

Who's Who? Verifying Real Property Transactions



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Innovation. | Integrity. | Trust.



Maintaining and Improving the Integrity of the Land Title System



Director's Vision

**BC's land title system:
A global leader in accessibility and security**

Rationale for Change



Providing access to the land title office's services is a critical function.



Move from paper-based processes to fully electronic processes introduces opportunities for better submission, registration and search functionality



Electronic processes create new risks of fraud, which must be addressed to maintain users' trust in the system and protect the assurance fund.

Accessibility Improvements

**Better access to our services,
broader search functionality and
modernized methods of interacting with
customers, users, partners, and stakeholders**

Accessibility Improvements



Better access to land title data through new search capabilities



Improve interoperability with other registries and land-related data



Enable and expand member of the public e-filing



Enable remote witnessing of land title applications



Develop a completely paperless land title transaction

Security Improvements

We must ensure all parties involved in a real estate transaction are “legit” – buyer, seller and all the professionals assisting them.

Security Improvements



- Development of capabilities to assist law enforcement and regulators to better address land title fraud, money laundering and other crime involving land titles
- Exchange of information directly with organization that holds the supporting information
- Abnormal/high risk transaction detection
- Verify all parties
- Broader use of Parcel Activity Notifier service to enhance registry security
- Multi-factor authentication

Next Steps



- Maintaining trust in the integrity of the register and the land title system is crucial
- The Director of Land Title's vision informs future LTSA projects and plans. Verified Transaction is a natural fit

A Vision for Evolving the Real Estate System



Trust & Transparency in the Real Property Market



With BC real estate valued at \$2.79 trillion, **land ownership represents the highest valued asset** of many British Columbians.



The significant value of real estate makes it a **prime candidate for fraudulent activity** such as identity theft.



A disjointed, complicated transaction process **limits transparency and contributes risk:**

- Multiple participants
- Siloed information
- Combination of digital and physical steps

LTSA's Vision

**A real property market that is
trusted and transparent**

Shared objectives

Public interest - improve the functioning of the real property market.



Maintain public confidence and trust

Ensure citizens are well served by the real estate industry.

Improve access to information and resources

Enable effective participation in real estate transactions by individuals and professionals.

Coordinated regulatory system

Break down silos and eliminate “point solutions” across the transaction lifecycle.

Improve market conduct

Provide a combination of education, enforcement, and business tools to improve compliance.

Property Market – a Complex Ecosystem



Recognized Industry Issues



Anti-Money Laundering (AML)

- Increased risk leading to increasingly complex regulatory environment
- 101 Recommendations from Cullen Commission



Identity Fraud (KYC)

- Increased risk from weaknesses in Know Your Client (KYC)
- Proliferation of counterfeit documents
- Unsecured identity verification process
- Multiple unconnected identity checkpoints

Taking Cues From the Financial System

FINANCIAL SYSTEM

REAL ESTATE SYSTEM

One-time, strong KYC

KYC through intermediaries

Ongoing direct client relationship

Intermediaries in client relationship

Payment Rails and Standards (ISO20022)

Fragmented, online/offline transaction process

The Verified Transaction

Verify the Property Owner

Additional KYC steps and verification against a network of secure and trusted data sources



Verify the Participants

Digitize the transaction and connect parties to reduce identity fraud and increase transparency



Verify the Transaction

Enhance personal information verification, giving more control to the homeowner



The Verified Transaction

Verify the Property Owner



- Additional KYC process to confirm clients' identity through secure online process
- Government Issued ID verified against a network of secure and trusted data sources
- Safeguard personal information while reducing fraud risk

The Verified Transaction

Verify the Participants



- Digitize the transaction
- Connect multiple parties
- Help identify risky transactions
- Increase automation capability
- Opportunity for decentralized finance protocols

The Verified Transaction

Verify the Transaction



- Multi-factor Verification (MFV)
- Improve security
- Connect client to property
- Gives more control back to homeowner – client has final control

LTSA's Role and Strategy



LTSA's systems provide the **foundation for real property ownership and business** in the province



We are uniquely positioned to provide **industry leadership for the broader real property market**



By fostering a secure and efficient real estate market, LTSA helps create **economic and social value for British Columbians**

LTSA Commitment

Improve trust and transparency in the real property market by:

- Continuing to evolve the digital real estate transaction
- Leading the development of data standards across industry

Questions? Next steps?



Thank you



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