

DOING BUSINESS (2018) – PAKISTAN

Karachi

Registering Property

Introduction

1. This briefing paper considers the current position of the DB topic of Registering Property in Pakistan.
2. Specific commentary is made herein only to data relating to Karachi.
3. Pakistan's overall rank is 141 out of 190 countries, as measured by the Doing Business 2017 report with a Distance to Frontier (DTF) of 51.77%¹.
4. In relation to Registering Property, Pakistan ranks 169/190 in 2017 with a DTF of 40.70%.
5. The DB data (2017) for Karachi shows attainment of 32.73% against the four respective indicators - time, cost of property value, procedures, and land administration quality index).
6. In relation to the various elements of the building quality control index², Karachi scores five out of a possible 30 points.
7. The reasons for Karachi's comparative low score was attributed to the following during DB Study 2016:
 - It took 208 days and eight procedures to register a property in Karachi.
 - Obtaining a No Objection Certificate from District Officer Revenue, to be able to sell the property, which took about two weeks. It was a non-transparent and lengthy procedure.
 - Advertising in newspaper and inviting objection to verify authenticity of the documents presented by the seller as well his authority to act on behalf of the company to sell this property. This procedure is legally not mandatory. However, some contributors report that it is a common practice and takes eight days.

The DB report 2017 is anticipated to reflect yet improved ranking on the following improvements:

¹ The Distance to Frontier score captures the gap between an economy's performance and 100 – a measure of best practice.

²The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.

- With the establishment of Digital Scanning Unit in Karachi, it now takes around 25-30 days to complete a registration process in Karachi. Hence the lengthiest procedure “microfilming for storage of registered document” took 06 months’ time which has been reduced upto 3 days.
 - The registries can now be verified online at https://sindhzameen.gos.pk/demo_Registries/register.aspx and hence the practice to search the books and verify whether the counterpart owns the property has been replaced.
 - The deed is now delivered within a week later and does not take longer time.
8. The balance of this paper highlights both short-term solutions (to be considered capable of implementation within 100 days) and long-term goals to benefit Karachi and increase its DTF score.

Table A - Steps to be considered to improve Karachi’sDTF score within 100 days

It is suggested that measures are considered and adopted to allow short-term goals to be introduced within 100 days.

Indicator	Suggested measure	Anticipated Timelines
Advertisement in newspapers inviting objections	Sindh LRMIS, BOR to consider amending the list of required documents checklist. (https://sindhzameen.gos.pk/demo_Registries/pdf/doc_RegistrationofProperty.pdf) Currently procedure “Advertisement in newspapers inviting objections” is listed as optional. It is suggested that a notification be issued by BOR stating that advertisement in newspapers is not a legal requirement and will not be accepted by Sindh LARMIS.	• Proposal to be considered in consultation with various stakeholders.
Availability of information	Sindh LRMIS to consider publishing a consolidated list of required documents and fee schedule with binding timelines on its website in addition to already published information. (https://sindhzameen.gos.pk/demo_Registries/pdf/doc_RegistrationofProperty.pdf) (https://sindhzameen.gos.pk/pdf/Fee_Notification.pdf) (https://sindhzameen.gos.pk/eval/#res). It is recommended publishing a simple table with step-by-step procedures, time and cost for each major transaction type.	• The information is already available at (https://sindhzameen.gos.pk/demo_Registries/pdf/doc_RegistrationofProperty.pdf)
Development of standardized sale deeds	Sindh LRIMS introduce a standardized sale deed and make it available online.	• To be made available by September 1st 2017

Indicator	Suggested measure	Anticipated Timelines
Automation of processes pertaining to registering property	Sindh LRIMS to complete automation of the processes pertaining to registering property which includes online verification of title search and make the information publicly available to increase transparency.	<ul style="list-style-type: none"> • Digital Scanning Units have been established in Sindh including Karachi where registries are scanned & indexed and can be searched online at https://sindh.zameen.gov.pk/demo_Registries/register.aspx
LRMIS to link up with urban unit	LRIMS to develop linkages with urban unit for verification of maps.	June 2018
Enhance complaint mechanism and develop feedback loops	LRMIS to consider improving complaint mechanisms and introduce feedback loops for public services.	December 2017
Elimination of requirement for No Objection Certificate	LRMIS to consider eliminating the requirement for No Objection Certificate. This is not a legal requirement, hence LRMIS can issue a notification in this regard.	This will be eliminated once the entire registration system is automated by June 2018
Improved communication	LRMIS to consider: Arranging large-scale and ongoing communication campaigns to ensure that firms are aware of and can benefit from reforms.	<p>-Services of Professional engaged for electronic, print, digital & outdoor media campaign has been engaged.</p> <p>-1st Phase of Mass media awareness campaign</p>

Indicator	Suggested measure	Anticipated Timelines
		completed in June 2017. -2 nd phase to commence in September 2017. - Communication campaign to continue throughout implementation of major milestones in automation of registration processes.

Table B – Long-term goals to be attained to improve Karachi’sDTF scorewithin one year

It is suggested that measures are considered and adopted to allow long-term goals to be introduced within one year.

Goal	Task	Timelines
Automation of sub-registrar offices	For online deed execution sub-registrar offices to be automated and linked with LRMIS.	To be completed by June 2018
Land disputes database	BOR to consider developing a database for land disputes pending in the courts and devise a mechanism to help resolve these through special benches. Develop linkages with commercial courts.	Provincial government to involve superior Courts to formulate a reporting/information mechanism.
Archiving of old registered deeds	LRMIS to consider archiving of all old registered deeds. This will help reduce the time for verification. Also, this will minimize the chances of land disputes and increase transparency.	The archival process is underway and more than 2 million registries have already been digitized & a total of 7 million registries are likely to be completed by June 2018. The digitized registries are available online at https://sindhzameen.gos.pk/demo_Registries/register.aspx