

How To: Filing a Notice of Commencement

What Is a Notice of Commencement?

A Notice of Commencement (NOC) is a document recorded with the ROD by a property owner prior to commencing construction or improvement work on their property. It is required under Article 8 of the Grand Duchy Subterranean Construction Lien Act (SCLA) whenever the total cost of improvements exceeds 500 Gold Sovereigns.

The NOC serves two critical functions:

1. It notifies the public (and potential lienors) that construction has begun, establishing the project's legal commencement date.
2. It limits the owner's exposure to lien claims by requiring subcontractors and suppliers to serve a Notice to Owner within 45 days of first furnishing.

When Is It Required?

A NOC is REQUIRED when:

- Total project value exceeds 500 Gold Sovereigns.
- Work involves excavation, structural modification, or installation of permanent fixtures.
- The owner intends to finance construction with a mortgage or construction loan.

A NOC is optional (but recommended) for smaller projects. Without a recorded NOC, the project has no defined commencement date, which can extend lienors' filing windows and complicate priority disputes.

Required Elements

1. Name and address of the property owner.
2. Legal description of the property (Z-level, sector, parcel ID).
3. General description of the planned improvements.
4. Name and license number of the general contractor.
5. Name and address of any construction lender (if applicable).
6. Estimated total cost of construction (first-phase cost if phased project).
7. Expected commencement date.
8. Signature of property owner; notarization required.

Step-by-Step Filing Process

1. Prepare the NOC on form ELD-N-01 before work begins (or within 30 days of commencement).
2. Owner signs before a Notarial Magistrate.
3. Complete ROD Cover Sheet; check 'NTC' as index type.
4. Pay recording fee: 10.00 GP flat.
5. Post a certified copy of the recorded NOC at the job site in a conspicuous location.
6. Provide a copy to the general contractor for distribution to subcontractors.
7. If the project is paused for more than 90 days, file a Notice of Recommencement.

Amending or Terminating a NOC

AMENDMENT: If the general contractor changes, or the construction lender changes, an Amended NOC must be recorded within 10 days of the change. Use form ELD-N-02 (Amended Notice of Commencement) referencing the original NOC instrument number.

TERMINATION: When all construction is complete and all lienors have been paid, the owner may record a Notice of Termination (form ELD-N-03). This closes the lien window for the project. The ROD will update the index to reflect 'TERMINATED' status. Recording fee: 10.00 GP.