

LTSA Quality Verification Program Frequently Asked Questions (FAQs)

NOTE These FAQs have been prepared in support of the Land Title and Survey Authority of British Columbia's Quality Verification program and Practice Note 02-16 Truing Up an Original Electronic Instrument (PN 02-16).

Question 1:

In practice, there are times when a document is executed before all the material facts are available. These executed documents are then held in escrow until the deal is being closed.

Practice Note 02-16, point 2 under "Execution Copy and Truing up Principles", states that "printing off a series of copies of an incomplete electronic form and executing these before all material information has been completed, then adding the material facts after the execution of these forms and subsequently populating a different electronic form is unacceptable".

Does this guideline mean that the practice of adding missing elements to a form after it is executed is no longer acceptable?

Answer:

"Truing up" an instrument to incorporate additional information missing from an electronic original is acceptable as long as all parties involved have agreed to the changes being made to the instrument.

The scenario that is **not** acceptable is where many execution copies are created from a single electronic original with the intent of executing this series of prints as though they represented many original electronic instruments. In other words, executing a series of execution copies of the same electronic instrument does not result in the creation of a multitude of electronic originals.

The execution copy must also be updated to align with the trued up electronic instrument. For additional information, see the Law Society of BC's Notice to the Profession entitled "Law Society Protocol for land title electronic instruments".

Question 2:

Does the requirement to amend the execution copy to reflect amendments made to the electronic document *before* the electronic document is electronically signed, also apply when the amendments to the electronic document are made *subsequent* to its submission into the LTO?

Answer:

Section 168.55 does not require the execution copy to be amended to reflect the amendments made to the electronic document. In addition, s. 168.5 states that once the document has been submitted electronically it "is conclusively deemed to be the original document".

Amendments to electronic documents made subsequent to their submission into the LTO must be done in accordance with s. 168.55. This section requires the subscriber to certify, based upon their personal knowledge or reasonable belief, that the declaration sets out the material facts accurately.

Question 3:

Can the amendments be substantive or material?

Answer:

In general, substantive or material changes can be made if all parties consent to the amendment (this requirement is met if the applicant denotes in the corrective declaration that all of the required parties have consented). However, amendments cannot be made to add PID numbers, as this would have the effect of back dating when it was marked up as pending on title.

Question 4:

If I have an application in paper format, can I use it to create an electronic instrument?

Answer:

It is never acceptable to create the electronic original from a paper document. If the instrument was executed in paper form before electronic forms were mandatory then it may still be filed as a paper application. If not executed before mandatory requirements were in place, then a new electronic instrument will need to be obtained from the transferring party. As noted in E-filing Directions, Part 6, Required e-filing, if faced with this scenario, you may be able to request an exception to required electronic filing.

Question 5:

There is too much information in the execution field and not enough space on the electronic form. How do I add this information in?

Answer:

As noted in <u>PN 02-16</u>, the information can be truncated to only include the required information. An electronic Form D can also be used if there isn't enough room in the execution section of the form. For guidance, see **Chapter 6 – Form D Executions Continued** in the <u>Land Title Electronic Forms Guidebook</u>.

Question 6:

Can I make amendments to the execution copy after it has been executed?

Answer:

For guidance related to amendments after execution of the execution copy, but before the subscriber digitally signs the instrument, see the Law Society of BC's Notice to the Profession entitled "Law Society Protocol for land title electronic instruments".

Question 7:

Is it acceptable to execute an electronic instrument in counterpart? That is, is it acceptable to print off multiple copies of one electronic instrument so multiple people can execute the true copy more efficiently.

Answer:

Yes, it is acceptable to collect signatures in counterpart, as long as the printed execution copies are all derived from the singular original electronic instrument. A <u>Form D</u> may be used to true up the electronic instrument to incorporate all of the executions into the electronic instrument.

Ouestion 8:

How long must I retain the executed execution copy, i.e. the paper copy of the electronic instrument containing the original signatures?

Answer:

The Registrar does not determine the retention period for the signed paper copy/execution copy of the electronic instrument. Section 168.57 of the *Land Title Act* states that prior to registration of an application, the Registrar may request the evidence used by the designate when applying their electronic signature be produced for inspection.

The <u>Law Society of British Columbia</u> and the <u>Society of Notaries Public</u> have published guidelines for their members pertaining to the retention of their records.