

Rectification Illustration

Under current law and mandatory rectification

A will recover property from any future owner (subject only to Limitation Ordinance provisions)

	✓	✓	✓	✓	✓
A	(X)	B	C	D	E
	✓	✓			

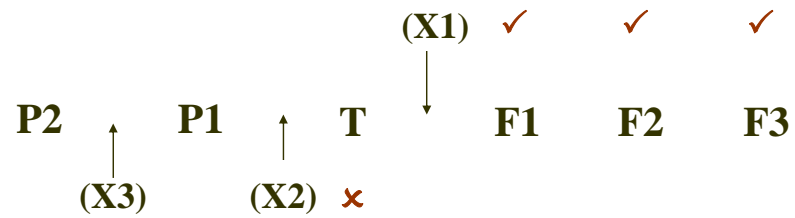
Under proposed scheme of 'deferred indefeasibility'

A will recover property from fraudster or first registered owner after a fraud.



In this slide, A is the original owner claiming rectification. B, C, D & E are subsequent registered owners.

Chain of Title Effects



In this slide, T is the registered owner today
F1 to F3 are future registered owners
P1 and P2 are past registered owners

Deferred Infeasibility Effects

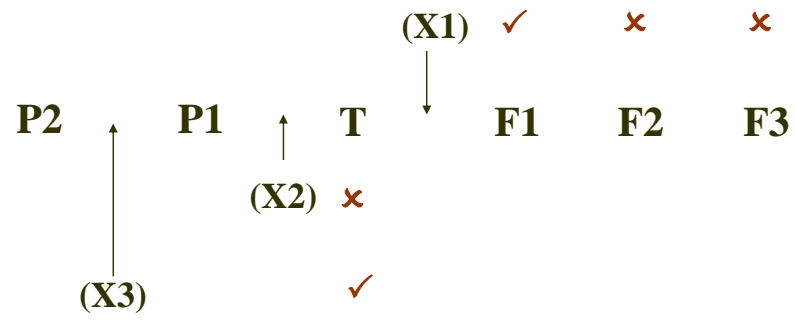


Illustration of Rectification Proposals

A (pre-fraud registered owner)	X (fraudster. May or may not be registered as owner)	B (first post fraud bona fide registered owner)	C (subsequent bona fide registered owner)	D (subsequent bona fide registered owner)	E (subsequent bona fide registered owner)
<p>Position under current law and mandatory rectification rule – A can recover property from any future owners (subject to provisions of the Limitation Ordinance)</p>					
At risk from fraud prior to transaction through which ownership acquired. Recovers property from X or subsequent bona fide registered owners	If registered, will be removed from register. No indemnity. May be pursued for recovery of loss	Will be removed from register. No indemnity under current law. Indemnity under LTO.	Will be removed from register. No indemnity under current law. Indemnity under LTO.	Will be removed from register. No indemnity under current law. Indemnity under LTO.	Will be removed from register. No indemnity under current law. Indemnity under LTO.
<p>Proposed position under ‘deferred indefeasibility’ – A can recover property from the fraudster and the first registered owner after the fraud</p>					
Not at risk from fraud prior to transaction through which ownership acquired. Recovers property from X or B, otherwise gets indemnity	If registered, will be removed from ownership. No indemnity. May be pursued for recovery of loss	Will be removed from register. Indemnity under LTO.	Remains registered owner	Remains registered owner	Remains registered owner