

MUNICIPAL ACCOUNTS AND RATES CLEARANCE CERTIFICATE

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RATES CLEARANCE CERTIFICATE

- A **rates clearance certificate** is a certificate issued by the municipality which certifies that all amounts due in connection with that property for municipal service fees, property rates, taxes and levies have been fully paid.
- No transfer can be registered without a valid rates clearance certificate.

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FIRST STEP

- **Conveyancer requests figures** from municipality, payable by **Seller**
- Figures are **calculated 4 – 6 months in advance**, including any arrears and interest on arrears

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AMOUNT

- Depending on the relevant municipality it **normally takes 3 – 10 business days** to obtain figures.
- Figures received are presented to **Seller** for payment.

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DISCONTENT

- What if Seller is not in agreement with the figures?
- **Seller will have to contact the municipality** in order to request clarification and then request amendment, if applicable.
- Conveyancer cannot negotiate with municipality and this is **responsibility of the Seller**.

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PAYMENT

- Seller pays the figures **to Conveyancer** who pays the amount to the municipality.
- Depending on the municipality, it **takes 3 – 10 business days** for the municipality to issue the rates clearance certificate after payment.

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OPEN/CLOSE ACCOUNTS

- After registration of the property in the name of the Buyer, **the Seller will have to close his/her accounts with the municipality and the Buyer will have to open** his/her account.
- This is not facilitated by the Conveyancer and it is the responsibility of the parties to do the necessary.
- Our office will provide parties with a letter and proof of registration to assist them with the process of opening and closing their accounts.

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DEEDS OFFICE CONFIRMATION

- The municipality waits for **confirmation from the Deeds Office** that registration of the transfer has been effected before they proceed with the refund process.

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REFUND

- Depending on the municipality, it can take between 3 – 8 months for your refund to be paid by the municipality.
- The **Conveyancer does not follow up the refund**.
- We advise that a Seller diarize the matter and follow up with the municipality 3 months after registration.
- Remember to take our letter and proof of registration to assist you.

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WHY IS IT TAKING SO LONG?

- The Conveyancer **has no control over the process**, the municipality sets the rules!
- Parties can be assured that we follow up daily with the municipality and we will keep you updated
- The process can be frustrated if there is a faulty meter, no existing meter or the meter cannot be found. Shortage of staff at the municipality or staff being on leave is a regular occurrence!
- Sometimes the Seller can assist to expedite the process.

setting the standard