

# ELECTRONIC CONVEYANCING TRANSACTIONS

## VOI CLIENT INFORMATION SHEET

The introduction of a national electronic conveyancing system delivers many benefits to all persons involved in transfer and other dealings with land. However, it requires changes to the way many of the traditional processes are undertaken. This Information Sheet gives a brief overview of various changes as they affect vendors, purchaser and various other transacting parties.

### What is electronic conveyancing?

Conveyancing concludes with the settlement and lodgement of property transactions. Electronic conveyancing performs this process more efficiently using a national electronic hub or exchange known as PEXA (or Property Exchange Australia) that may be compared with the ASX.

PEXA connects Subscribers (being Banks, some other financial institutions, legal practitioners and licensed conveyancers), the Land Registry and the Reserve Bank of Australia. The Subscribers progressively contribute and agree upon information through PEXA. If all Subscribers have notified their readiness, the PEXA settlement process starts at the agreed time: documents are lodged electronically with the Land Registry and the Reserve Bank of Australia then electronically withdraws and pays the money to effect the financial settlement. Typically, the PEXA settlement process takes less than one hour for the payments and registration to be completed.

### Who may access PEXA?

To maintain the security and integrity of the system, access to PEXA is limited to the Land Registry, Reserve Bank of Australia, State Revenue Office and Subscribers.

A Subscriber must undergo a rigorous process to qualify to join PEXA. Personalised access credentials and passwords must be used to connect with PEXA on every occasion. The level of integrity and security within PEXA is greater than for a transaction lodged as a paper document

### Benefits and costs for transacting electronically

Benefits for a transacting party of an electronic transaction include –

- lodgement and registration within minutes from the start of the PEXA settlement process; and real-time payment of cleared funds.

PEXA charges a Service Fee and there are potentially other costs associated with an electronic transaction. However, these costs are offset by removing the need to use bank cheques, manually deal with a financial institution and physically attend settlement. Your Subscriber will be able to provide a comparison of the cost of conducting an electronic and a paper transaction.

### Changes to the conveyancing process

The technology used for electronic conveyancing requires changes to some processes employed in paper transactions. Whilst these changes have been implemented for electronic transactions, they are also required for paper transactions.

Both paper and electronic conveyancing require a practitioner to take reasonable steps to verify the identity of every person who comprises their client and of their right to deal with the property. The Land Registry's requirements are discussed below and are in place to prevent fraud.

Because access to PEXA is restricted to Subscribers, your Subscriber must sign the electronic equivalent of the Transfer on your behalf. A **Client Authorisation** must be signed by you that authorises the Subscriber to sign the electronic document, settle the transaction and attend to all other things necessary to finalise the transaction.

### Verification of the right to deal

Verification of the right to deal involves establishing the link between the property and the transacting party. Vendors may produce such documents as the duplicate certificate of title (or registration confirmation where there is no duplicate certificate), land tax assessments, rates notices, utilities notices and mortgage repayment statements. Purchasers should provide a copy of the contract of sale and purchase unless the Subscriber already has it.

Also, where a person is signing the Client Authorisation on behalf of a transacting party, the capacity to do so must be established. Your Subscriber must be provided with the document conferring the authority (e.g. the original or certified copy of the power of attorney, trust deed, will, Court order, etc.) and your Subscriber is required to retain a copy as evidence supporting the transaction. Your Subscriber must undertake a search with the corporate regulator if the transacting party or attorney is a corporation.

You should take the originals of these documents with you to the VOI interview (see below).

### **Verification of identity**

The Land Registry requires the Subscriber to take reasonable steps to verify the identity of every person who signs the Client Authorisation as a transacting party or on their behalf. The standard for reasonable steps (known as the **VOI Standard**) is specified: it requires a face-to-face in-person interview (known as a **VOI interview**) at which the originals of particular documents are produced to verify the identity. Copies of these identity documents must be retained on the Subscriber's file.

Identity documents are grouped into categories. You are required to produce the highest category of documents possible, and every document required for that category. The majority of people can produce the following primary identity documents from the highest categories –

- an Australian or foreign passport or Status Immicard or Australian Migration Status Immicard, plus
- an Australian driver's licence or Govt-issued card with photo evidencing age or identity.

If you have only one of these identity documents, you will need to produce a full certificate of birth, citizenship or descent plus a card issued by Medicare, Centrelink or Department of Veterans Affairs.

A Marriage or Change of Name Certificate must also be produced if your name has changed.

The various categories of documents are set out at the end of this Information Sheet.

You should discuss the situation promptly with your Subscriber if –

- you cannot produce a passport, driver's licence or Govt-issued photo identity card,
- verification must occur in a remote location or overseas, or
- your Subscriber verified your identity in the last 2 years.

You may also need to sign other documents and a Client Authorisation during the VOI interview. If so, your Subscriber will provide those documents to you. Hence, it is vital that your Subscriber is able to contact you and send documents to you throughout the period to settlement. You should discuss the situation promptly with your Subscriber where difficulties may arise.

### **Your obligations**

You may be in breach of your contract and settlement may be delayed if adequate instructions are not received promptly by your Subscriber or the processes outlined above are not completed promptly. As a priority, you must consult your Subscriber in any of the circumstances mentioned above and other circumstances that may delay adequate instructions or completion of any processes.

### **Any questions?**

Your Subscriber is able to answer questions about the processes to verify your identity and your right to deal with the property. Promptly discussing your questions will avoid delays, particularly if you may be unable to satisfy any requirements. For more detailed information, contact your conveyancer.

## CATEGORIES OF IDENTITY DOCUMENTS

*For Australian citizens and residents, the following categories and sub-categories apply.*

Category	Minimum Document Requirement for Australian citizens or residents:
1	Australian Passport or foreign passport or Australian evidence of Immigration Status ImmiCard or Australian Migration Status ImmiCard* <u>Plus</u> Australians drivers licence or Photo Card^ <u>Plus</u> Change of name or marriage certificate if necessary
2	Australian Passport or foreign passport or Australian evidence of Immigration Status ImmiCard or Australian Migration Status ImmiCard* <u>Plus</u> full birth certificate or citizen certificate or descent certificate <u>Plus</u> Medicare or Centrelink or Department of Veterans' Affairs card <u>Plus</u> Change of name or marriage certificate if necessary
3	Australian drivers Licence or Photo Card <u>Plus</u> full birth certificate or citizen certificate or descent certificate <u>Plus</u> Medicare or Centrelink or Department of Veterans' Affairs card <u>Plus</u> Change of name or marriage certificate if necessary
4a	Australian Passport or foreign passport or Australian Evidence of Immigration Status ImmiCard or Australian Migration Status ImmiCard* <u>Plus</u> another form of Government issued photographic identity document <u>Plus</u> Change of name or marriage certificate if necessary
4b	Australian Passport or foreign passport or Australian Evidence of Immigration Status ImmiCard or Australian Migration Status ImmiCard* <u>Plus</u> full birth certificate <u>Plus</u> another form of Government issued photographic identity document <u>Plus</u> Change of name or marriage certificate if necessary
5a	Identifier Declaration <u>Plus</u> full birth certificate or citizen certificate or descent certificate <u>Plus</u> Medicare or Centrelink or Department of Veterans' Affairs card <u>Plus</u> Change of name or marriage certificate if necessary
5b	Identifier Declaration by a person specified in Verification of Identity Standard paragraph 6.3(a)(v) <u>Plus</u> Medicare or Centrelink or Department of Veterans' Affairs card <u>Plus</u> Change of name or marriage certificate if necessary  <i>NOTE: Refer to Verification of Identity Standard clause 6.3</i>
	<b>For persons who are not Australian citizens or residents:</b>
6a	Foreign passport <u>Plus</u> another form of government issued photographic identity document <u>Plus</u> Change of name or marriage certificate if necessary
6b	Foreign passport <u>Plus</u> full birth certificate <u>Plus</u> another form of Government issued photographic identity document <u>Plus</u> Change of name or marriage certificate if necessary

*\*An Australian Permanent Resident Evidence Immicard or Australian Residence Determination Immicard is able to be used until **1 July 2020** if not expired and if verified using the Visa Entitlement Verification Online system.*

*^ A **Photo Card** is a card issued by the Commonwealth or any State or Territory showing a photograph of the holder and enabling the holder to evidence their age and/or their identity*

The person being identified must produce the genuine, current original of every document in the highest category or sub-category possible. Documents produced must be current, except for an expired Australian Passport which has not been cancelled and was current with in the preceding two years.

**Identifier Declaration – *Australian citizens and residents only***

An identifier Declaration is a statutory declaration with prescribed content. It must be declared by –

- an adult who has known you for more than 12 months;  
and not a Relative nor party to the conveyancing transaction; and
- where Category 5b documents are used to verify you – an Australian Legal Practitioner, a Bank Manager, Community Leader, Court Officer, Doctor, Land Council Officeholder, Licensed Conveyancer, Local Government Officeholder, Nurse, Public Servant or Police.

The Declarant must attend the VOI interview with the person being identified. The Declarant must also have their identity verified using Category 1-4 documents.