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**Attention: Property Committee
Cape Law Society**

Conveyancing Attorneys
City of Cape Town

S118 Applications – Incorrect Payment Procedure and Short Payments

A Payment Schedule is issued by the City of Cape Town on request of a S118 applications of which most is paid via Electronic Fund Transfers (EFT). The only significant change in the new rates clearance process is the beneficiaries' reference that must be used with all payments, EFT or to the cashiers at our counters.

The process and procedure as in the past with payments stays exactly the same with the only change or difference is that instead of using the various 9 digit municipal account numbers as the beneficiaries reference, the new unique payment verification number (starting with a 6) as displayed on the payment schedule summary page must be used as the beneficiaries reference.

In another scenario, payments are made up front by conveyancers where the full amount due as stipulated on the payments schedule is not paid in full.

To address any uncertainty regarding the above scenarios and to ensure that there are no unnecessary delays or that applications are cancelled, the following processes need to be followed:

(1) Incorrect Payment Process

As stated above, otherwise the process and procedure remains the same, the only difference in the payment process is the beneficiary's reference number to be used when making payment. The only change is that the 9 digit municipal account number must be replaced by the unique payment verification number (starting with a 6).

As each financial institution have its own programs or systems to affect EFT payments, conveyancers must please ensure that wherever a beneficiary's reference is required, only the new unique payment verification number is used and no other numbers or description.

If the above is not complied with, all payments will be allocated as normal accounts payments and not as rates clearance payments. The automated payment verification process will then not be activated and no payment verified message sent to trigger the document verify process.

If the above payment process is not complied with, the application will and cannot be processed.

Also please note that if the application is not processed within the time frame allocated for "Payment Verification" and "Document Verification", the application will automatically be cancelled and a new application will have to be submitted.

(2) Short Payments

The amount due as stipulated on the payment schedule must be paid in full before the expiry date as reflected on the schedule. No short payments can or must be made or submitted. These payments will be dealt with as account payments and will not activate the payment verification process.

Any payments made before submitting an application will not be and cannot be taken into account when requesting financial values.

If the above process is not complied with, the application will and cannot be processed.

Also please note that if the application is not processed within the time frame allocated for "Payment Verification" and "Document Verification", the application will automatically be cancelled and a new application will have to be submitted.

Please note:

In the case of sub division applications, payment schedules will be issued on the parent as well as the entire sub divided even applied for.

In addition to the payment of the amount due on the parent erf, any amount due (where applicable) on the sub divided even must be paid as well.

Any incorrect or short payment can and will result in the application being cancelled and a new application will have to be submitted.

No third party payments are acceptable and all payments must be made by the transferring attorney themselves. If payment is made by cheque, a trust cheque must be submitted for receipting purposes

Yours faithfully



BD Williams
Manager: Debtors & Cash
Revenue
City of Cape Town
OBO Chief Financial Officer