



eThekweni Municipality

CREDIT CONTROL AND DEBT COLLECTION POLICY 2013/2014

REVENUE CLEARANCE CERTIFICATES

Subject to Sections 118(1) and (1A) of the Act, the following shall apply to the issue of a revenue clearance certificate for the purpose of effecting transfer of a property to a new owner.

Assessments

1. Application shall be made by the Conveyancer, in the prescribed format, electronically or manually. Each manual application must be accompanied by the relevant application fee. The application will not be processed until the fee is paid. Application fees are collected by vendors on behalf of electronic applications.
2. Copies of all the accounts must accompany any application made manually. If the relevant information is not provided, the application will be returned to the Conveyancer.
3. The new owner may be held liable post transfer should the application not record the correct meter numbers on the property.
4. The Municipality does not accept responsibility for errors on the manual applications. The Conveyancer must check that all details on the application, assessment and the certificate are correct.
5. Assessed figures are calculated ninety (90) days in advance. Service charges are estimated for ninety (90) days based on previous consumption.
6. An "Attorney's Report" in respect of all amounts owing and the assessed figures, shall be issued within ten (10) days of the receipt of the request for the report.
7. The assessment shall remain valid for a period of thirty (30) days. If payment has not been received within this period, a re-assessment may be required and payment of a further application fee will apply.

8. Amounts raised on the Supplementary Valuation Roll prior to the effective date of that roll, will be billed for the purpose of the assessment. The seller shall waive his right to be billed on the effective date of such roll.
9. The onus rests with the seller to ensure that on new sub-divisions, the debts on the parent property are fully paid.
10. Discrepancies in respect of the above may result in delays in issuing of a clearance certificate, and in addition may result in levying of additional backdated rates and/or penalties and/or service charges.
11. Any amounts paid shall be appropriated to the oldest debt first.
12. A separate application is required for each transfer.
13. Penalties, interest or other charges that accrue during the assessed period that are not included in the clearance certificate, shall be billed to the purchaser. The accounts will be adjusted once proper readings are taken on service/consumption charges and billed to the purchaser accordingly.
14. An assessment in terms of S118(1) of the Act will only be issued on request by the Conveyancer.
15. The balance of the debt, prior to the two years preceding the date of application of a certificate, shall remain as a charge against the property.
16. The new owner will not receive services on the property until the debt is paid or suitable arrangements are made to pay the debt.
17. The onus is on the Conveyancers to advise the purchaser accordingly.
18. Where the municipal account is in respect of a debt consolidated under Section 102 of the MSA, the said consolidated account will be deconsolidated on application for a Revenue Clearance. An account for the property subject to the Revenue Clearance application will be rendered together with the full interest that accrued on the consolidated account.
19. A revenue clearance certificate shall be issued within ten (10) days of the date of payment of the amount requested in the "Attorney's Report".

Revenue Clearance Certificates

1. Payment on the assessment must be made in cash, EFT payment, direct debit, bank transfer or bank cheque or other instrument accepted by the CFO from time to time.
2. There shall be no refunds on the cancellation of a sale or otherwise.
3. The certificate shall be valid for a period of sixty (60) days from date of issue.