

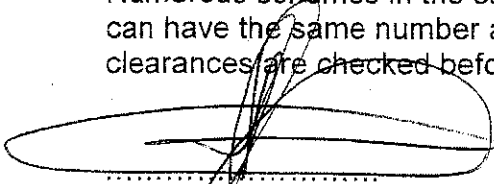
REGISTRAR CIRCULAR NO. 1/2008

LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004(ACT NO 6 OF 2004

RATES ISSUES

1. Paragraph 3.2.1 of Chief Registrars Circular 2/2006 has reference. I hereby inform all clients and staff members that the City of Johannesburg informed me on 25/07/2008 that they are now in a position, as of 01/07/2008, to separately rate all sectional title units within their area of jurisdiction.
2. This now has the effect that any transfer of such a unit will have to be accompanied by a rates clearance certificate for such unit.
3. It has been agreed to by the City of Johannesburg and this office that the requirement of a separate rates clearance certificate for each unit will apply to all relevant sectional title transfers of units lodged as of 11/08/2008 where the date of the transaction is on or after 01/07/2008. I realize that this is not sufficient notice therefore I am temporarily relaxing the office's requirement that when deeds are lodged they must be complete. **Examiners please note**, the rates for transfers of sectional title units falling within the Municipality of Johannesburg may be lodged on "prep" up until 29/08/2008. Such deeds may not be rejected if that is the only relevant note. As of 01/09/2008 all such deeds lodged must contain the relevant rates.
4. Clients and examiners must please note that the lodging of a rates clearance certificate does not change the necessity for the lodging of a conveyancers certificate in terms of Section 15 B(3)(a)(i)(aa) of the Sectional Titles Act 95 of 1986 as levies entail more than just rates. Such a certificate must still accompany all transfers of sectional units.
5. Examiners please note that this circular only pertains to sectional title units **falling within the City of Johannesburg** therefore it is essential to check the relevant title and Data Print Out. **Examiners please note** that it is not unheard of for the Demarcation Board to change the boundaries of a municipality and thus a title may indicate a property falls within a certain municipality but this now changed in the interim. If any uncertainty exists, please call for a conveyancers certificate.
6. Please note that in the definition of "**Property**" in the Municipal Property Rates Act 6 of 2004 is wide and thus includes "*a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property*".

7. From this it is apparent that it is not only ownership which attract rates, rights such as lease, usufructs, exclusive use area, transfers of real rights of extension, and so on are also ratable, but, as the communication from the City of Johannesburg only indicates that they are in a position to rate sectional title units as ratable, **no rates shall be called for these other rights until we get clarity from the said municipality.**
8. We are in the process of getting clarity regarding many rates related issues and clients and staff will be informed in due course.
9. Flowing from paragraph 8 above, the issue of whether rates clearance certificate need to be lodged for the individual units simultaneously transferred with the opening of the sectional title scheme, or whether such transaction are covered by the rates clearance certificate required in terms of subsection 15B(3)(b), is presently uncertain. In the interim the present practice of accepting that **such clearance covers these transactions will continue** until this matter is clarified.
10. Attached is a copy of a rates clearance certificate for a sectional title unit. Please note that this clearance does not contain the full number of the scheme therein and is thus unacceptable for deeds registries purposes. Numerous schemes in the same suburb have the same name but no scheme can have the same number as another scheme. Please ensure that such clearances are checked before lodgement, if not they can lead to rejections.



A.H. Stephen
Registrar of Deeds:
Johannesburg
08/08/2008