

THE CITY OF LONDON LAW SOCIETY LAND LAW COMMITTEE CERTIFICATE OF TITLE (Seventh Edition 2016 Update) WRAPPER FOR REPORT ON TITLE AND NOTES TO USERS

NOTES TO USERS

These notes to users are issued with the City of London Law Society Land Law Committee's Certificate of Title (Seventh Edition 2016 Update) Wrapper for a report on title, but are not part of it.

The City of London Law Society Land Law Committee ("the Committee") has noticed the increasing use on transactions of what are colloquially known as "wrapper" documents. A common context for the wrapper is that a property has been purchased and the solicitors acting for the purchaser produced a report on title in relation to the acquisition for the purchaser's benefit. Within a short period after the production of the report, the new owner of the property wishes to re-finance the property and the party providing the finance requires a certificate of title for its benefit in the form of the Committee's Certificate of Title (Seventh Edition 2016 Update).

Since the report was produced recently, there is considerable sense from an efficiency perspective for the solicitors, who provided the report, to re-issue it for the funder's benefit. However, since the funder requires the CLLS certificate of title, its front end must wrap around the report and certain additional confirmations have to be given by the certifying solicitors so that the funder ends up with the benefit of a document equivalent to what it would have received if the certificate itself had been provided. The Committee has produced a document to fulfil that purpose, which is called a "Certificate Wrapper".

The key provision of the Certificate Wrapper is clause 12. By this provision, the certifying solicitors, in effect, confirm that they have undertaken the process that they would have carried out to produce the certificate and that matters affecting or relating to the property, the headlease and/or occupational leases that would have been revealed or disclosed by the certificate are set out in the Certificate Wrapper, the original report or in a disclosure (contained in the Additional Disclosures Schedule in the Certificate Wrapper).

Since the Certificate Wrapper creates the equivalent of the CLLS certificate of title, the confirmation in clause 12 is subject to the same caveats, assumptions and qualifications as are contained in the certificate. Likewise, in order to produce the Certificate Wrapper, the certifying solicitors must undertake the same due diligence process and obtain the same confirmations as they would have had to do to provide the certificate.

Therefore, the confirmation letters and questionnaire (for which please click [here](#)) used to elicit information from "the Company" for the certificate should also be used as appropriate for the Certificate Wrapper. Reference should also be made to the Note to Users at the back end of the certificate for guidance on how to approach and produce the certificate.

The Certificate Wrapper is only suitable for use if the relevant report on title covers the matters dealt with by the certificate in relation to the property, benefits and incumbrances, matters affecting the property, the lease (for a leasehold title) and occupational leases. If the report does not cover such matters or the report is sufficiently old so that substantial disclosure would have to be made in the Certificate Wrapper, its efficiency benefits are undermined and a CLLS certificate should be used instead. As to how old is "sufficiently old", this will be dictated by the particular circumstances of the property, for example, if there are a large number of occupational leases, there can be a large number of changes in a short period and this may make an older report less acceptable. As a

ballpark figure, the report should not be more than 12 months old, but the recipient of the Certificate Wrapper may be prepared to accept an older report. It is for the parties to decide.

If the intention is for the Certificate Wrapper to be the equivalent of the CLLS certificate, there should be no watering down of clause 12 or other parts of the Certificate Wrapper. While the Committee acknowledges and accepts that a wrapper for the certificate can be in a different form if that is what the parties agree, the parties should understand that any such watering down or other difference has the consequence that the funder or other recipient is not receiving the equivalent of the certificate.

If there are certain parts of the report on title that are not required for the certificate, the parties can agree to carve them out of the Certificate Wrapper.

In relation to searches and enquiries, some of them carried out for the report on title may need to be carried out again and a Land Registry priority search is likely to be made for the transaction to which the Certificate Wrapper relates. They are referred to in clause 3 in and the Additional Disclosures Schedule to the Certificate Wrapper.

The Certificate Wrapper adopts the same approach as the certificate to the situation where the Company has purchased the property from a seller immediately prior to or as part of completion of the transaction in respect of which the Certificate Wrapper is provided.

The Committee is grateful for any feedback on this Certificate Wrapper or for any suggestions as to other projects that the Committee can undertake.

**THE CITY OF LONDON LAW SOCIETY LAND LAW COMMITTEE CERTIFICATE OF TITLE
(Seventh Edition 2016 Update) WRAPPER FOR REPORT ON TITLE**

To: *[Insert name and address of each addressee e.g. the Chargee, Banks/Finance Parties/other party]* ("**Addressees**" and in this Certificate "**you**" and Addressees have the same meaning).

[Insert short address or description of the Property]

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1 This letter is supplemental to a report on title dated *[today]*, a copy of which is annexed to this letter [, but for the purposes of this letter and disclosure to the Addressees the report is deemed to exclude all of its annexures with the exception of *[SPECIFY ANY EXCEPTIONS]*¹] (the "**Report on Title**"). All words and expressions defined in the Report on Title have the same meaning when used in this letter, unless otherwise indicated. If there is a conflict between this letter and the Report on Title, this letter prevails. This letter and the Report on Title are together referred to as "**this Certificate**".

1.2 In this Certificate the following expressions have the following meanings:

"**Additional Disclosures Schedule**" means Schedule 1 to this letter;

["Banks"/"Finance Parties" has the meaning given to that expression in the Loan Document;]

["Charge" means the legal charge over the Property to be entered into in favour of the Chargee;]

["Chargee" means [];]

"**CLLS Certificate**" means a certificate in the City of London Law Society Land Law Committee Certificate of Title (Seventh Edition 2016 Update);

"**Company**" means [];

"**Existing Use**" means the actual use to which the Property is presently put as referred to in clause 4 of this letter;

["Group" means the group of companies of which the Company is a member;]

"**Lease**" means the lease by virtue of which the Company holds the Property or part of the Property (as amended or supplemented);

"**Letting Document**" means any lease, underlease, tenancy, licence or other agreement or arrangement giving rise to rights of occupation and enjoyment to which the Property is

¹ The words in square brackets are intended to deal with a report on title with annexures where the Addressees does not wish for all the annexures (or some of them) to be deemed to be disclosed to the Addressees. For example, a report on title may attach search results, replies to enquiries or other reports which would not form part of a certificate of title. By excluding these, it means that any relevant information must be summarised in the body of the report or in this Certificate.

subject (in each case as amended or supplemented) including any tenancy which is being continued after the contractual expiry date under the Landlord and Tenant Act 1954 or otherwise;

["**Loan Document**" means the loan/facility agreement [dated] [to be made] between [] and [] providing for the loan referred to in it, which loan is [to be] secured by [among other things] the Charge;]

"**Property**" means the property described in the Report on Title, the address of which is given at the start of this Certificate;

["**Seller**" means [];]

"**Transaction**" means [];

["**Valuers**" means []; and]

"**1995 Act**" means the Landlord and Tenant (Covenants) Act 1995.

- 1.3 Unless the context otherwise requires, any reference to the Property includes each and every part of it and all buildings and structures on it.
- 1.4 Any reference, express or implied, to a statute includes references to:
 - 1.4.1 that statute as amended, extended or applied by or under any other statute or subordinate legislation at the date of this Certificate;
 - 1.4.2 any statute at the date of this Certificate which re-enacts that statute (with or without modification); and
 - 1.4.3 any subordinate legislation made at the date of this Certificate under that statute, as amended, extended or applied as described in clause 1.4.1 above or under any statute referred to in clause 1.4.2 above.
- 1.5 In this Certificate, the expression "fixed charge" has the meaning given to it in the 1995 Act and "tenant" includes licensee.
- 1.6 The headings in this Certificate do not affect its interpretation.
- 1.7 Unless the context otherwise requires, the singular includes the plural and vice versa.
- 1.8 Any matter disclosed by this Certificate in relation to any particular clause or paragraph is to be treated as being disclosed in relation to any other relevant clause or paragraph.
- 1.9 Where this Certificate states that the Company has "told us" or "confirmed" something (or uses words with similar meaning) ("provided information"), the Company provided information to us in writing.

2. RELIANCE ON THIS CERTIFICATE

- 2.1 This Certificate is addressed to and is intended solely for the benefit of the Addressees for the purpose of the Transaction. It may not be relied on by any other person or used for any other purpose. The giving of this Certificate does not create any retainer with the Addressees.

- 2.2 This Certificate may be disclosed to a third party but it cannot be relied on by that party.
- 2.3 Only an Addressee may bring a claim under this Certificate (whether as principal or agent).
- 2.4 If a claim would properly lie against any other party involved in the Transaction or this Certificate's preparation or approval, and that party has limited or excluded its liability in respect of such claim, then our liability will not be increased by that limitation or exclusion. Our liability will be calculated as if there were no such limitation or exclusion.
- 2.5 Where the Addressees constitute more than one person, the Addressees acknowledge that our aggregate liability to all the Addressees is no greater than the liability we would have had if the Addressees were a single person.
- 2.6 We acknowledge that you are entitled to rely on the statements contained in this Certificate even if any document or matter contained or referred to in a statement:
- 2.6.1 is in the public domain; or
 - 2.6.2 has been disclosed by or on behalf of the Company to the Valuers; or
 - 2.6.3 is contained in any specialist report made available by or on behalf of the Company to you or your professional team; or
 - 2.6.4 is contained or referred to in any data room to which you or your professional team have access.
- 2.7 You agree that no individual member, partner, shareholder, consultant or employee of this firm owes you any personal duty of care and that you will not bring any claim whether in contract, tort, under statute or otherwise against any such individual.

3. TITLE

On the basis of and insofar as the same is discoverable from our investigations mentioned in this Certificate, we certify that:

- 3.1 We have investigated the title of the Company to the Property in the knowledge that you are relying on this Certificate for the purpose of the Transaction.
- 3.2 We have:
- 3.2.1 examined and considered the documents of title and other documents and papers relating to the Property produced to or obtained by us; [and]
 - 3.2.2 considered the results of the searches and replies to the enquiries made by us as referred to in the Report on Title and/or the Additional Disclosures Schedule² which are those that we consider appropriate or necessary in the circumstances

² If the searches and enquiries referred to in the Report on Title omit searches and enquiries listed in Schedule 6 to the CLLS Certificate that are relevant to the Property, or the results of the searches and replies to enquiries referred to in the Report on Title are out of date (for example, the local search result is more than, perhaps, three months old), those searches and enquiries will likely have to be made or repeated as the case may be and should be listed with the date of the result in the Additional Disclosures Schedule. It is likely that a new Land Registry priority search will need to be made and this is referred to in clause 3.2.3 of this letter.

of the Transaction and having regard to the location and nature of the Property;
[and

3.2.3 considered the results of a Land Registry priority search for the benefit of the party referred to below:

[of whole/part];

date of expiry of priority – [];

name of party having benefit of priority period – [the Addressees];

basis of search (e.g. Charge);

and we confirm that the search from date used is the search from date stated on the official copies used to complete this Certificate;]

and this Certificate is given solely on the basis of:

(i) that examination and consideration and the results of those searches and enquiries; and

(ii) material provided to us by the Company;

which, so far as we are aware, is the documentation and information which we need in order to give this Certificate.

3.3 Subject to the matters referred to in the Report on Title and/or the Additional Disclosures Schedule:

3.3.1 in our opinion, [subject to due registration at Land Registry of the transfer of the Property from the Seller to the Company,] the Company has a good and marketable title to the Property and is solely legally and beneficially entitled to the Property [[and neither we nor the Company know of any reason why the Company should not be registered as proprietor of the Property with absolute title] [or the Chargee as registered proprietor of the Charge]];

3.3.2 [neither we nor the Company know of any reason why the Chargee should not be registered as registered proprietor of the Charge;]

3.3.3 the details of the Property set out in the Report on Title are complete and accurate in all respects;

3.3.4 the consents of all third parties required before the Property can be [transferred to the Company and] effectively charged to the Chargee by way of legal mortgage or fixed charge are set out in the Report on Title and/or the Additional Disclosures Schedule and have been obtained and are not subject to onerous or unusual conditions;

3.3.5 if the Property is freehold, the Property is not registered as a freehold estate in commonhold under Part I of the Commonhold and Leasehold Reform Act 2002;

3.3.6 if the title to the Property is registered at Land Registry, the quality of the title is title absolute; and

3.3.7 if the title to the Property is not registered at Land Registry, then:

- (A) where the Property is freehold, it commences with a good root of title at least 15 years old; or
- (B) where the Property is leasehold, it commences with the Lease and has a good root of title at least 15 years old.

4. USE

The Company has told us that the Property is presently used as [].

5. MATTERS AFFECTING THE PROPERTY

We have considered the statements set out in Schedule 3 to the CLLS Certificate and certify that:

- 5.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a CLLS Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 5.2 such statements are complete and accurate in all respects save as disclosed.

There are no other matters disclosed by our investigations referred to in this Certificate which are not specifically referred to elsewhere in this Certificate and which, in our opinion, should be brought to your attention.

6. LEASEHOLD TITLES

If the Company holds the Property under the terms of a lease, the terms of the lease are fairly summarised in the Report on Title. We have considered the statements set out in Schedule 4 Part 2 to the CLLS Certificate and certify that:

- 6.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a CLLS Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 6.2 such statements are complete and accurate in all respects save as disclosed.

7. LETTING DOCUMENTS

The Letting Documents are fairly summarised in the Report on Title or (in the case of Letting Documents completed after the date of the Report on Title) in the Additional Disclosures Schedule. We have considered the statements set out in Schedule 5 Part 2 to the CLLS Certificate and certify that:

- 7.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a CLLS Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 7.2 such statements are complete and accurate in all respects save as disclosed.

8. SEARCHES AND ENQUIRIES

Except as stated in the Report on Title and/or the Additional Disclosures Schedule and subject to any general and usual caveats or disclaimers on results of searches or replies to enquiries undertaken, the results of such searches and enquiries are either clear or do not disclose matters which, in our opinion, should be brought to your attention.

9. THE VALUERS

A copy of the final draft of this Certificate has been sent to the Valuers. They have been requested to confirm to you in writing that the Property is the property valued in their valuation report and that either they have taken the final draft of this Certificate into account in making their valuation or there is nothing in this Certificate which causes them to alter their valuation report.

10. CONFIRMATION BY THE COMPANY

10.1 A copy of the final draft of this Certificate has been sent to the Company. The Company has confirmed to us within the five working days before the date of this Certificate that:

10.1.1 to the best of its knowledge, information and belief the information contained in this Certificate is complete and accurate in all respects; and

10.1.2 save as disclosed in the Report on Title and/or the Additional Disclosures Schedule, it gives all of the confirmations on the part of the Company contained in Schedule 3, Schedule 4 Part 2 and Schedule 5 Part 2 to the CLLS Certificate as if the same were incorporated in this Certificate.

10.2 [The Company has purchased the Property from the Seller immediately prior to or as part of completion of the Transaction. That being the case:

10.2.1 the Company's knowledge of the Property and related documents and information have been acquired through:

- (A) its own investigations of the Property as part of that purchase including the searches and enquiries referred to in the Report on Title and/or the Additional Disclosures Schedule;
- (B) the replies given by the Seller's solicitors to Commercial Property Standard Enquires – CPSE1 and such other documents in the CPSE suite and/or such other enquiries as are appropriate for the particular purchase;
- (C) the replies given by the Seller's solicitors to any additional enquiries raised by us to enable us to provide this Certificate;
- (D) other material provided by the Seller or the Seller's solicitors and other advisers or agents of the Seller;
- (E) the Company's own knowledge of the Property;
- (F) information provided by any other parties as mentioned in the Report on Title and/or Additional Disclosures Schedule; and
- (G) an inspection of the Property by the Company not more than 20 working days before the date of this Certificate.

- 10.2.2 Whenever this Certificate refers to the Company's knowledge, information and belief or this Certificate states that the Company has provided information (as defined in clause 1.9 of this letter), it is the case that the Seller or the Seller's solicitors and its other advisers or agents are the primary source.
- 10.2.3 References in this Certificate to notices given or received by the Company, or to any actions taken by the Company or expected by the Company, are references to the Company's knowledge of notices given or received by the Seller, actions taken by the Seller or expected by the Seller, as the case may be.
- 10.2.4 The Seller has confirmed to us in writing that it has provided us with copies of all documents relating to the Property of which it has knowledge, together with such other information in its possession as is material.
- 10.2.5 Where information has been provided to us by the Seller, our investigations have given us no reason to doubt the accuracy of that information, but we do not accept responsibility for it.
- 10.2.6 Where the replies given by the Seller's solicitors to our enquiries or other information provided by the Seller or the Seller's solicitors are, in our opinion, inadequate, we have disclosed such inadequacy in the Report on Title and/or the Additional Disclosures Schedule.]

11. ASSUMPTIONS AND QUALIFICATIONS

- 11.1 We have not inspected the Property nor have we made any enquiries of the occupiers of the Property (other than [the Seller and] the Company) nor, where the Property is leasehold, have we made any enquiries of any landlord or superior landlord.
- 11.2 We give no opinion as to the capital or rental value of the Property.
- 11.3 Except as disclosed in the Additional Disclosures Schedule, this Certificate does not consider:
 - 11.3.1 any environmental or flood assessments, audits, surveys or other reports on the environmental condition of the Property; or
 - 11.3.2 other technical reports or surveys relating to the Property's condition;and the Addressees should consider what investigations they wish to make in relation to those matters.
- 11.4 We have assumed that all documents relating to the Property have been validly executed and delivered by the parties to them and that such documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of those documents which we have seen which indicates otherwise.
- 11.5 We have assumed, and the Company has confirmed to us in writing, that:
 - 11.5.1 the Company has provided us with all documents of title relating to the Property of which it has knowledge together with any other information in its possession as is material for the purpose of giving this Certificate; and
 - 11.5.2 each copy document produced to us is a true copy of the original.

- 11.6 Except as disclosed in the Report on Title and/or the Additional Disclosures Schedule, where information has been provided to us by the Company, our investigations have given us no reason to doubt the accuracy of that information but we do not accept responsibility for it.
- 11.7 Whilst we express no opinion on whether any transaction affecting the Company's title to the Property may have been at an undervalue or otherwise liable to be set aside under the provisions of the Insolvency Act 1986, the Company has told us that it is not aware of any circumstances which could render any such transaction liable to be set aside under the provisions of that Act.
- 11.8 We have not investigated whether there is an intention that the terms of any relevant document should be enforceable by third parties. Save where referred to in the Report on Title and/or the Additional Disclosures Schedule, none of the documents relating to the Property expressly provides that a third party can enforce any of its terms in accordance with the Contracts (Rights of Third Parties) Act 1999.
- 11.9 We have not investigated whether any consents which may have been required under any mortgages or other documents which are no longer subsisting were obtained.
- 11.10 Except as disclosed in the Report on Title and/or the Additional Disclosures Schedule, we have not investigated what insurance may be in force (or the particular details of any policy) in respect of the Property.
- 11.11 We have not considered:
- 11.11.1 whether any right including a right to light or a right to air is in the process of being acquired through prescription; nor
 - 11.11.2 whether any right including a right to light or a right to air has been acquired through prescription, except where a right is referred to in the Report on Title and/or the Additional Disclosures Schedule as having been acquired through prescription.

12. CERTIFICATE

We have considered all those matters which would have been covered by a CLLS Certificate if a CLLS Certificate was to be issued in respect of the Property, the Lease and the Letting Documents (subject to the same caveats, assumptions and qualifications as are contained within a CLLS Certificate). We confirm that any such matters affecting or relating to the Property, the Lease or the Letting Documents which would have been revealed or disclosed by a CLLS Certificate are set out in this Certificate, the Report on Title and/or the Additional Disclosures Schedule.

13. APPLICABLE LAW

This Certificate is limited to English law as applied by the English Courts as at the date of this Certificate and is given on the basis that it will be governed by and construed in accordance with English law.

Date: 201[]

Signed:

Name of law firm:

Address:

Reference:

SCHEDULE 1
ADDITIONAL DISCLOSURES SCHEDULE

ANNEX

Report on title referred to in clause 1.1 of this letter