



# TIRUCHELVAM ASSOCIATES COLOMBO, SRI LANKA

# CONVEYANCING AND REAL-ESTATE DIVISION UPDATE IN THE CONTEXT OF THE COVID-19 CRISIS

During the Work from Home ("WFH") period, each government institution has responded differently on how they plan to ensure smooth delivery of services to the public. Similarly, due to the curfew in particular, Notarial Services remain limited for Clients. In these circumstances, and given that many of our routine clients have raised concerns, we have prepared a note on the status of operations of the relevant government institutions, new laws and steps clients could take during the pendency of the crisis.

## **1. NEW REGULATIONS WHICH MAY IMPACT CLIENTS**

In an effort to curb the downward slide of the country's economy, the Government of Sri Lanka ("GOSL") has issued a new Regulation imposing new restrictions on outward remittances.<sup>1</sup> Among the new restrictions is a provision to limit the first claim for emigrants eligible for the migration allowance to USD 30,000. This will curtail all remittances from testamentary matters as well as from land related transactions.

## 2. GOVERNMENT INSTITUTIONS

Currently there is no mechanism to facilitate "work from home" for non-essential services. Thus most Government bodies ceased to operate. The following is the status of the institutions which the Conveyancing team regularly interacts with:

## a) Registrar General's Department ("RGD")

All the Deeds in relation to immovable / moveable properties, Powers of Attorney are tendered for registration to the respective Land Registry and the RGD as the case may be. Land Registries function under the supervision and control of the RGD.

<sup>&</sup>lt;sup>1</sup>Extraordinary Gazette No.2169/3 dated 2<sup>nd</sup> April 2020 issued by the Minister of Finance, Economic and Policy Development



The RGD is currently functioning with limited staff. However, urgent Mortgages in relation to essential services (eg: Medicine, food, etc) are accepted for registration.

#### b) Local Authorities

Certificate of Ownerships, Non-vesting Certificates, Street-line/ Building line Certificates in relation to immovable properties are issued by the respective Local Authority.

Currently, most of the Local Authorities provide only the essential services such as waste disposal, health services and drainage services. This means there is no access to basic services required such as obtaining certificates during this period.

### c) Land Registries

Land registries remain closed.

# 3. STEPS TO BE TAKEN IN RELATION TO KEY CONCERNS

We have noted a spike in queries to the Firm on certain specific issues and seeking guidance on how to manage the same. We have outlined below a few of the key concerns and our take on how to address the same:

## a. Entering into new Land related transactions:

Registering Deeds is not an option at the moment. Since registration ensures priority of claims, we do not recommend entering into new transactions until the Registries and Registrar Generals re-opens.

## b. Registration of already executed Deeds:

At present, Registrar General only accepts the urgent Mortgage Bonds for registration. All the other instruments can only be tendered for registration once the current situation settles.

#### c. <u>Entering into New Leases</u>:

We do not recommend this be done until a title search can be conducted at the Land Registries once they re-open.

#### d. Extension of Lease Agreements:

As it is not possible to have notarially executed document you may take the following steps:



- i. Please inform your Lessee the extended period, rental/increased rental and the new terms and conditions, if any, in relation to the Lease Agreement.
- Further, grant permission to the Lessee via email/fax/Viber/WhatsApp/sms /telephone to stay in the premises until the execution of the Lease Extension subject to the above mentioned terms.

### e. Execution of Last Wills:

We understand it is not easy to have consultations with Notaries and have the Last will executed before a notary at present. Thus, you may do as follows:

- i. Have a discussion with your Notary Public via telephone/emails;
- ii. After the discussion, give specific instructions to the Notary Public and request for a draft of your Last Will;
- iii. Upon receipt of the draft, review same and finalize same with the instruction of the Notary Public;
- iii. Sign your Last Will before five witnesses:

### Note:

- You are not required to show the contents of the Will to the witnesses.
- The witnesses must all be present at the same time.
- They must not be beneficiaries under the will.
- The witnesses must certify that you placed your signature in front of them and all of them were present together at the same time. Further, the witnesses have to state that you are of sound mind, memory and understanding at the time of execution of the Last Will.

#### NOTE:

- 1. Any reference to any laws and regulations are as at the date of the issue of this document.
- 2. The contents of this document should not be considered as legal advice and is provided for information purposes only. If you require legal advice on any specific matter for purposes of decision making, do feel free to contact us.

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