to the Legislative Council in October 2002 for enactment.

I regret not being able to keep these provisions within the present bill, but for the reasons set out in my last letter I do not think it right to hold back the major matters in that bill while we resolve this particular matter.

> (Kim Salkeld) Land Registrar

c.c. Ms. Becky Yu, Clerk to Bills Committee, LegCo
The Hon. Ms. Margaret Ng
Ms. Wendy Chow, Law Society of Hong Kong
Mr Alan Leong, Chairman, Hong Kong Bar Association
Secretary for Planning & Lands (Attn: Ms. Cheung Siu-hing)