



HEAD: Rates Clearances, Deeds and Refunds

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Ref: Incorrect Payment and
Application Rejection

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**Attention: Property Committee
Cape Law Society**

Conveyancing Attorneys
City of Cape Town

S118 Applications – Incorrect Payments and Application Rejections

I refer to previous communication and discussions regarding the administrative problems and delays being experienced as a result of incorrect payments made for S118 purposes. Despite the above there is an increase in the number of incorrect payments. These include short payments, payments in instalments, no advance payments, deducting credits or payments made by seller or any upfront payments made directly to the contract accounts.

It is important for the successful submission and subsequent processing of the S118 application that the payment made must reconcile with the financial values on the payment schedule and most important paid on the unique reference numbers. Failing to comply will result in the payment not be appropriated as a S118 payment and the S118 application will not progress to the correct and applicable status for processing.

These payment errors have a negative impact on the turnaround time for processing any S118 application, successful or not. It is an extensive administration process to investigate the payment (sometimes we require assistance from other departments) the processing of financial adjustments and the updating of the payments and adjustments to reflect on the sellers account. Then one needs to add the resources to deal with the queries as well as the control over the payment of the penalty fee where applicable

Therefore, effective 08 February 2016, all S118 applications where either:

- Short payments has been made
- Payments made in instalments (where payments are made on different days and not a once off payment (amount) as requested on the payment schedule)
- Incorrect amounts paid
- No advance paid
- Incorrect payment procedure followed

Will result in the application being rejected and the application (case) cancelled

A new application will then have to be submitted and due process followed that will include a new payment schedule which will require additional payments as well as an additional admin fee billed to the attorney.

Yours faithfully

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