

Video Script on Title Registration

Characters

Wesley – Friend A

Anna – Friend B

Tracy – Friend C (Returned to HK from the UK)

Subtitles

Wesley: Six! One...two...three...four...five...six.

Anna: You are stepping on my land! You are in big trouble. I have a house and a hotel there and you have to pay me \$128,000 for passage. I do not think you have enough cash to pay me. How about I buy all your land at this price and you give me all your title deeds?

Tracy: Why is this board game so outdated in that it still requires the players to hand over the title deeds to the new landlords in land transactions? Is it a special edition for Hong Kong? When I bought a property in the UK, I only needed to sign on a document and lodge it for registration with the local authority concerned. There is no need for me to keep and hand over the title deeds to the new owner when I sell the property in future.

Anna: Tracy, you have bought a property in the UK before returning to Hong Kong. No wonder you are so familiar with the situation there. In fact, many common law countries such as the UK, Australia and Singapore are operating the land title registration system you mentioned, under which title to properties is established by registration at the local land registry. Unlike these countries, Hong Kong is operating a deeds registration system, under which registration protects the priority of the registered instruments but it does not guarantee that the instruments are legally valid.

Tracy: Do you mean that in Hong Kong, the purchaser shown as registered owner on the land register may not be recognised as the true property owner by the law?

Anna: If there are any defects in the title deeds kept by the last owner, or the title is affected by unregistered land interests, such title cannot be considered as a good title legally. That is why in Hong Kong, a purchaser has to engage a solicitor to check the relevant title deeds of a property for the past 15 years at least. A missing deed may affect the property title and cause problems when the property is sold.

Tracy: If a property has changed hands many times, the owner will have to spare a lot of space to store all the title deeds and it will also take a long time to check the historical title deeds. Even board games have to keep abreast of the times and update the version regularly for players. Will Hong Kong make reference to the overseas experience and consider implementing the land title registration system?

Wesley: I know about this. I am going to purchase a property and getting married, so I attended a seminar earlier on about land title. I learned that the Land Titles Ordinance has been enacted in Hong Kong and a review is being conducted before its commencement. Under the new title registration system, a person registered as the property owner in the Title Register is recognised by law as the true owner. A purchaser can ascertain the property owner simply by conducting a land search at the Land Registry. There is no need to check the historical title deeds to ascertain the title to the property. This will simplify the conveyancing procedures and greatly reduce the number of deeds and documents to be kept by property owners.

Tracy: I have heard about property fraud in the news reports from time to time. If an innocent purchaser has paid the purchase price and subsequently found that he has been deceived by someone who has pretended to be the property owner, what should he and the true property owner do?

Wesley: If an innocent purchaser has paid for, and moved into, the property, he can keep the property. As for the true property owner, if he suffers loss by reason of an error or omission in the title register due to fraud which results in loss of ownership, he can make a claim to the Land Titles Indemnity Fund. As the indemnity will be funded by a levy collected from property owners on registrations, there will be a cap to the indemnity to ensure that the levy rate is

kept at an affordable and acceptable level.

Tracy: The new system sounds good. When will it be implemented?

Wesley: To enable Hong Kong citizens to enjoy the benefits of the new system as early as possible, the Government proposes to implement the new system on newly granted land first and maintain the current system for the existing land. When members of the public are familiar with the operation of the new system, another legislative exercise will be conducted to bring the existing land under the new system. The Government will continue to engage the key stakeholders in discussing this “new land first” proposal and an amendment bill will be tabled to the Legislative Council for scrutiny when a consensus with the key stakeholders is reached. Tracy, it is your turn. Throw the dice and move on.

Anna: Do not change the subject and pretend that you have forgotten about the title deeds. Give them to me quickly.