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Sweden tests blockchain technology for land registry

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NEW YORK (Reuters) - Sweden is conducting tests to put the country's land registry system on blockchain, the underlying technology supporting the digital currency bitcoin, the Swedish Land Registry said on Thursday.

The Scandinavian country is working on the project with Swedish blockchain company ChromaWay, consulting firm Kairos Future, and telecommunications service provider Telia, the registry said in a statement.

Together, they have come up with a framework or the so-called "proof of concept" through a white paper and technical demonstration of how the Swedish land registry would work on blockchain.

The blockchain technology works by creating permanent, public "ledgers" of all transactions that could potentially replace complicated systems such as clearing and settlement with one simple database.

"In the first phase of the technology, we have tested the process with some banks," Magnus Kempe, director of retail and finance at Kairos Future, told Reuters in a telephone interview on Thursday. "Now we're on the second phase of the project where we will test in a full-sized environment."

Kempe believes the project could go live in the fall this year.

The plan is to put real estate transactions on blockchain once the buyer and seller agree on a deal and a contract is made, Kempe said. From there all the parties involved in the transactions -- the banks, the government, brokers, buyers, and sellers -- are able to track the progress of the deal once it is completed.

Currently, it takes months to complete a real estate deal in Sweden from the time the parties agree until the contract is completed.

“Digital documentation of property transfers and good technology will enable the confirmation for all parties in a real estate transaction (with) the highest level of security,” said Mats Snäll, head of development of real estate registration, at the Swedish Land Registry.

“Being able to assign pending title deed is also something of value for all parties. Everyone will benefit from this,” he added.

Reporting by Gertrude Chavez-Dreyfuss; Editing by Sandra Maler

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