

European Commission
Internal Market

November 29, 2005

Green Paper on Mortgage Credit in the EU, comments from the EULIS Programme

As the Commission states, trusted information from guaranteed real property registers is essential for a functioning cross boarder mortgage market (44).

However, at the same time the Commission presumes that users can have a direct interest of contributing and invest in such an initiative (46).

By the finish of the EULIS project 2004-06-30 all of the original partners decided to continue and formed the EULIS programme.

The programme aims to establish EULIS as an operational service and to extend it to additional countries..

The first version of the service will be operational early next year.

Today, maintenance and development of the national real property registers are entirely or partly financed by the users, as they have to pay a fee for each transaction. This will also be the case for information provided through the EULIS network. In the long run, the EULIS service in this way will be a natural part of a participating country's information provision.

From experiences from earlier launchings of online systems in the participating countries we know that the use will be rather modest in the first years, the usage and the revenue will follow later as the market for cross-border transactions increases. In this case also the cross-boarder transactions initially are on a very low level. The probability for finding someone willing to invest in such an uncertain future is, at least as we have found, very low. It is therefore we have decided, at least for the first three years, to take the investment by ourselves.

For EULIS it is necessary to prove its soundness. The users have to find the service worth the fees, otherwise the realistic thing to do is to close it down. And other organisations have to find it beneficial to join the service.

What can when make the service interesting for the users?

- First of all there has to be interest of cross-boarder transactions. Hopefully this will increase as the market matures
- Secondly the user must find information on properties from the countries they are interested in. There is a critical mass that EULIS must achieve. This stresses the need for information from the most important markets, Spain, Germany, France, the UK and Italy. Of these only the UK (England & Wales and Scotland) are members. Spain and Italy seem to be possible to connect rather easy. Germany claim legal obstacles for not taking part but there are also hinders related to the divided administration and France does not yet have an online service to connect. Regarding Germany we are searching partners to enable at least German users to connect to EULIS, even if information on German properties not will be available through EULIS in the nearest future.

Today the EULIS participants are the origin partners, Austria, England & Wales, Finland, Lithuania, the Netherlands, Norway, Scotland and Sweden. The Republic of Ireland, Northern Ireland and Iceland have started their connection preparations. A new EC supported project (eTEN programme) including Czech Republic, Latvia, Poland and Slovak Republic will hopefully start early next year aiming to validate the possibilities to take part in the service from 2007.

We assume, at least for these countries, the EU support strongly has stimulated the agencies to investigate their possibilities to take part in EULIS.

But perhaps the most important factor for success in establishing of a common pan-European real property information service is the willingness of land agencies in the largest countries to participate and overcome the first years of costs until the service will cover its own costs. This can be organised in different ways, as it is now, in an EEIG or as private company. A continued support from the Commission would strongly emphasise the importance of joining and developing EULIS as one of the tools for supporting the establishment of a truly European market for cross-border lending.

On behalf of the EULIS Programme

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Yours sincerely,