

- REPORT -

Special Measures COVID-19 in EU Land Registries by Marta Rekawek-Pachwicewicz

Aim of a study

The study *Special Measures COVID-19 in EU Land Registries* was initiated by the European Land Registry Association (ELRA) according to developing rapidly abnormal situation referring to pandemic COVID-19. The other reason was the necessity to introduce special measures against it, which are based mainly on isolation of people not to spread the virus. It is strictly connected to the biological nature of pandemic. This sort of action quickly put a huge impact on economies of all countries in Europe in terms of real estate market. Parallely, pandemic has changed the way of public institutions functioning.

The studies main thesis is that land registries, despite of its organisational structure, are also the ones which faced a rapid change in most of the European countries. Therefore, the main aim of the study is to research on the special measures implemented in the EU Land Registries in order to face this extraordinary crisis. In this term, it is also to have a general overview of the situation in Europe. Such a report could initiate the preparation by the ELRA's Board of a Report on how EU Land Registers could help mitigate the impact of the foreseeable economic recession.

Methodology

The study is based on simple method of 4-question-questionnaire titled *Special Measures COVID-19 in EU Land Registries*, which has been sent to 30 Contact Points of EU countries. All the countries are European and ELRA Members. In case of a need to add more information, countries could use form field "Additional information".

The countries which were addressed with the questionnaire are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Greece, Italy (by *Servizio Libro Fondiario* and *Agenzia delle Entrate*), Ireland, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Northern Ireland, Poland, Portugal, Romania, Spain, Scotland, Slovenia, Sweden, Slovakia, Turkey and England and Wales.

Twenty-five countries (27 Contact Points) answered the questionnaire, just one has not answered (Greece).

Anyway, the deadline was rather short and the term to an answer was from 31st March 2020 to 5th April 2020. Few countries answers arrived later (e.g. Croatia 15th April or Northern Ireland 17th April), so their answers may be the most actual, however up to 12 days cannot make huge difference in estimation of the status quo. The reason for this was a rapid change in the development of pandemic and fast actions which had to be taken by public authorities in each country. Main feature of the study is its timeliness and practical character. The preliminary study was not conducted, therefore it might be assumed that this one is a sort of preliminary one.

Analysis

The questions which had been asked by the questionnaire concentrated into 4 main areas:

1. **Land Registries organisational area:** Q1. Do the Land Registries in your countries remain opened? In this case, specify in which conditions.
2. **Land Registries legal area:** Q2. Describe the legal measures adopted in your country, related to Land Registries. For example, as the legal term to make an entry has been extended.
3. **Land Registries economic area:** Q3. Describe the economic measures adopted to mitigate the impact on the Registries. For example, do you have special credit to the budget to pay ordinary costs?
4. **Land Registries work-load statistical area:** Q4. Have the figures decreased in the real estate trade in your country? If yes, could you specify a % approx.?

The questions 1-3 had an open character, so the recipients gave more or less precise answers, based on their overall knowledge as professionals. In some cases, the answer links to legislative projects websites. Question 4 had closed character (Yes/NO).

Analysis of 27 answers to questionnaire lead to the general conclusion that 22 countries introduced more or less restrictive measures against pandemic which influenced their land registries. Overwhelming part of the countries had to introduce special measures to isolate population.

Four countries which did not introduce mostly any measures in LRs are Estonia, Latvia, Lithuania and Sweden (Scandinavian countries). General knowledge allows to make thesis that

these countries are fully computerised and are very advanced in the use of new technologies. The countries are also relatively small in terms of area and population. Another reason may also be the general policy of the country against COVID-19 (Sweden). However, this thesis should be developed by few more questions in a detailed questionnaire.

More detailed score of the answers in the above-mentioned four areas are presented below:

I. Special Measures COVID-19 in EU Land Registries organisational area

Generally, there answers divide countries into 3 groups in terms of Land Registries' organisation, and they create two opposite models and a medium solution among them:

1. “**Big restrictions**” as closed offices at limited or unlimited period of time or closed for public.
2. “**Medium restrictions**” as the offices remain open, however their organisation differs.
3. “**Delicate restrictions/no restrictions**” in few countries.

Ad 1) Big restrictions: they are in countries like e.g. Scotland, France and Northern Ireland where LR's offices were totally closed (in France for 2 weeks) or Italy in some regions as Lombardia (sanitising). In Northern Ireland LR's offices were totally closed since 24th till 27th March. LR's in countries as Croatia, Latvia, Malta, Poland, Portugal, Romania, Slovenia, and Scotland are closed for public, however they continue to work on paper (delivered by post) or electronically. In Italy for example big restrictions characterise following solutions:

- **Servizio Libro Fondiario**: only 2 employees (the executive director and - in rotation - an office worker) are physically present inside the office.
- **Agenzia delle Entrate**: in 138 LR's offices distancing measures have been taken and the presence of employees inside has been reduced to the minimum.

Ad 3) On the other edge, there are countries like Belgium, Estonia, Lithuania, Spain or Sweden which are highly computerised, and their work has not changed at all or changed not so much (only the sanitary measures).

Ad 2) The majorities of the countries apply different-level restrictions in physical absence of customers, by means of:

- **Austria**: 1 clerk at the court to ensure the correct ranking of (exceptional) paper application in relation to IT-filed ones,

- **Bulgaria:** issued stricter rules for public access to the registration desks parlour for the purpose of filing documents in-person (1 client per desk),
- **Finland:** if customer cannot contact LR via e-service channels, he can book a time to one of our service points by calling the telephone service. Appointments are only arranged during the service point's opening hours (9 am-16.15 pm) and it is not necessarily possible to book an appointment for the same day,
- **Luxemburg:** LR with a reduced amount of people working at the different offices, and refusing physical access to the citizens, except for urgent purposes,
- **Turkey:** LR opens for limited transactions (only house sales and mortgages) and limited appointments. All the limited appointments should be made with WebTapu system and e-appointment system and Alo181 call centre. Also, WebTapu system is allowing for some transactions without any directorate approval,
- **Cyprus:** LR remain open and obliged, where there is no possibility to perform work remotely, to maintain 50% of staff. However, LR does not accept all kinds of applications as before and people cannot enter unless they send a request beforehand for an appointment,
- **Slovakia:** LRs have restrictions in opening time - they are open from 8.00 a.m. to 12.00 a.m.

The LRs in the countries organised their work by teleworking, phone calls, e-mails, live channels, automatic platforms. Documents in paper are received (sent by customer) by post in physical form and then processed. They also can be post and scanned, then digitalised (Belgium, Italy).

The difference in organisation and procedure in every country is due to level of informatisation and LR procedure. No information that the online platforms made an exemption of normal work – it cannot be affected by biological virus.

II. Special Measures COVID-19 in EU Land Registries legal area

Most of the countries have not passed any special legislation dedicated directly to the Land Register. Of course, there is a special civil law legislation against COVID-19, which is not devoted directly to land registries, but generally to civil procedures and civil law. Most of the legislations are still on-going as the continuous process, because of the rapid development of

the situation and medical news. It means that in most of the countries measures packages were adopted and it is announced that there will still be new measures to adopt (e.g. Croatia).

The amendments concentrated mainly on different legal terms, so that citizens' rights can be protected and maintained by law. Such solutions are introduced in countries: **Austria** (extension the appeal period (blocked legal force) – unnecessarily for land book cases), **Estonia, Cyprus** and **Turkey** (stopping foreclosures), **Croatia** (electronic communication and stopping the deadlines), **Luxemburg, France** (extension for 1 month plus period of confinement the legal term to file civil acts) and **Poland** (blocked legal force of procedural deadlines by its suspension during the plague time).

There are also countries which introduced specific regulations referring to LRs apart from the general civil regulations. As an example, it is a case of:

1. **Bulgaria:** notary procedures are limited only to urgent ones, where the currently adopted nationwide health measures are strictly followed. The Notary chamber was ordered to appoint notaries on duty, by applying a rule of one notary available to every 50 000 citizens¹.
2. **Italy:** accepting any paper application and all the documents have to be submitted digitally from April 6th 2.
3. **The Netherlands:** technical and security measures have been tightened, both on-line and off-line. Contact with Cadastre is possible via mail, telephone, e-mail, telefax and livestream connections (all meetings).
4. **Portugal:** a new decree-law establishing exceptional and temporary rules for the practice of acts by means of remote communication was approved. It allows the registration acts that were not yet available online to be requested by email, to facilitate the payment of registrations requested by email or post through electronic means and to enable notices by email.
5. **Romania:** The legal measures are focused on digital signatures. It turned out that the legislation shall be improved. The main issue is the land registrar's digital decision and the legal value of the digital documents which this decision is based on.

¹ Bulgaria - on 23rd March, the State of emergency bill was passed.

² Italy - det. Servizio Libro Fondiario n. 2 dd. 26-03-2020.

6. **Scotland:** the provisions will allow the property registers to continue to function in the period where social distancing guidance is in place. The specific regulations:
 - Enable the property registers to continue to function and accept new applications
 - Extend the existing 35-day period that an Advance Notice provides to applicants for a period of 10 days after the registers are fully reopened allowing essential property transactions already in progress to proceed to settlement
 - Allow people to submit applications for registration to the property registers digitally while the Registers of Scotland are temporarily unable to receive applications by post³.
7. **Spain:** different measures have resulted from several regulations with impact in Registries⁴:
 - The periods of validity of all kinds of registrations have been interrupted to avoid their cancellation due to expiration and provoke damages,
 - The time to issue documents has been increased 15 days,
 - Moratoriums to avoid failure to pay mortgages have been established,
 - Time limits to give publicity via telematics have been enlarged,
 - The requests of simple notes are exceptionally permitted via email,
8. **Northern Ireland:** Anyway, there was a clarification issued as to how Land Registry Northern Ireland will deal with the priority order of applications when the register is opened again. It is confirmed that the priority period afforded to lodge applications (40 days) will be taken only from when the register re-opens and not from the date of submission.

On the other edge there are countries which did not answer positively to Q3: Belgium, Finland, Ireland Latvia, Lithuania, Malta, Slovenia, Slovakia, and Sweden.

III. Special Measures COVID-19 in EU Land Registries economic area

Overwhelming majority of the countries have not adopted any special economic measures to mitigate the impact on the Registries (22 countries). It is probably because they are financed directly by the State budget as the part of public institution.

³ Scotland - Coronavirus (Scotland) Bill

[https://www.parliament.scot/S5_Bills/Coronavirus%20\(Scotland\)%20Bill/SPBill66S052020.pdf](https://www.parliament.scot/S5_Bills/Coronavirus%20(Scotland)%20Bill/SPBill66S052020.pdf)

⁴ Spain - a Royal Decree, two resolutions and a Direction.

There are 4 countries where certain measures were undertaken and each of them has their own unique solutions. The measures have been taken by the Authority (Austria, Italy, Romania and Cyprus) or the Registrars self-government (Spain). I grouped the measures into two levels – decreasing direct costs of LRs procedures for customers as in Austria and Italy or decreasing direct costs of LRs operational (administrative) costs of LRs as in Cyprus, Romania and Spain. The detailed description of this exception, as follows:

1. **Austria:** For the constitution of mortgages that became necessary or directly triggered by COVID-19, there is an exemption from the fees in preparation⁵.
2. **Italy:** A free access to OPENK at portal (only to submit digital applications) has been provided. Users do not pay a 10 euros fee to obtain copies of LR documents by email⁶.
3. **Cyprus:** LRs have been asked to reduce budget as much as possible especially in the areas of travelling and regarding new projects and requirements (great alert regarding budgeting).
4. **Romania:** As the main measures (for now) are focused on working from home, that means a reduction of 25% of the salary.
5. **Spain:** The Registrars Association, as an institution that unites all Registrars of Spain, has adopted the following:
 - Cancellation of the payment of instalments to the professional Association,
 - Negotiation with banking entities to open credit lines special for Registrars.

All the solutions seem to be interesting, especially these concerning the discount in costs offered to citizens as in Austria and Italy. It is important for saving the economies of the country.

IV. Special Measures COVID-19 in EU Land Registries load-work statistical area

Statistically, the precise (in percentage) reduction of applications (workloads) to LRs takes place in case of 12 countries according to answers in Questionnaire. The differences shape from 75% to 20% and the score is shown in the red boxes of a Table 1. Only 2 countries noted no change – the green boxes of a Table 1. Nine countries have not given precise information (no percentage or no estimation) – grey boxes of a Table 1. However, it should be presumed that in the grey countries” there is a decrease in numbers, but it is early to estimate the percentage.

⁵ Austria - general court fees for the intabulation (constitution) are 1,2 % of the given and entered credit.

⁶ Italy - det. *Servizio Libro Fondiario* n. 2 dd. 26-03-2020 and delib. *Giunta Provinciale Trento* n. 292 dd. 06-03-2020.

No	Country/Region/Land	Applications decrease/increase (% percentage)	Additional Information
1	Poland	- 75% (number of applications is slowly increasing)	Inform. from Bialystok district, March – April
2	Spain	- 74%	Inform. from Castilla la Mancha
3	Northern Ireland	-70%	Inform. of 17 th April
4	Romania	-70%	Inform. from Brasov, which is one of the most active county in Romania
5	Belgium	- 60-50%	
6	Slovenia	- 55%	
7	France	- 50%	
8	Bulgaria	- 50%	
9	Portugal	- 35 % decreased in March and -2% in deeds in purchase	decrease will be more precise at the end of April
10	Cyprus	- 33%	
11	Italy	- 27% SLF/ AdE -7%),	Servizio Libro Fondiario, Agenzia delle Entrate
12	Latvia	- 26%	of all applications
13	the Netherlands	-24% decreased in the amount of requested publicity	decrease in trade - up to 3 months, documents,
14	Estonia	- 20%	
15	Croatia	no percentage	but decreased will be in a future, “trades have almost completely stopped” according to reliable sources
16	Ireland	no percentage	
17	Malta	no percentage	
18	Scotland	no percentage	
19	Slovakia	without estimation	However, all actors of real estate market have been closed (real estate agencies, attorneys at law, notaries, LRs)
20	UK	without estimation	
21	Lithuania	no information in Q	
22	Sweden	no information in Q	
23	Turkey	no information in Q	
24	Austria	no change in trade	
25	Luxemburg	no change in trade	

Table 1: Decrease in applications - workload in Land Registries of EU countries in percentage (%) in March with some predictions till April 2020.

CONCLUSIONS

Undoubtedly, in the most countries organisational, legal and economic measures against COVID-19 are adopted by their authorities, also to land Registries as part of public policy. It is a sensitive area in terms of economic challenge referring to real estate trade.

Some general measures which have been taken have also impact on the Land Registries directly. Situation is evolving as governments according to development the medical situation announced that there will still be new measures to adopt. My view is that latest legislation is more technical and detailed, so there might be rules referring directly to Land Registries.

The character of legislative changes is connected to the nature of a danger people are facing and concentrates on procedures to make them easier and more on-line friendly. In this way IT solutions are allies of humans.

Most of the countries note decrease in number of applications, customers, and activities. The differences between countries depends on the anti-COVID 19 policy (e.g. Sweden via Slovakia), advance in new technologies and the level of damage by the virus.

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