



**rural development
& land reform**

Department:
Rural Development & Land Reform
REPUBLIC OF SOUTH AFRICA
DEEDS REGISTRY - JOHANNESBURG
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REGISTRAR'S CIRCULAR NO.1 OF 2013

1. TDR or exemption certificate on registration or cancelation of a lease.

Section 92 of the Deeds registries Act.1937 (Act No. 47/1937) provide that a deed of grant or transfer of land is registrable only if it is accompanied by a receipt or certificate from a competent public revenue office to the effect that taxes, duties and fees on the property concern, payable to the Government or any provincial administration have been paid.

However in terms of Section 1 of the Transfer Duty Act 1949 (Act No 49 of 1940) Lease or sub-lease of land which is registrable in the deeds office registry is explicitly excluded in the definition of property and as a result The South African Revenue Service (SARS) is not in a position to issue neither TDR nor exemption certificate on registration or cancelation of a long term lease. . Therefore until the Transfer Duty Act if amended, no Transfer Duty or exemption certificate may be required for deeds registration purposes.

2. Rates Clearance Certificate Section

Items of the Section 118 Act of the Local Government: Municipality Systems Act, 2000 (Act 32 of 2000) it is a prerequisite to lodge a valid Rates Clearance Certificated confirming that all rate and taxes owing to the Local Municipality have been settled and the certificate is valid for 60 days.

However it has become apparent that there is an irregularity on most Rates Clearance Certificates lodged for registration purposes and such certificates are invalid and renders the transaction un-registrable. This is mainly caused by utilization of argents to and acceptance of un-verified Rate Clearances from clients.

This practice is unacceptable and conveyancers are urged to verify any clearance presented by clients/agent with the Local Municipality Rates department before inserting an invalid certificate in their respective lodgement cover.

Drastic measures will be taken against Law Firms who condones such *mala fide* practice and might lead to discontinuation of any business dealings with the Firm of conveyancers.

3. This circular is effective immediately.


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REGISTRAR OF DEEDS
DATE: 15/02/2013