

NEWS

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CONSTRUCTION & REAL ESTATE

DIGITALISATION OF THE DANISH LAND REGISTRATION SYSTEM – A QUICK OVERVIEW

The Danish land registration system is currently undergoing a revolutionary metamorphosis.

As of 8 September 2009, the registration of land (real estate) in Denmark will almost be a completely paperless system, replaced by an advanced digital registration system, entitled *e-Tinglysning (e-TL)* or electronic registration.

Instead of a process by which applicants and Danish Land Registry (*Tinglysningsretten*) employees communicate manually, and the registration of rights in land results in the acquisition of a physical paper document recording such rights, most communication will be digital and the applicant will no longer be issued with a physical paper document recording his rights.

The driving force behind the digitalisation of the Land Registry system is the desire to modernise and make more efficient the land registration system in Denmark. It should be possible to register the most straightforward applications for registration, almost immediately, via the Land Registry's website, www.tinglysning.dk, by the use of a digital signature.

It is expected that 70% of all typical applications for registration to the Danish Land Registry, for example ordinary loan conversions and deeds of conveyance, can be dealt with digitally instead of manually, once the new system is operational.

Registration date

From 8 September 2009, the date upon which a registration is said to have legal effect will be the date and the *time* upon which the application for registration is received, irrespective of the time it actually takes to process an application.

Digital signatures

As part of the current manual registration process, the signatory of each applicant for registration is reviewed to determine whether the person purporting to register a right is, in fact, entitled to do so.

The same review will be conducted as part of the digital process by the employment of digital signatures. Three types of digital signatures will be recognised by the Land Registry: (i) business digital signatures (*virksomhedssignatur*), (ii) employee digital signatures (*medarbejdersignatur*), and (iii) personal digital signatures (*privat signatur*).

Attorneys and notifiers

Where a person or business does not want to or cannot employ a digital signature, provision has been made for two additional methods of signature, a Power of Attorney system and a notifier system.

The **Power of Attorney system** enables persons or businesses without a digital signature to give other persons or firms, for example professional advisers, the authority to apply to the Land Registry for the registration of a document on his/its behalf.

The **notifier system** enables specially authorised notifiers, both individuals and firms, and whether Danish or foreign, to file applications for registration at the Land Registry on behalf of other persons/entities, by the employment of the notifier's own digital signature. The acts which a notifier can do on behalf of the person/entity which authorised him/it to act on his behalf will initially be limited to the registration of mortgages. The Land Registry must notify the person/entity, who appointed the notifier, of any registrations registered at the Land Registry by the notifier on his/its behalf. A fee is payable for this service.

Manual applications and original documents

The Land Registry will still accept some paper based applications for registration from persons without a Central National Register (*CPR*) number and businesses without a Central Business Register (*CVR*) number, for example foreign persons or businesses in the process of being established.

Moreover, the original of certain documents must still be sent to the Land Registry, for instance, certain judgements on property, while other documents must be scanned and stored in the schedules bank (*bilagsbanken*) at the Land Registry, for example, the title plan/index map of a property, title documents acquired as a result of a forced sale of a property, etc.

Issues, which are expected to result in the manual processing of an application for registration, include checking the validity of a digital signature, assessing special phraseology employed by the applicant, checking scanned material attached to an application etc.

Obligatory conversion of paper documents

All owner's mortgage deeds must be converted **within 5 years** of the digitalisation of the Land Registry system. Non-converted owner's mortgage deeds will be automatically deleted from the Land Register on the expiry of the 5 year time limit.

Closing of the Danish Land Registry

In order to implement the new digital registration system, the Land Registry will be closed from **12 noon on Thursday, 20 August 2009** and will not reopen until Tuesday, 8 September 2009. During this period, it will not be possible to process any application for registration at the Land Registry.

Transitional period

Although it is the ambition of the Land Registry that the new digital land registration system is up and running on 8 September 2009, it is to be expected that the implementation of the new digital system will have its share of teething problems. Accordingly, it would be misguided to assume that the system will function optimally from 8 September 2009 and some delays are to be expected.

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