## **EXPLANATORY NOTE**

(This note is not part of the Rules)

These Rules are made under the Land Registration Act 2002 (the Act), and support the establishment of a land registry network for carrying out electronic conveyancing, as provided by section 92 of, and Schedule 5 to, the Act.

Under paragraph 1(1) of Schedule 5 to the Act, a person who is not a member of the land registry may only have access to a land registry network under the authority of a network access agreement entered into with the Chief Land Registrar (the registrar).

Rule 3 provides for three types of network access agreement. A full network access agreement allows its Subscriber (defined in rule 2) to carry out transactions on the land registry network. Read-only and signature network access agreements allow access to the network to retrieve information and, in the latter case, to apply an electronic signature to a document.

Rule 4, together with Schedule 1 in the case of a full network access agreement, sets out the criteria which, if met, oblige the registrar to enter into a network access agreement of a particular type with an applicant.

Rule 5 requires network access agreements to be in a standard form. Together with Schedule 2, it provides for certain terms that must be included in network access agreements of each type. It requires read-only and signature network access agreements to be of limited duration.

Rules 6 to 10 set out the procedures under which the registrar may terminate a full network access agreement. Under rule 6, if one of the grounds of termination contained in Schedule 3 exists, the registrar may terminate the agreement immediately, and then give notice to the Subscriber under rule 7, or may give a notice of termination. Rule 8 sets out the procedure for giving a notice of termination, and explains the circumstances in which it results in termination of the agreement. Rule 9 contains supplemental provisions relating to the service of notice. Rule 10 provides for suspension of termination, on request, where a Subscriber has appealed to the Adjudicator to HM Land Registry against the registrar's decision to give a notice of termination.

Rule 11 allows the registrar to terminate all subsisting network access agreements by notice in the Gazette is he is of the opinion that it is no longer practicable to operate the land registry network.

A full regulatory impact assessment has not been produced for this instrument as no significant impact on the private or voluntary sectors is foreseen.