



Technological Modernization of Peru's Public Registries

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EXECUTIVE SUMMARY

This study describes the strategy and information technology adopted by Peru's National Superintendent of Public Registries (SUNARP) to meet its organizational goals. SUNARP was created in 1994 to become the ruling entity of all public registry offices in Peru, which to that time had been working in an isolated fashion. The case describes the projects already completed, their respective success and their deployment across the organization's bureaus across the nation. The Registry Information System (SIR, in Spanish) and the consequent online registry publicity service are worthy of noting. It takes account of the fact that many of these projects were originally initiated in the largest Registry Zone, the former Lima and Callao Registry Office. Moreover, the paper mentions the future challenges faced by SUNARP in its efforts to provide online registration services.

ORGANIZATIONAL BACKGROUND

Since the dawn of humankind it was important to have an evidence of who was the owner of certain plots of land and what were the boundaries of such land. Depending on each civilization, the ways to register the transactions made on land could go from oral statements, which could be easily invalidated, to private contractual documents, which could be lost and destroyed, besides being susceptible of forgery. With the development of civilization, the need to create a political entity to guarantee the right to use lands became necessary (Buscher, 2003; Judicial Greffe, 1999). To balance society's interests and private property rights, the concept of title emerged as a document used to determine the legal situation of a specific property (Buscher, 2003).

As a whole, from a juridical standpoint, public registries are entities created by the government to register titles and documents that reflect the transactions made between private parties or between private parties and the government. Registering titles and documents means perpetuating them and making them public to provide certainty and effectiveness to transactions. Publishing transactions registered in titles and documents is a fundamental activity to guarantee their validity before a third party. This means that only if contract has been recorded in the public registries shall it have legal value.

For a society faced with underdevelopment and a lagging economy, a State guaranteeing juridical stability becomes one of the essential conditions for development. In this respect, it is critical for economic agents to feel not only that they are protected by the law, but also that they can avail themselves of the legally registered information. This registered information allows them to make accurate decisions when transacting their real properties, vehicles and general assets, and in making corporate and capital increase decisions, among other issues. Public registries thus become a tool to promote a market economy.

Peru's National System of Public Registries has undertaken the task of maintaining and preserving the unity and coherence of the registry function across the country. Law N° 26366, dated October 16, 1994, established the National Superintendent of Public Registries of Peru (SUNARP). Since then it has been the ruling body of the National Public Registries System. In consequence, SUNARP's main functions and powers include designing technical and administrative policies and rules for the public registries. It is also in charge of planning, organizing, governing, directing, coordinating and supervising the inscription and publication of deeds and contracts filed in the registries comprised in the National Public Registries System. Generally, as has already been mentioned, this system is aimed at *"maintaining and preserving the unity and coherence of the registry function across the country. It aims at providing specialized, streamlined, integrated and modern services, procedures and management of all the registries comprised in it."*

SUNARP performs an essential social role by linking property registration to the use of registered assets as tools for economic and social development, as registration both increases the value of assets and reduces transaction costs. Its great challenge is to create citizens' awareness of the importance of formalizing real properties and all juridical deeds in a country where, for example, 53% of the urban population and 81% in rural areas population occupy unregistered properties, the value of which may reach U.S. \$74 billion (De Soto, 2000). SUNARP's senior management are aware of their crucial social role and are therefore interested in improving the quality of their services, including

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