MEUMANN WHITE
ATTORNEYS
EST. 1970

...EXCEEDING EXPECTATIONS

Dear Sir/Madam

RATES - WHO PAYS?

In terms of the Deeds Registries Act, one of the documents that has to be lodged in the Deeds Office in order to effect a transfer, is a Rates Clearance Certificate. No transfer can be registered until the Deeds Office has proof that the rates have been paid.

Recently we have had some queries from Sellers and Estate Agents, as to why a Seller is liable to pay rates during the transfer process.

A purchaser will be liable for rates from the date of registration of the property in his name.

At the start of the Conveyancing process, we apply to the Municipality for a Rates Assessment. In that assessment, the eThekwini Municipality will give us details of the outstanding rates; outstanding services, such as electricity and water; and in addition it will require approximately three (3) months payment in advance of the rates from the Conveyancer to enable the Municipality to issue a Rates Clearance Certificate. Kwa-Dukuza Municipality requires rates to be paid up to the end of the rate year. Other Municipalities might have slightly different policies in regard to this.

On receipt of the rates figures from the Municipality, we then request that amount from the Seller, as this amount is the Seller's obligation at that stage. We will in turn pay this sum to the Municipality and obtain the Rates Clearance Certificate for lodgment.

Then on registration we calculate the rates due by the Purchaser, and refund the Seller the proportionate sum from date of registration to the end of the third month period, or rate year whichever is applicable.

Yours Faithfully



Bruce Forrest
Meumann White
Tel: 031 202 9245
Fax: 086 685 1760
Email: bforrest@meumannwhite.co.za
Web: www.meumannwhite.co.za

This email is not spam and is not unsolicited mail. Your details have not been sold or given to any third party. By entering your details on our website, you agreed to receive e-mail messages in which Meumann White Attorneys believe you might be interested in. **Unsubscribe**. Copyright 2010 © Meumann White Attorneys