

Bills Committee on Land Titles Bill
Tenth meeting on 17 July 2003

List of follow-up actions to be taken by the Administration

1. Please consider issuing practice directions or guidelines on the operation of the land title registration system (LTRS) to relevant practitioners after implementation of the system.
2. Please provide a paper to address the following issues raised by the Assistant Legal Adviser on the Indemnity Fund (IF) and the Land Registry Trading Fund (LRTF):

According to paragraph 3 of the paper on “Indemnity Scheme: Government’ Role” (LC Paper No. CB(1)2207/02-03(05)), the IF will be the mechanism through which all indemnity payments are to be made, whether arising from fraud or mistakes or omissions on the part of the Land Registry, but the LRTF will reimburse the IF for any payments attributable to mistakes or omissions of staff of the Land Registry.

- (a) As both the LRTF and IF are operated by the Land Registry, please review the need for the above reimbursement arrangement, and consider whether it would be more desirable to effect indemnity payment directly from the LRTF for any payments attributable to mistakes or omissions of staff of the Land Registry.
- (b) In connection with the above reimbursement arrangement, should there be a need for the IF to borrow money for indemnity payment, it is unclear as to whether the LRTF will reimburse the IF the interest payment arising therefrom. Please review and explain the arrangement for reimbursement of such interest payment, and highlight the relevant provisions in the Bill.

3. Please provide a paper to explain why it is not feasible for Hong Kong to implement the LTRS without a cap on the indemnity while it is feasible for other jurisdictions to do so, including the following information:
 - (a) The practical considerations for not operating in Hong Kong an indemnity scheme like those of other jurisdictions;
 - (b) How other jurisdictions manage to implement their title registration systems without a cap on the indemnity; and
 - (c) Facts and figures of the indemnity schemes of other jurisdictions, such as the frequency and scale of the transactions involved, how much each of those schemes have paid out annually in indemnity, etc.
4. Please clarify whether levy would be charged according to the valuation of the property registered in the case of a registration of voluntary transfer under the LTRS, and how levy would be charged on registration of matters without express value.
5. Please provide a breakdown of the estimated administrative cost of the IF.
6. Please provide a comparison of the level of levy under the LTRS and under the title registration systems in other jurisdictions.
7. Please clarify how fraud is dealt with under the indemnity scheme of the English title registration system, in particular the application of the *nemo dat* rule in this regard.
8. Apart from loss of land title, please clarify whether loss of other interests will be compensated by the IF and highlight the relevant provisions in the Bill.