

Why We Are Reorganising the Swedish Land Registry

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SUMMARY

The Swedish Land Registration rests on long traditions of keeping records of information. The Courts have been the natural choice when it comes to store information from contracts and other related documents for the common man. The courts have been represented in large numbers and in many regions of Sweden. Now the situation is changed. The possibility to get in touch with authorities, get information and interact via the Internet and store important information in databases have led to a less need for manned offices in the countryside. It is now decided and planned for a transfer of the land registration business from the courts to the National Land Survey of Sweden (Lantmäteriet).

The new organization of Land Registration will lead to improvements. The cooperation and coordination between the land registration business and the business of handling and disseminating information will lead to rational changes like better quality, more efficient ways of managing information and better suited support. One land registration organization, with one general management and one unified major process of land registration and an engaged staff will lead to a more effective land registration and better quality in favor for all the clients and the society in general.

SAMMANFATTNING

Den svenska inskrivningen vilar på långa traditioner av att registrera, förvara och tillhandahålla information om fastigheter (mark och egendom). Domstolarna har utgjort ett naturligt val av myndighet för att hantera information från överlåtelsehandlingar, köpekontrakt och liknande dokument som hanteras av fastighetsägare. Domstolarna har funnits på många orter i landet. Nu har situationen ändrats. Möjligheterna att komma i kontakt med myndigheter, få information och utbyte via Internet samt att lagra stora mängder information i databaser har lett till ett minskat behov av att ha bemannade kontor i landsorten. När man nu omorganiserar inskrivningsverksamheten, för andra gången, kommer det leda till förbättringar. Avsikten är att samverka och koordinering mellan inskrivning och informationshanteringen (lagring och tillhandahållande) av information ska leda till rationaliseringar. Ledningen av processer och medarbetare tillsammans kommer att leda till en effektivare inskrivningshandläggning och bättre kvalitet i resultaten.

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1. A BRIEF DESCRIPTION OF HISTORY

Since the days before the Swedes knew how to read and write the local court has been an important part to the business of trading land and property. The local judge and other important people of the community took active part in the rituals that made the land and property transactions remembered. When the time and knowledge of reading and writing came it was natural that contracts of sale were handed in to the court for control and for keeping. It was easy for anyone interested to go to the court for information about property in the area and about any purchases.

To improve the process of keeping information the courts started to record information about properties and transactions in books. These Land books became the source of information which linked the property information in the documents with the property and its owners. The way of recording in books was legislated in the law 1870 and it was the way of keeping records over a hundred years. In the 1970:es the new Swedish Land Code stated a possibility to use databases instead of recording information in books. The work with the transfer of information written in the land books started along with the development of the IT-system. It took almost two decades to transfer the information about all the property units in Sweden. Meanwhile the use of digital information was implemented and the usage is now a standardized procedure in all kind of businesses concerning real property.

If the first major step in development were the change from rituals and memorized information to the written form in land books the second may be the step from manually written land books to register information to data bases.

We may now face the third major step of development when the Swedish Land Registration reorganizes from the courts to the National Land Survey.

2. CHANGES AND DEVELOPMENT IN LAND REGISTRATION

2.1 Earlier Reorganization

2.1.1 Reduction of Number of Land Registries

The debate of changing the organization of the Land Registration has been going in Sweden for some time. In 2001 a major reorganization reduced the number of Land Registration Authorities from 89 to just 7. Before the decision of that reorganization it was suggested to have Lantmäteriet as the one and only Land Registration Authority. The political situation was not in favor for such a change and it was decided to have the land registration organized basically in the same way as earlier but with just 7 individual authorities. These 7 units were

placed at the local courts on sites where other state agencies recently had closed down or in places where the general job market was hard.

The change in organization was in general just a reduction of the number of units. Nothing was really done in the other parts of the Land Registration such as general management or processes. Each Land Registration Authority was still an individual court authority with no coordinating management from the National Courts Administration. The procedures and routines for Land Registration were kept.

The staff was in general kept. The regulations concerning matters of land registration were kept.

2.1.2 Continuation of Land Registration

Since the change in 2001 the business of Land Registration has been conducted in the same way as earlier. No changes or improvements have been done. The IT-systems are almost the same even if they have been improved or repaired over and over through the years. The number and the structure (age, gender...) of staff are about the same. There are very few changes.

The amount of matters of registration has increased along with the rise of the real property market. The types of matters are still the same as earlier.

The technical standard is also still the same as earlier. No major changes have been made to the systems and the general IT-development has not still made any impressions on the Land Registration systems.

2.1.3 The Business of Land Registration Today

The real property market has been expansive over the last 3 years. This has meant higher number applications to the land registration authorities. About one million matters of registration a year have been handled at the 7 land registration authorities the last years. Of this about 30 % is about registration of ownership and about 50 % about mortgages.

The process of registration is quite ordinary for any kind of state agency administration. It is about receiving documents and application, control of documents and information, handling of the matter with registration, decision of matters and finally the step of archiving and finishing. All documentation in each matter is still in paper form. It is not aloud to extract contracts in digital form for transferring real property. The process is still working on the condition to handle papers.

The actual registration is made with the support of the IT-system developed and managed by Lantmäteriet. In general the systems are results of the late 1970 development. The division of business, the handling of matters at the courts, and the managing of IT by Lantmäteriet, have been for a long time and proved to work - but in restrained ways when it comes to system development. The standard of the systems for registration and dissemination of information is

fairly stable but in urgent need for replacement to more modern systems and constructions.

It is possible for anyone to sell and buy real property and to apply for land registration. Even so it is mostly professionals who handle most of the applications. Over 80 % of the registration matters are handed in by banks or other professionals representing the property owners. In numbers the private persons is the largest category of the ones handling applications for land registration.

Some of the registration matters do not require much and they may be very easy to apply for. This goes for the simple mortgage registration. Other matters require different documents, often in original, and here the contract of sale is one example of such a document. If the applicant is married, or divorced, it also may be a complication to the matter. About 7 % of all applications are of such bad quality that they may not be handled and decided. Usually these applications are sent back to the applicant with a notice about the reason for the return of the matter.

The number of complaints and appeals are very low. Therefore the standard and quality of all the decided matters must be reckoned as very high. In the registers there are a lot of old and not updated information originating from the first registration of the information. Changed conditions in property units or information about owners have not always led to changes in the register.

2.1.4 The New Organization

The new land registration organization will, from June 1, be one Land Registry. The new organization is decided in both political levels and in changes in legislation on the area. Despite from some, maybe, obvious reasons, the major reason to reorganize was the interest and need to refine the courts business to court matters. Over some years this process have went on and several kinds of matters have been transferred to other state agencies.

With the proposition for the new organization another argument for the development were presented. With a new organization it will be possible to get positive effects and rationalizations made in the coordination and cooperation between the maintenance and development of IT-systems and the Land Registration. The management of the whole Land Registration will also be improved, according to the proposition.

2.1.5 The Preparations

Since over 2 years the preparations for the new organization and the transfer of land registration business have been going on. The work has been conducted in a very positive atmosphere. The land registration staff has been a very active part in the work and very willing to cooperate.

From the beginning of the preparation project information about all changes and conditions for the changes has been handled very openly and straight forward. Information letters with

information of all kinds has been sent out to all 7 land registration units and the staff on regular basis and at each occasion when something has happened. This has proven to be a good way to give a clear and full picture of the project and the activities. Another “best practice” has been to keep records of questions and answers of all kinds and distribute updated versions of this FAQ (frequently asked questions) to the staff involved. No question, or answer, must be underestimated or seen as unimportant.

2.1.6 The Organization of the New Land Registry

From June 1 the organization will be of a new and different kind than earlier. It will be one organization, even if the land registration still will be conducted in the same 7 areas as earlier. But instead of having each unit isolated it will now be one group of land registration staff. The Land Registry will be organized in one division at Lantmäteriet with one director. The general management will also consist of a development manager, a managing legal adviser and of the office managers from each of the 7 units. Earlier the management for each Land Registry was a judge who mainly worked with court matters.

2.1.7 The Process of Land Registration

Even if today’s process of land registration is regulated in legislation and supposed to be handled in a certain way it is acted out in different ways. In a study made, over 60 differences were identified in the way of conducting the land registration process at the 7 units.

When the land registration is performed by one organization it must be done in a unified way. Right after the transfer date a project for unifying the process of land registration will start. The main objective will be to unify the process and the ways of handling land registration matters. Positive effects like cost reduction and effectiveness will be of secondary concern in the first phase of this work. Therefore the process of land registration will still be kept, but in one version.

In the next phase focus will be to find better ways of handling steps in the process. In this work it will be of great interest to see what kind of procedures produces the most possible value to customers. With this step it will also be possible to go on with the development of a new registration system and systems to support e-applications and such.

FUTURE

With a unified process it will be possible to improve it. Also it will be good conditions to replace the old IT-system for registration with a more modern system that support the new improved process. In this new system e-applications and a complete digital process will be possible to implement. This will also set some demands on the legal development. Today we have a lot of regulations about e-applications and digital signatures in place. What is left and what is needed to fulfill the visions is that it must be legalized to use digital contracts of sale of real property. Today it is not aloud to draw a contract in another form than in paper with the signature made with a pencil.

BIOGRAPHICAL NOTES

Mats Snäll graduated as a lawyer in 1991. Before starting to work for the National Land Survey of Sweden in 1997 Mr Snäll worked with mortgage banking.

On the National Land Survey of Sweden he has mainly worked with development in the area of information management, IT and legal development. He has, as a project manager, led a number of projects concerning development of the mortgage certificate register, development of an apartment register and has been in charge of projects within a development program concerning a new system for the Swedish Land Register. He has also participated as legal adviser in a number of other projects and activities. Mr. Snäll has also contributed as an external expert at the Ministry of Justice and drafted a proposal for a change in the Law on the Mortgage Deed Register. In 2005 he was an external expert at the Ministry of Sustainable Development and advised on a long-term plan for the National Land Survey of Sweden. The last couple of years he has been engaged in the transfer of the Land Registration from the Courts Administration to the National Land Survey and he recently were appointed as Head of Development for the new Land Registration Authority.

Since 2000 Mr. Snäll has also undertaken overseas assignments which have included missions on single occasions and long term assignment as team leader. These assignments have been conducted in projects in Russia, Belarus, Armenia, Georgia, Serbia, Croatia and Mongolia.

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