

Bills Committee on Land Titles Bill
Fourteenth meeting on 30 September 2003

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

1. Regarding the Administration's proposal to cap the indemnity payable in fraud cases at \$30 million, please explore feasible options to strengthen the protection to be provided to owners of the properties valued over \$30 million. In this connection, please consider members' suggestions, as follows:
 - (a) Please consider revising the level of the estimated levy rates for the properties valued over \$30 million set out in Annex A to the paper on "Indemnity Scheme: Levy Rates and Miscellaneous Matters" (LC Paper No. CB(1)2207/02-03(06)).
 - (b) Please consider revising the proposed arrangement under the proposed land title registration system (LTRS) to the effect that an innocent owner, who has lost the title of his property through fraud committed by a third party, would be able to recover the title of the property even where an innocent purchaser has paid full value for the property, and that the innocent bona fide purchaser would be able to recover his loss by making a claim against the Indemnity Fund.
2. Regarding the Administration's view that owners of the properties valued over \$30 million could secure title insurance for value in excess of \$30 million if necessary, please provide information on title insurance to facilitate the Bills Committee's consideration of the issue.
3. According to paragraph 17 of the paper on "Response to Drafting Issues" (LC Paper No. CB(1)2501/02-03(03)), the Administration proposes to make appropriate amendments to clause 34 to state clearly that re-registration of a charging order or lis pendens shall have a priority relating back to its first registration. In drafting the proposed amendments, please set out clearly the legal effects of the re-registration before and after the expiry of the five-year period provided in clause 34(1) and the priority of

the charging order or lis pendens upon the re-registration.

4. Please discuss with the Assistant Legal Adviser on the technical issues relating to priority of registered matters (e.g. clause 33) and seek the views of the Law Society of Hong Kong (the Law Soc) on the issues. Please report the outcome of the discussion to the Bills Committee in due course.
5. Please discuss with the relevant parties, including the Law Soc, on the proposed procedures, forms and documents for the implementation of the LTRS. Please then provide a paper to the Bill Committee, summarizing the views and concerns of the relevant parties, and advising how the views and concerns could be addressed. To facilitate the Bills Committee's understanding, please also arrange a presentation on the relevant procedures, forms and documents.
6. Please go through the Bill to review whether the relevant documents are all needed for the implementation of the LTRS, which is a system focusing on registration of interests but not registration of documents. In this connection, please review clause 44(1)(a)(ii) and consider whether it is appropriate to require the vendor to provide the purchaser with a copy, print or extract of or from any instrument referred to in any current entries in the Title Register.
7. Please also review clause 44(1)(b) and consider whether it is appropriate to require the vendor to provide the purchaser with particulars of any overriding interests affecting the land or lease.
8. To facilitate the Bills Committee's examination of clause 43 (Covenants for title), please provide a paper to explain the purpose of the clause and the provisions of section 35 of the Conveyancing and Property Ordinance (Cap. 219) referred to in the clause.