

## Introduction of Form ST5

### Department for Business, Energy & Industrial Strategy – Land Registry

RPC rating: **validated**

#### Description of proposal

Joint ownership of property can take two forms: joint tenancy or tenancy in common. In the latter case each beneficial share is owned separately and the power of each owner to deal with the land is limited. This is recorded by the Land Registry as a form A restriction.

Before the introduction of this measure, registered tenants in common could cancel the restriction using an all-purpose RX3 form. As this often resulted in applicants submitting incomplete information, the Land Registry has introduced a new form ST5 which is intended specifically for cancelling a form A restriction.

Businesses are not obliged to use the new form, so the measure is permissive. This is a retrospective assessment on a measure introduced in June 2015.

#### Impacts of proposal

The Land Registry estimates that 36,000 businesses would potentially be affected by the change. Users of the form would include solicitors, licensed conveyancers, legal executives, notaries and other paralegals.

The assessment estimates the total familiarisation cost at £60,000. This reflects the length of the information note published on the website (306 words), an average reading speed of 75 words per minute, hourly pay for conveyancers of £24.51 and an assumption of 100% compliance. It is also assumed that one person per business would read the note.

As the new form is believed to eliminate instances when the first submission needs to be followed up by additional documents, the Land Registry expects that this will reduce the cost of cancelling a form A restriction. The total saving is estimated to be small – around £4000 per annum. This reflects a small average cost of processing a requisition (a letter about defective application) of £2.96.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the Business Impact Target.

## Quality of submission

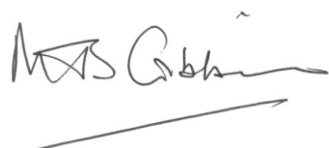
This is a clear and concise BIT assessment. It discusses the costs and benefits of the policy in sufficient detail and presents the information in an accessible way. The length and the level of detail of the assessment are appropriate for a measure of this size.

## Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Zero

## RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated <sup>1</sup>	Zero
Business Impact Target (BIT) Score <sup>1</sup>	Zero



**Michael Gibbons CBE**, Chairman

<sup>1</sup> For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.