



**Economic and Social
Council**

Distr.
GENERAL

ECE/HBP/WP.7/2007/4
13 September 2007

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON HOUSING AND LAND MANAGEMENT

Working Party on Land Administration

Fifth session

Geneva, 19–20 November 2007

Item 4 (a) of the provisional agenda

PROGRAMME OF WORK FOR 2008–2009

LAND ADMINISTRATION POLICIES

SUMMARY REPORT ON THE QUESTIONNAIRE ON FEES AND CHARGES

Note by the delegation of Lithuania*

Summary

At its meeting in Tbilisi in 2006, the Bureau of the Working Party on Land Administration decided to carry out a study on fees and charges. A working team was set up consisting of the delegations of the United Kingdom of Great Britain and Northern Ireland, Norway, the Czech Republic, and Hungary, and coordinated by the delegation of Lithuania.

A questionnaire on fees and charges, with the purpose of surveying the existing principles for imposing of fees and charges in land administration in the UNECE countries, was developed and distributed to member countries. The present paper summarises the replies to the questionnaire.

* This report was prepared by the State Enterprise Center of Registers of Lithuania.

I. CURRENT ORGANIZATION AND ADMINISTRATION (QUESTIONS 1–7)

1. The organization and administration of land administration system in UNECE countries differs with regard to the real property (land) register, real property cadastral information and real property cadastral surveying. This is dependent on the country traditions, the existence of property market, and the interest of core stakeholders in these areas. In some cases, there is one institution administering all three areas (33%), while in some countries (e.g. Denmark) there is a separate institution for each area. It is fairly rare that a single institution is responsible for both the real property register and cadastral surveying or a separate institution is responsible only for cadastral surveying. There are quite a few countries, however, where there is a separate institution only for real property register or for cadastral information. The present report proved that public authorities or state agencies generally administer the real property register and cadastral information, whereas with cadastral surveying, there are quite a few countries where it is administered by private sector.

2. The results of this report illustrate that:

- (a) **Real property register** is mainly administered by public authorities (62%) or by state agencies/enterprises (38%);
- (b) **Real property cadastral information** is administered by public authorities (40%) or state agencies/enterprises (58%); only in case of Switzerland is it administered by a public-private partnership;
- (c) **Real property cadastral surveying** is in most cases administered by a state agency (33%) or public authority (26%), and only in some cases by a private company (23%); in the remainder of cases, it is mixed (18%).

3. Government should provide security of land tenure and guarantee the correctness of land records. Accurate and up-to-date records on real property possession ensure trust in the land administration system and support land market development. To this end, public institutions undertake a vast majority of real property registration and have a monopoly function (more than 90%) (Q5).

The real property cadastral information is mostly administered by the public sector (more than 90%) (Q6).

4. Real property cadastral surveying is administered by a state agency or public authority (58%), both the private and public sector (19%), or only by the private sector (23%).

5. In terms of the performance of real property cadastral surveying, however, this report showed that cadastral surveying is performed by the private sector (30%), by the public sector (27%), or a mixture of the two (43%) (Q7).

6. There are quite a few countries where all three pillars – the real property register, cadastral information and cadastral surveying – are administered by a single institution (31%), but there are also cases, (e.g. Denmark) where all three pillars are administered separately by three institutions (Q4). The situation in other countries differs, indicating a mixed type of administration;

nevertheless, there are many countries where a single institution administers cadastral information and cadastral surveying. A different situation exists in the United Kingdom, where activities such as “cadastral surveying” are not separated, and topographic maps are used as the basis for the creation of “cadastral” information.

II. FINANCING AND ECONOMY (QUESTIONS 8–15)

7. There are in principle three different forms for financing a land administration system: (a) financing from the central state budget or taxes; (b) financing by fees; and (c) financing from the local budget. Financing from the central state budget or through taxes means that there is no connection between the activity from which the tax is drawn and the grant given by the government (national or local) to an agency to finance an activity. Financing by fees means that an applicant pays for a service and that there is a connection between the fee and the cost for the service. As a rule, the government or responsible ministry – or in some cases, the parliament – approves tariffs. The fees can go directly or indirectly to the agency. Financing from the local budget (by commission) means that an applicant pays for a service and that the agency that offers the service has the authority to decide about the tariff, based on rules set by the government.

8. The current report shows that the real property register is mostly financed from fees (48%). Thirty-one per cent of the respondents indicated that it is financed only from the central state budget, and the rest (21%) indicated a mixed type of financing (Q8).

9. The administration of real property cadastral information is also mostly financed from fees (36%). Twenty-six per cent of the respondents indicated that it is financed from the central budget and the rest (38%) is mixed, with more than half financed from fees (Q 9).

10. Thirty-three per cent of the responses showed that real property cadastral surveying is financed only from fees. Substantially less are financed only from the central budget (12%). The rest (55%) indicated a mixed type financing, from which 76 per cent financed mostly from fees (Q10).

11. This report demonstrates that real property register, cadastral information and cadastral surveying are mostly financed from fees; however, financing from the central budget is quite significant in the case of the real property register and cadastral information, with financing of cadastral surveying from the central budget being quite rare.

12. In the case of the real property register, income from fees and charges goes mostly to the central state budget (44%) or institutional budget (27%), while in the remaining cases (29%) it is mixed: the income can go to the local budget, as in Switzerland and Poland, or some goes to the central budget and some to the institutional budget. In only one case (France) did some amount of generated income from fees and charges (from 5 to 10%) go to a private company (Q 11).

13. In the case of real property cadastral information, income from fees and charges mostly goes to the institution (39%) or to the state (27%). The rest (34%) were mixed, with income going to both

the central budget and institutional budget. In Norway, notably, 100% of the income from fees and charges goes to the local budget (Q 12).

14. A totally different situation exists with real property cadastral surveying, where income from fees and charges mostly goes to private companies (35%). Twenty-five per cent of the respondents indicated that money goes to institutions and only 8 per cent to the central budget. The rest (32%) indicated mixed (Q 13).

15. Income generated from fees and charges mostly goes to the central state budget or the administrating institution; only in case of cadastral surveying does the generated income go to a private company.

16. An increasing number of countries are encouraging a higher level of cost recovery, meaning that an organization is able to invest more in the development of new products and services and technologies. A cost recovery policy stipulates attaining higher efficiency and elaborating a good business plan that guarantees maximum income from marketed products. Higher efficiency entails making a careful study of customer and market demands and needs as well as efforts to expand the use of available data and to offer new services and products. A low level of cost recovery means that financing must be provided from outside, namely from taxpayers or other parts of the organization's budget (Q 14).

17. The current report evidences a rather high rate of cost recovery. The survey demonstrates that in the case of the real property register, 100 per cent cost recovery or even more is reached in 64 per cent of the countries. In the case of real property cadastral information, the rate is lower, with nearly half the respondents (43%) indicating that 100 per cent cost recovery is reached in their country.

18. Fifty per cent of the respondents indicated that 100 per cent cost recovery or even higher is reached in case of cadastral surveying.

19. Real property registration is an important task for every institution responsible for it and makes for a substantial share of income. The split of incomes obtained from real property registration and from services differs a lot in different countries. Nevertheless, this report showed that the major share of income in most countries is obtained from real property registration. Only in some countries, e.g. Belarus, Hungary, Iceland, Kyrgyzstan and Moldova, is less than 50 per cent of income generated from registration (Q 15).

III. SPECIFIC ISSUES ON FEES AND CHARGES

20. In recent years, there has been much discussion about the costs and benefits in land administration. Governments place great emphasis on reducing subsidies to the system from the state budget and on encouraging operations based on business models. Considering the sensitivity of land taxation-related issues, governments first must elaborate clear and transparent policies regarding fees and charges.

21. Legal regulation and clear definition of fees and charges is of great importance. The responses to the current report allow presuming that the questioned countries have legislation in place. The responses indicated that secondary legislation is mostly applicable in all three cases – the real property register, cadastral information and cadastral surveying. Both the primary and secondary regulations apply in the cases of the real property register (22%) and for cadastral information and surveying (11%) (Q 16).

22. Responses showed that typically the government or responsible minister sets the rate of fees and charges for real property register activities (47%), while there are some countries where the parliament sets the fees and charges for real property activities (18%). Seven per cent of the respondents indicated that it is set by organization itself, albeit with the approval of the government or responsible ministry. Both the parliament and ministry or organization set the fees and charges in remaining cases (28%).

23. The same trend is valid for cadastral information as well, with 56 per cent indicating that the government or responsible minister sets fees and charges for real property cadastral information (Q18).

24. Cadastral surveying in quite a few countries operates in open market conditions and is performed by the public as well as the private sector. Unlike with the real property register and cadastral information, the fees and charges for cadastral surveying are also set by the organization itself (22%). Some countries indicated that cadastral surveying operates in open market conditions, therefore no regulations exist in this respect. This practice exists in Belarus, Denmark, Iceland, Lithuania, Poland, Moldova, and The former Yugoslav Republic of Macedonia (Q19).

25. The fee for title or deed registration in most cases is fixed (48 %) or dependent on value (27%). The remaining (25%) responses indicated that the fee is compound and consists of a fixed fee plus percentage from value or is based on number of pages or fixed for certain types of registration, such as of gifted property, mortgage, first registration, physical person or juridical persons, etc. The fee for real property cadastral information is also mostly fixed (77%).

26. Apropos cadastral surveying, a fixed fee applies in fewer countries (36%), and in many cases it is agreed by the parties or depends on the amount of work.

IV. PROVISION OF INFORMATION

27. Land registries store a wealth of information that can be used for many purposes and support decision-making in most areas of life. Policy for provision of real property register and cadastre information is very important as well as for determining optimum tariffs for services. This is especially difficult where no market is properly established. Information is regarded as a commodity and thus subject to payment. Nevertheless, in many cases the information is still provided free of charge, especially to the public sector.

28. Some information stored in the real property register is still provided free of charge to both the public and private sectors (32%). Twenty-nine per cent of the responses indicated that information is not free of charge to either the public or private sector, and 39 per cent indicated that information is free of charge to the public sector but not to the private sector. A survey of this specific question shows this to be a general trend, even if there are many limitations and only specific information or services are free of charge (Q 23).

29. In the case of real property cadastre information, 36 per cent of the respondents indicated that information is provided free of charge to both the public and private sector, while 28 per cent indicated that it is not free either to public or private sector. Thirty-six per cent said that information is free for the public sector but not for the private sector. The percentages show this to be a general trend; however, there are quite a few conditions and limitations.

30. This report showed that nine institutions do not provide online application services (20 per cent).

31. Of those that offer online application services and paper-based applications (36 respondents), 44 per cent indicated that the same fee applies in both cases, while 56 per cent said that it differs (Q 25).

32. Twenty-nine per cent of respondents indicated that there is some information from the real property register free on the Internet, while the remaining 71 per cent who answered to the negative specified that this issue is now under discussion or will be discussed. (Q 26)

33. In the case of real property cadastral information, 40 per cent of the respondents indicated that some cadastral information is free on the Internet, while the remaining 60 per cent said that this information is not free. Many countries are discussing the issue of placing some information free on the Internet.

34. Most countries indicated that they have future plans regarding fees and charges. For example, Iceland is drafting a new price list for cadastre services and products. Latvia is creating a direct online link between cadastre information and real property information registers, which will result in the limitation of state fees for registration of real property; Moldova is planning to reduce the total costs of transactions.

35. In summary, this survey provided valuable background information, identifying general trends in the administration of the real property register, cadastral information and cadastral surveying and related financing issues. There were some questions that did not receive numerous or complete answers. The percentage for all answers was derived from the marked answers excluding the missing ones even if there was a comment provided.

Annex**QUESTIONNAIRE ON FEES AND CHARGES****Background**

The questionnaire is classified under five main headings, covering the following aspects:

1. Organizational and administrative (questions 1–7).
2. Financial and economic (questions 8–15).
3. Specific issues on fees and charges (questions 16–22).
4. Provision of information (questions 23–27).
5. Future plans (question 28).

At the beginning of September 2006 the questionnaire was approved for distribution, and by September 2007 the following countries had sent in the completed questionnaire:

- | | | |
|------------------------|-----------------|---|
| 1. Albania | 16. Georgia | 32. Romania |
| 2. Armenia | 17. Germany | 33. Russian Federation |
| 3. Austria | 18. Greece | 34. Serbia |
| 4. Azerbaijan | 19. Hungary | 35. Slovakia |
| 5. Belarus | 20. Iceland | 36. Slovenia |
| 6. Belgium | 21. Ireland | 37. Spain |
| 7. Bulgaria | 22. Italy | 38. Sweden |
| 8. Canada
(Toronto) | 23. Kyrgyzstan | 39. Switzerland |
| 9. Croatia | 24. Latvia | 40. Tajikistan |
| 10. Cyprus | 25. Lithuania | 41. The former Yugoslav Republic of
Macedonia |
| 11. Czech Republic | 26. Malta | 42. Turkey |
| 12. Denmark | 27. Moldova | 43. Ukraine |
| 13. Estonia | 28. Netherlands | 44. United Kingdom (England and Wales,
Her Majesty Land Registry and OS)
and Scotland |
| 14. Finland | 29. Norway | 45. Uzbekistan |
| 15. France | 30. Poland | |
| | 31. Portugal | |

The questionnaire was sent to 48 UNECE member countries, from which 45 answers have been received, or nearly 94 per cent.

The questionnaire contained the following set of 28 questions:

1. Is the real property register in your country administered by:

<i>State agency (enterprise)</i>	<input type="checkbox"/>	
Public (state) authority	<input type="checkbox"/>	
Private company/companies	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>Comments:</i>		

2. Is the real property cadastral information in your country administered by:

<i>State agency (enterprise)</i>	<input type="checkbox"/>	
Public (state) authority	<input type="checkbox"/>	
Private company/companies	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>Comments:</i>		

3. Is the real property cadastral surveying in your country administered by:

<i>State agency (enterprise)</i>	<input type="checkbox"/>	
Public (state) authority	<input type="checkbox"/>	
Private company/companies	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>Comments:</i>		

4. What is administered by one single institution (agency) in your country?

Real property register, cadastral information and cadastral surveying	<input type="checkbox"/>
Real property register and cadastral information	<input type="checkbox"/>
Real property register and cadastral surveying	<input type="checkbox"/>
Cadastral information and cadastral surveying	<input type="checkbox"/>
Real property register	<input type="checkbox"/>
Cadastral information	<input type="checkbox"/>
Cadastral surveying	<input type="checkbox"/>
<i>Comments:</i>	

5. Is the registration of real property undertaken by public monopoly?

Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Comments:</i>		

6. Is the real property cadastral information administered by public or private sector or both? Please indicate the nature of the split:

<i>By private sector</i>	%
By public (state) sector	%
<i>Comments:</i>	

- 7. Is the real property cadastral surveying performed by public or private sector or both? Please indicate the nature of the split:**

<i>By private sector</i>	%
By public (state) sector	%
<i>Comments:</i>	

- 8. Please indicate percentage of the financing of real property register:**

<i>From central state budget</i>	%
<i>From local budget</i>	%
From fees collected	%
Other	%
<i>Comments:</i>	

- 9. Please indicate the percentage of the financing of real property cadastral information administration:**

From central state budget	%
From local budget	%
From fees collected	%
Other	%
<i>Comments:</i>	

- 10. Please indicate the percentage of the financing of real property cadastral surveying:**

From central state budget	%
From local budget	%
From fees collected	%
Other	%
<i>Comments:</i>	

- 11. Does the money received from the fees and charges of the real property register go to:**

Central state budget	%
Local budget	%
Institution (agency) budget	%
Private company budget	%
<i>Comments:</i>	

12. Does the money received from the fees and charges of real property cadastral information go to:

Central state budget	%
Local budget	%
Institution (agency) budget	%
Private company budget	%
<i>Comments:</i>	

13. Does the money received from the fees and charges collected for the real property cadastral surveying go to:

Central state budget	%
Local budget	%
Institution (agency) budget	%
Private company budget	%
<i>Comments:</i>	

14. Please indicate the percentage of cost recovery of the institution administrating (the proportion between all possible incomes and cost):

Land register	Cadastral information	Cadastral surveying
%	%	%
<i>Comments:</i>		

15. Please indicate the proportion of incomes obtained from real property (title, deed) registration and from services (including selling of data):

Incomes from real property registration	%
Incomes from services	%
<i>Comments:</i>	

16. Are the fees and charges set under the provisions of:

	Real property register	Real property cadastral information	Real property cadastral surveying
Law (primary legislation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulations (secondary legislation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments:</i>			

17. Who sets the fees and charges for real property register activities:

<i>Parliament</i>	<input type="checkbox"/>
Government, responsible Minister	<input type="checkbox"/>
Organisation itself	<input type="checkbox"/>
Other	<input type="checkbox"/>
<i>Comments:</i>	

18. Who sets the fees and charges for real property cadastral information:

<i>Parliament</i>	<input type="checkbox"/>
Government, responsible Minister	<input type="checkbox"/>
Organisation itself	<input type="checkbox"/>
Other	<input type="checkbox"/>
<i>Comments:</i>	

19. Who sets the fees and charges for real property cadastral surveying:

<i>Parliament</i>	<input type="checkbox"/>
Government, responsible Minister	<input type="checkbox"/>
Organisation itself	<input type="checkbox"/>
Other	<input type="checkbox"/>
<i>Comments:</i>	

20. Is the fee for title or deed (real property) registration:

<i>Fixed</i>	<input type="checkbox"/>
Dependent on value	<input type="checkbox"/>
<i>Fixed amount + percentage from value</i>	<input type="checkbox"/>
<i>Other</i>	<input type="checkbox"/>
<i>Comments:</i>	

21. Is the fee for real property cadastral information:

<i>Fixed</i>	<input type="checkbox"/>
Dependent on value	<input type="checkbox"/>
<i>Fixed amount + percentage from value</i>	<input type="checkbox"/>
Other	<input type="checkbox"/>
<i>Comments:</i>	

22. Is the fee for real property cadastral surveying:

<i>Fixed</i>	<input type="checkbox"/>
Dependent on value	<input type="checkbox"/>
<i>Fixed amount + percentage from value</i>	<input type="checkbox"/>
Other	<input type="checkbox"/>
<i>Comments:</i>	

23. Is any information stored in the real property register provided free of charge?

<i>For public sector</i>		<i>For private sector</i>	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<i>Comments:</i>			

24. Is any information stored in the real property cadastre provided free of charge?

<i>For public sector</i>		<i>For private sector</i>	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<i>Comments:</i>			

25. Are the fees and charges the same regardless of whether the information or other service provided is available through on-line application or paper-based application only?

Yes <input type="checkbox"/>	No <input type="checkbox"/>	Other <input type="checkbox"/>
<i>Comments:</i>		

26. Is any information from the real property register free on the Internet?

Yes <input type="checkbox"/>	No <input type="checkbox"/>
<i>If Yes, please indicate what information:</i>	
<i>If No, are there any plans for publishing data on the Internet for free:</i>	

27. Is any information from the real property cadastre free on the Internet?

Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>If <u>Yes</u>, please indicate what information:</i>		
<i>If <u>No</u>, are there any plans for publishing data on the Internet for free:</i>		

28. Are there any plans for the future with regard to fees and charges?

Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Comments:</i>		
