Hi Debbie,

I refer to our email exchange below, as well as to our discussions in early May and attach draft transitional provisions that are intended to address the various issues that have been raised and to essentially move matters from where we are today in terms of title, to a position of “absolute title” (in each case) for purpose of the LTRA.

Assuming that this approach is accepted, the transitional provisions may be progressed as a standalone item, or worked into the LTRA in some way.

You will note that the attached provisions still require input from the surveyors for the purposes of Schedule 1 and wider input from attorneys for the purposes of Schedule 2.

I would be happy to discuss the attached document at your convenience.

Regards,

Scott
PROPOSED

LAND TITLE REGISTRATION TRANSITIONAL PROVISIONS

PRELIMINARY REGISTRATION

INTERPRETATION

[A] In Part I and Part II, the following words shall have the following meanings, unless the context otherwise requires:

"action" includes any proceedings in court brought by a claimant;

"applicant" means any person applying to register title to a registerable estate (or a part of it) including a freehold or leasehold owner (or grantor), as well as any grantee;

"attorney" means an attorney acting for an applicant who is duly admitted under the Supreme Court Act 1905 to practice as a barrister and attorney in the Supreme Court;

"basic assumptions and reservations" means the assumptions and reservations specified in Schedule 2

"certified title" means a title that is designated good and marketable in accordance with section 11;

"Chairman" means the chairman of the Tribunal;

"claim" includes any objection filed pursuant to section 3, as well as any question or dispute arising on the basis of Part I or Part II;
"claimant" any person other than the freehold or leasehold owner of a registerable estate bringing a claim in respect of title to (or an interest in) the registerable estate (or a part of it);

"completion" means the completion of a trigger transaction in accordance with Part I or a transaction specified in Part II;

"contract" means a sale and purchase agreement between (inter-alia) a grantor and a grantee executed pursuant to section 3 of the Conveyancing Act 1981 in respect of the sale and purchase of a registerable estate;

"covenants and rights" means any covenants, easements and other rights that benefit or affect (or are intended to benefit or affect) a registerable estate (or a part of it);

"Deputy Chairman" means the deputy chairman of the Tribunal;

"due diligence period" means the period commencing on the date of a contract and expiring on the date of completion of the resulting trigger transaction;

"Gazette" means the Royal Gazette or any other newspaper circulated in Bermuda on a daily basis from time to time and designated by the registrar;

"grantee" means a purchaser as specified in a contract, or a person acquiring title pursuant to section 20 of Part II;

"grantor" means a vendor specified in a contract, or a person conveying or transferring title pursuant to section 20 of Part II;

"interest" means any estate, interest or charge in or over a registerable estate (or a part of it) or in the proceeds of sale arising from a registerable estate and shall include a judgement attaching to land by virtue of section 19 of the Supreme Court Act 1905 and section 19 of the Real Estate Assets Act 1787;
"objection" means an objection filed pursuant to section 3;

"objection notice" means a notice served by the registrar in accordance with section 3;

"provisional title" means title that is designated provisional in accordance with section 12;

"registerable estate" means any freehold estate, or leasehold estate that is accepted for registration in accordance with Part I or Part II and shall include a life interest;

"relevant period" means the ten year period or the twelve year period (as applicable);

"supplemental contract" means any agreement executed pursuant to or supplemental to a contract;

"survey plan" means a plan prepared by a surveyor that shows the exact boundaries of a registerable estate and complies with the terms of Schedule 1;

"survey report" means a boundary survey report prepared by a surveyor that complies with the terms of Schedule 1 and identifies the surveyed boundaries of a registerable estate (or a part of it) and also identifies any encroachments affecting same by reference to a survey plan;

"surveyed boundaries" means the boundaries of a registerable estate (or any of them) as identified in a survey report by reference to a survey plan;

"surveyor" means a land surveyor who is registered as such under the Professional Surveyors Registration Act 1997;

"ten year period" means the period of ten years commencing on the date of completion;

"threshold term" means 21 years;

"Tribunal" means the Land Title Registration Tribunal established under Part III
"trigger transaction" means a transaction for valuable consideration as specified in section 1

"twelve year period" means the period of twelve years commencing on the date of completion;

[B] The terms of Schedule 1, Schedule 2 and Schedule 3 shall have effect.
PART I

“COMPULSORY REGISTRATION”

1. The requirement for registration (on a preliminary basis) applies on the completion of the following trigger transactions for valuable consideration:

   a) the conveyance of the whole of a freehold registerable estate, including a conveyance by way of exchange;

   b) the grant out of an estate in land of a leasehold registerable estate for a term of years absolute of more than the threshold term (calculated from the date of the grant) and at a premium; and

   c) an assignment of a leasehold registerable estate specified in 1b), including an assignment by way of exchange.

2. Within 14 days following the date of a contract, the applicant’s attorney shall file with the registrar an application that includes a certified copy of the contract (which may be redacted for the purpose of excluding any business terms that are not relevant for the purposes of this Part), together with a processing fee (in an amount specified by the registrar from time to time) and the following information, to the extent that same is not included in the contract—

   (i) a survey report;

   (ii) the survey plan that is intended to be relied upon for the purpose of completing the trigger transaction; and

   (iii) full particulars of any covenants and rights that are intended to affect and/or benefit the registerable estate upon completion of the trigger transaction.

3. The registrar shall within 14 days after receiving the documents specified in section 2, issue an objection notice by publication in the Gazette and the following terms shall apply-
(1) the objection notice shall confirm that the application has been made and also confirm the applicant's identity (and whether the applicant is the intended grantor or the intended grantee);

(2) the objection notice shall state that anyone who has an interest in the registerable estate being transferred and who wishes to object to the application (and to declare his interest in the registerable estate) must do so within 30 days after the publication of the objection notice;

(3) the objection notice may specify the form of any resulting objection that is filed;

4. The objection notice shall include a warning that, if an objection to the application is not received by the registrar within 30 days after the date of publication of the objection notice, the applicant or the grantee specified in the objection notice (as applicable) may be registered on a preliminary basis as the owner of the registerable estate subject to and with the benefit of and covenants and rights that are specified in the application.

5. Rules may make further provision in respect of the issuance of an objection notice and the filing of an objection.

6. Any supplemental contract that may be executed during the due diligence period shall be filed by the applicant's attorney with the registrar within 14 days following the date thereof (and may be redacted for the purpose of excluding any business terms that are not relevant for the purposes of this Part).

7. Any objection that is not definitively resolved within 60 days following the filing thereof (or within such longer period as the registrar may specify in writing) shall be referred to the Tribunal, following which the terms of Part III shall apply.

8. Either the applicant or any other party to a contract or a supplemental contract shall be permitted to refer any question or dispute arising between them on the basis of a contract or supplemental contract during the due diligence period to the Tribunal (provided that such
question or dispute does not already form the subject matter of arbitration or court proceedings), following which the terms of Part III shall apply.

9. Within 14 days following the rescission of a contract, the applicant's attorney shall notify the registrar of such rescission and thereafter the related application for registration shall be cancelled and any documents filed at the LTRO shall be returned to the applicant without delay.

10. Where a trigger transaction completes-

(1) then within 60 days following the date of completion, the applicant's attorney shall file with the registrar the following documents on the applicant's behalf:

a. a certificate of title supplied by the applicant's attorney that:

i. confirms that the applicant's attorney has examined the title deeds, and other relevant documents relating to the registerable estate sought to be registered; and

ii. confirms whether title to the registerable estate sought to be registered is good and marketable (as a whole or in part) in accordance with good conveyancing practice and in accordance with section 16 of the Conveyancing Act, 1983 (subject to the basic assumptions and reservations);

b. a certified copy of the resulting deed of transfer duly stamped in accordance with the Stamp Duties Act 1976 (as amended), or where the deed of transfer requires adjudication in accordance with section 22 of the Stamp Duties Act, 1976, a certified copy of the adjudication application (in addition to a certified copy of the deed of transfer);

c. confirmation of any covenants and rights that have come to affect and/or benefit the registerable estate (post completion);
d. any updated survey report and/or revised survey plan that has been relied upon for the purpose of completing the trigger transaction; and

(2) the application shall be accompanied by a registration fee in an amount prescribed by the registrar from time to time.

11. If a certificate of title confirms that title to a registerable estate (or a part of it) is good and marketable, then such title shall be registered on a preliminary basis with certified title (subject to any covenants and rights that have come to affect and/or benefit the registerable estate), pending the later of the expiration of the ten year period and the determination of any claims commenced during this period;

12. If a certificate of title confirms that title to a registerable estate (or a part of it) is not good and marketable, then such estate (or the relevant part of it) shall be registered on a preliminary basis with provisional title (subject to any covenants and rights that have come to affect and/or benefit the registerable estate), pending the later of the expiration of the twelve year period and the determination of any claims commenced during this period and the following terms shall apply:

(1) the applicant may negotiate with any person claiming an interest in the registerable estate and complete such further deeds and documents and/or acts and things as may be necessary in order to upgrade title to the registerable estate (or the relevant part of it) from provisional title to certified title (inclusive of any appurtenant covenants and rights);

(2) any deeds or documents or other information arising on the basis of section 12(1) may be filed with the registrar, together with an updated certificate of title confirming:

a) that title to the registerable estate (or the relevant part of it) is good and marketable; and
b) the full particulars of any additional covenants and rights that have come to affect and/or benefit the registerable estate (or the relevant part of it);

(3) any question or dispute that may arise on the basis of this section 12 may be referred to the Tribunal, whereupon the terms of Part III shall apply.

13. Immediately after the expiration of the relevant period the following terms shall apply-

(1) any title to the registerable estate or interest therein that a claimant may have shall be extinguished if:

   a. no action in respect of the claimant’s title to or interest in the registerable estate has been brought within the relevant period; or

   b. an action in respect of the claimant’s title to or interest in the registerable estate has been brought within the relevant period but, before the expiration of the relevant period, the action (or if taken on appeal, the appeal) is withdrawn, is terminated or is unsuccessful.

(2) Where, after the expiration of the relevant period, an action (or if taken on appeal, an appeal) in respect of the claimant’s title to or interest in the registerable estate is commenced the claimant’s title to or interest in the registerable estate shall be extinguished if and when the action (or if taken on appeal, the appeal) is withdrawn, is terminated or is unsuccessful.

(3) If the registrar is satisfied that all title to or interest in a registerable estate that a claimant may have has been extinguished under this section, the registrar may enter such title as absolute, subject to and with the benefit of any covenants and rights specified in the documentation filed by the applicant in accordance with this Part I.

14. A certified copy of any deed of transfer, grant or other transactional document affecting title to a registerable estate (or a part of it) or any interest therein, whether resulting from
a claim commenced during the relevant period, an upgrade in title pursuant to section 12
(or otherwise), shall be filed with the registrar within 60 days following the completion
thereof and the legal effect of such document shall be taken into account by the registrar
before granting absolute title in accordance with section 13.

15. Any document filed in accordance with section 14 shall be accompanied by a fee in an
amount prescribed by the registrar from time to time.

16. A certificate of title, survey report or survey plan (as the case may be) made available by
the LTRO for inspection by a claimant or any other third party shall be so available for
information purposes only and, except for the instance of:

   a. the person who engaged the attorney or surveyor to produce the certificate of
title, survey report or survey plan; or

   b. any other person expressly authorised by the person to rely on their work;

no action or additional liability shall lie against the attorney or surveyor (as the case may
be) in respect of the certificate of title, survey report or survey plan produced and filed in
good faith with the registrar pursuant to this section and made available for inspection
(over and above that arising pursuant to sections 16(a) and 16(b)).

17. The registrar shall not be responsible for determining the accuracy of any certificate of title
given by an applicant's attorney or any survey report or survey plan and shall not be liable
for any error or omission in them.

18. If a document that is required to be filed in accordance with this Part is not filed within the
specified period, the applicant shall (if demanded by the registrar) pay, in addition to the
registration fee prescribed pursuant to this Part, a penalty fee of an amount equal to the
registration fee for every day or part thereof, during which the document remains
outstanding.
19. A document that is not duly filed in accordance with this Part shall not be admissible in any court or relied upon in any proceedings referred to the Tribunal pending filing.
PART II

“VOLUNTARY PRELIMINARY REGISTRATION”

20. Subject to sections 21 and 22, registration on a voluntary (preliminary) basis may occur upon the completion of any of the following transactions—

a) the conveyance of a freehold registerable estate (or a share therein) by way of a gift, in pursuance of an order of the court, or by an estate representative in the course of administering a deceased person’s estate;

b) the grant out of an estate in land of a leasehold registerable estate for a term of years absolute of more than the threshold term (calculated from the date of the grant) by way of gift, in pursuance of an Order of Court, or by an estate representative in the course of administering a deceased person’s estate;

c) an assignment of a leasehold registerable estate specified in section 20 b) (or a share therein);

d) a first legal mortgage exercised in respect of a freehold registerable estate or a leasehold registerable estate; and

e) such additional transactions involving the transfer of title to a registerable estate as the registrar may specify from time to time, subject to the terms of section 21.

21. Where the registrar is satisfied that there are adequate arrangements within the LTRO and (after consulting with the Chairman) that the Tribunal possesses sufficient capacity to hear any resulting objections and claims, the registrar may by notice (and by publication in the Gazette) permit the registration of a registerable estate following the completion of a transaction specified in section 20.
22. A notice under section 21 shall be in such form as the registrar considers appropriate and may:

a) specify a finite period during which a registerable estate specified in section 20 (or a share in it) may be registered;

b) preclude the registration of any registerable estate specified in section 20 (or a share in it) following the occurrence of a stated event; and

c) permit (subject to the terms of section 21) the registration of any registerable estate (or a share in it) following the completion of a transaction based on geographical location.

23. Prior to the execution of a deed of transfer in respect of a transaction specified in section 20, the attorney acting for the applicant shall file an application on the applicant’s behalf that includes a processing fee in an amount specified by the registrar from time to time, the relevant deed of transfer (in draft form), as well as a copy of the survey plan that has been relied upon for the purpose of drafting the deed of transfer and the supporting survey report.

24. The registrar shall, after receiving the documents specified in section 23, issue an objection notice by publication in the Gazette and the terms of sections 3, 4, 5, 6 and 7 of Part I shall apply to such objection notice, as well as to any objection filed pursuant thereto (mutatis mutandis).

25. Within 60 days following:

a) the completion of a deed of transfer in accordance with this Part II (where no objection is filed in accordance with section 24); or

b) (where an objection filed in accordance with section 24 affects the completion of a deed of transfer), both the definitive resolution of the objection and the completion of the resulting deed of transfer;
the attorney acting for the applicant shall file with the registrar the documents specified in section 10 of Part I on the applicant's behalf, and the terms of sections 11 to 19 of Part I (inclusive) shall apply (mutatis mutandis).

26. The applicant may at any time before the completion of a deed of transfer in accordance with this Part, by notice to the registrar, withdraw his application, whereupon the application shall, subject to the applicant paying any costs awarded against him, be cancelled and any documents filed in accordance with section 23 shall be returned to the applicant without delay.
PART III

OBJECTIONS AND CLAIMS

27. There is established a tribunal to be known as the Land Title Registration Tribunal and the following terms apply—.

(1) The Tribunal shall comprise a pool of not less than five persons nor more than nine persons, appointed by the Minister, as follows:

a) two attorneys with not less than five years’ experience practicing in Bermuda;

   i. one with not less than five years’ conveyancing experience in Bermuda to be the Chairman; and

   ii. the other (whether or not he has at least five years’ conveyancing experience in Bermuda) to be the Deputy Chairman.

b) two surveyors with not less than give years’ land surveying experience in Bermuda; and

c) other persons (whether or not attorneys or surveyors) with such experience or expertise as the Minister deems necessary from time to time.

(2) Each of the Chairman and Deputy Chairman shall be appointed for a term not exceeding three years and shall be eligible for reappointment.

(3) Each member of the Tribunal, other than the Chairman and the Deputy Chairman, shall be appointed for a term not exceeding two years and shall be eligible for reappointment.

(4) Where a member of the Tribunal dies, is unable to perform his duties or resigns, the Minister may appoint a person to fill the vacancy.
(5) The appointment of a person as a member of the Tribunal to fill the vacancy occurring under the above section, shall be for the unexpired portion of the term of the member to whose office that person has been appointed and such a person is eligible for reappointment.

(6) The quorum for a meeting of the Tribunal shall be five of the pool of members and a decision may be reached by a majority of the members present at the meeting.

(7) Fees shall be paid to the members of the Tribunal in accordance with the Government Authorities (Fees) Act 1971.

28. The Tribunal shall dispose of any claim by considering (in addition to the relevant facts and law), any prior arbitrator’s award or court order or judgement issued pursuant to a contract or any other prior court order or judgement affecting a registerable estate (or a part of it) and the Tribunal shall-

a) conduct any investigation that may be necessary,

b) determine whether a claim is to be upheld, upheld in part or not upheld;

c) give the parties to a claim its reasons for the determination; and

d) make such order and give any directions necessary for the purpose of giving effect to the determination, including ordering the execution and completion of any relevant deeds or other documents and/or the completion of any acts and things that affect title to the registerable estate (or the relevant part of it) or any interest therein or any covenants and rights affecting or benefiting same.

29. An order given pursuant to section 28 may include a requirement to reject any future application of a specified kind by a named party to the proceedings either:

a) unconditionally; or
b) upon specified conditions.

30. Hearings before the Tribunal shall be held in public, except where the Chairman or the Deputy Chairman are satisfied that the exclusion of the public is just and reasonable.

31. Rules may regulate the practice and procedure to be followed in respect of proceedings before the Tribunal and matters incidental to or consequential to such proceedings.

32. Rules under section 31 may, in particular, make provision about:

a) when hearings are to be held;

b) requiring persons to attend hearings to give evidence or to produce documents;

c) the form in which any decision of the Tribunal is to be given;

d) payment of costs of a party to the proceedings by another party to the proceedings;

and

e) liability for costs thrown away as the result of neglect or delay by a legal representative of a party to proceedings.

33. The Tribunal may at any time during proceedings direct that a particular matter arising during the proceedings or the proceedings as a whole, be referred to the court.

34. Where section 33 applies, the Tribunal may direct that a party or the parties to a matter commence proceedings within a specified time in the court for the purpose of obtaining the court’s decision in the matter.

35. Rules may make provision about the reference under sections 33 and 34 to the court and may, in particular, make provision about:

a) adjournment of any proceedings before the Tribunal pending the outcome of the proceedings before the court; and
b) the powers of the Tribunal in the event of failure to comply with a direction given under sections 33 and 34.

36. A person aggrieved by a decision of the Tribunal may appeal to the court, subject to any rules that make provision about the conduct of any such appeal.

37. A requirement of the Tribunal shall be enforceable as an order of the court.
SCHEDULE 1

[Key surveying and survey report requirements and guidelines to be provided by surveyors.]

SCHEDULE 2

[Basic assumptions and reservations to be inserted after wider consultation with the attorneys.]
SCHEDULE 3

FACILITATING AMENDMENTS

[A] Amendments to the Companies Act 1981

1. The Companies Act 1981 shall be amended as follows:

1.1. Subsection 4AA(3)(b) shall be deleted and replaced with the following:

“may, with the company’s prior written consent, be modified or the conditions applicable to the consent modified and any such modification shall after having been agreed between the company and the Minister, be implemented by the company within such time period as the Minister may stipulate.”

1.2. Subsection 4AA(4) shall be deleted and replaced with the following:

“No company shall change the business purpose for which land acquired on the basis of a consent given in accordance with subsection (2) is used, without obtaining the Minister’s prior consent, failing which the Minister may revoke the said consent given in accordance with subsection (2) and the terms of subsections (3)(c)(i) and (3)(c)(ii) shall apply.”

1.3. Subsection 4AA(5) shall be deleted and replaced with the following:

“Where the Minister gives notice of an intention to revoke his consent in accordance with subsections (3)(c)(i) either the company or any other person holding an interest in, or security against the land held on the basis of the consent, may apply to the Supreme Court for the purpose of appealing the Minister’s decision within 21 days following the date of such notice (or within such longer period as the Supreme Court may allow) and on any appeal under this section, the Supreme Court may make such order as it thinks fit, including an order forcing the company to divest itself of the subject land.”

[B] Amendments to Conveyancing Act 1983

1. The Conveyancing Act 1983 shall be amended as follows:
1.1. Section 6A(5) shall be amended to include the words "or grantee" immediately after the word "purchaser" on the fifth line of this section.

1.2. Section 6(8) shall be deleted and replaced with the following:

"In this Part –

disposition includes a conveyance and also a devise, bequest, or an appointment of property contained in a will; and "dispose of" has a corresponding meaning;"

"grantee" includes a purchaser for valuable consideration or any person to whom land or an interest in land is conveyed, whether for valuable consideration or not, and any person otherwise requiring a vendor or grantor to deduce or prove title to land or an interest in land;"

"grantor" includes a vendor for valuable consideration, or any person conveying land or an interest in land, whether for valuable consideration or not, and any person otherwise required by a purchaser or grantee to deduce or prove title;"

"purchaser" means a purchaser in good faith for valuable consideration and includes a lessee/mortgagee or other person who for valuable consideration acquires an interest in land and, in reference to a legal estate, includes a chargee by way of legal mortgage;"

"vendor" means a person conveying land or an interest in land to a purchaser for valuable consideration".

1.3. Section 16(1) shall be deleted and replaced with the following:

"In the completion of any contract for the sale of land, or an interest in land, or any other transaction involving land (or any interest in land) or where a vendor or grantor is required to deduce or prove title, a purchaser or grantee shall not require a vendor or grantor to show title to the land or interest therein for a period longer than twenty years".

1.4. The heading "Other statutory conditions of sale" shall be amended to read "Other statutory conditions of conveyance, sale and deducing title" instead.

1.5. The preamble to section 17(1) shall be deleted and replaced with the following:
"A purchaser or grantee of any land or interest in land shall not -"

1.6. The words "or grantee" shall be inserted immediately after the word "purchaser" in each instance where the latter appears in section 17(1); and

1.7. The following new section 17(7), 17(8) and 17(9) shall be added to section 17:

"17(7) a purchaser or grantee of any land or interest in land may conclusively presume in the absence of written evidence to the contrary, that any prior trustee owner of such land or interest in land from time to time (who owned same prior to the vendor or grantor in question) shall have been lawfully and properly appointed and empowered to both act in such capacity and to acquire, hold and sell or otherwise deal with such land or interest therein in an unfettered manner and neither the purchaser or any grantee need to be concerned to confirm such capacity and powers for the purpose of this Part.

17(8) a mortgage affecting land and a judgment affecting land (by virtue of section 1 of the Real Estate Assets Act 1787) shall each take priority based on (in the case of a mortgage) the date of being deposited for registration at the office of the Land Title Registrar and (in the case of a judgement) the date of being signed in accordance with section 19(a) of the Supreme Court Act 1905, and accordingly a mortgage affecting land that is registered as aforesaid before the date of a judgement affecting the same land, shall prime the judgement and a judgement affecting land that is dated as aforesaid before the date of registration of a mortgage affecting the same land, shall prime the mortgage.

17(9) The provisions of this Part shall apply (and shall be deemed to have always applied) to any deeds, wills orders and other instruments executed, made or coming into operation both before and after the 2nd January, 1984."

[C] Amendments to the Bermuda Immigration and Protection Act 1956

1. The Bermuda Immigration and Protection Act 1956 shall be amended as follows:

1.1. The following proviso shall be added at the end of section 93 immediately after the reference to "section 100";
"provided that the restrictions specified in this section shall not extend to or affect a lot of land that is being subdivided for the purpose of effecting a boundary adjustment involving an abutting lot (rather than for the purpose of creating a separate developable lot)."

1.2. Section 100 shall be amended to delete the full stop at the end of subsection 100(c) and to include the following proviso:

"provided that the restriction specified in this section shall not extend to or affect a lot of land that is being subdivided for the purpose of effecting a boundary adjustment involving an abutting lot (rather than for the purpose of creating a separate developable lot)."

1.3. The following language shall be added immediately after the word "committed" at the end of section 102M(1):

"provided that the convicted person still holds title to or an interest in such land".