



## eContracts As A Part of eConveyancing

Settlements through PEXA have been in operation since 2014. And while PEXA has gained quite some momentum in the shift towards electronic transactions, being one of the most popular topics of dinner conversations between property lawyers and conveyancers - “Are you on PEXA?”, PEXA currently impacts only the settlement process, but does not provide any options to facilitate the exchange.

While not as frequently discussed, other platforms such as SignIT or PlanIT – amongst other eContract platforms - assist in managing the workflow of contract exchange, particularly in acting for vendors/developers. Currently, the combined use of all three tools allow for a property transaction to become truly digital, moving seamlessly from negotiation to exchange then through to settlement, obviating the need for the creation of any physical files.

### THE MAIN FEATURES OF PLANIT AND SIGNIT

A simplified explanation of the PlanIT platform is that it allows for the creation and upload of a master contract annexing all of the prescribed documents. Particulars on the front pages of the Contract are preselected which will apply to all subsequent Contracts generated for the individual lots sold. Data entry fields are also available to input the details of the purchasers and their legal representative which will prepopulate the front pages once the eContract is generated. With the push of a button, the contract is generated and with another subsequent press, subject to satisfactory review of the contract by the other party, links for signing the Contract and a 66W are sent through the SignIT platform to purchaser’s solicitors for execution.

### THE BENEFITS OF PLANIT AND SIGNIT

It is within reasonable contemplation that an eContract could be issued within 10-15 minutes of receipt of the sale’s advice, with the added flexibility of this work being performed anywhere - in a coffee shop, on your commute, at a beachside resort, wherever it may be as long as your lawyers are connected to the internet. You would suppose that the question that flows from other legal practitioners is whether this digital transaction and the platforms that are being used are secure. Interestingly, the most common question that arises is whether the use of PlanIT and SignIT are cost effective and cut down on the time required to perform recurring tasks.

The answers to both of these questions is a resounding “yes” and “yes”.

### COST EFFICIENCY

In brief, the use of purely electronic contracts reduces printing, postage, file creation and file storage costs. It is not uncommon to see Contracts which range from a couple hundred pages to over two thousand pages long. With an extensive Contract, being frustrated over the disruption created by printing jams would be a thing of the past.

As to the Contract itself, there is simply one copy that both parties sign, with that copy stored digitally along with all other documents in the file management system. This further removes the need for physical storage solutions, dramatically reducing costs as office space is limited and external storage locations can be quite costly. A mixed physical and digital storage file system inevitable leads to mismatches and gaps

between your digital file and physical. A cohesive digital file from start to finish would save on the time consuming process of ensuring a comprehensive file record is maintained for archiving purposes.

No longer will the costs and speed of delivery of contracts be limited by the type of printer/scanner your lawyer's office benefits from. The costs of producing cheques at settlement are negated, as are settlement agency fees. In large scale real estate developments, clients have the benefit of selecting from a property law practice who is able to offer a cost effect price bundle by having significantly reduced their overall fees through minimising costs from each individual transaction.

### TIME EFFICIENCY

In issuing vendor Contracts, PlanIT achieves time savings from the opening stages of negotiations. Contract request amendments are a common occurrence. From time to time, you will receive a very lengthy list. We have for instance, received requests of close to about 40 paragraphs long, many of which are extraneous questions clarifying points covered by common law or statute, or other provisions of the Contract with parties on the other side who may not appreciate the collegiate atmosphere in which a property transaction operates.

Amendments to special conditions can be achieved on the computer, and as only one version of the Contract is signed, there is no ambiguity as to the agreed terms of the Contract, further removing a time consuming need for verification that two counterpart contracts used in a physical exchange are identical to each other.

The purchaser is also able to receive a link from their representative for signing without attending that representative's office, at their convenience.

Incrementally, seconds or minutes are trimmed from each task such as the physical attendance of clients for signing, contract

negotiation, contract amendment, verification of contracts and progress tracking - to streamline the entire process. The discount on time spent on each transaction, over the course of hundreds or thousands of transactions translates to a significant reduction in time and overheads.

### THE RESISTANCE

Although it may be premature to state that electronic platforms have progressed to such a degree to persuade all parties to relinquish antiquated alternatives, it certainly seems undeniable that electronic conveyancing is gaining traction.

Interestingly, our experience is while some parties we've worked across may show some initial reluctance, with a bit of encouragement, most practices and even those currently constrained by the volume of their current workloads will eventually fall for the allure of being seduced by new technology, many of which enthusiastically whom begin experimenting with the exciting tools introduced as a result of changes to the regulatory landscape in which they find themselves in.

No longer do we find ourselves in the trial and error phase as many of the more sizable firms and specialised boutiques have already adopted and implemented use of the new technology with more coming on board by the day.

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