



**agriculture, land reform
& rural development**

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE REGISTRAR OF DEEDS, PRETORIA, PRIVATE BAG X 183, CORNER PRETORIUS AND BOSMAN
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**REGISTRARS CIRCULAR 02 /2022
PURCHASE PRICE AND TRANSFER DUTY RECEIPT
(FORCED SALES AND SALES AS A RESULT OF AN AUCTION)**

1. PURPOSE

The purpose of this Notice is to provide a broader picture in determination of transfer duty payable and the determining values applicable in respect of the acquisition of property, especially in instances where the full consideration on the transfer duty receipt is more than the purchase price declared in the Power of Attorney. (For example: with forced sales or sale as a result of an auction)

2. BACKGROUND

Uncertainty prevail as to the indication of amounts paid on Transfer Duty, with regard to the calculation of both purchase price and additional costs and how it should reflect in the Deed of Transfer, Power of Attorney and Transfer Duty Receipt.

In the ordinary case of sale and purchase of fixed property the price paid is deemed to be the value of the property for transfer duty purposes. Transfer duty is always payable on the higher amount, be it the value or the purchase price.

The price paid at a sale by public auction, however, includes the amount paid and also the amount of any additional consideration where the purchaser agrees to pay certain other expenses of the seller as part of the conditions of sale. Examples include payments for arrear rates and municipal service charges, bond payments, collection and legal charges etc. The Transfer Duty Act also specify further payments that must be added to the consideration payable (Section 6(1)), for example commission.

The purpose of this provision is to add to the value for transfer duty purposes any other payment by the purchaser which will be for the benefit of the seller. In other words, the consideration is split into various components, but the total consideration will be subject to transfer duty.

According to CRC 7/ 1969, deeds registries will only be responsible to see that the details of the transferor, the transferee and the description of the property on a transfer duty receipt are correct in order to identify the relevant transaction.

It is not the duty of the registrar of deeds to verify amounts paid. (RCR 32/1970).

It is the responsibility of the conveyancer to ensure the purchase price in the PA tally with the purchase price in the Offer to Purchase; and that the correct amount on transfer duties is paid.

3. EXAMINATION PROCEDURE

Examiners must as from the date of implementation of this circular, examine deeds keeping the following in mind:

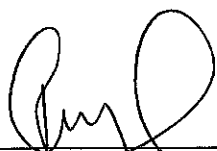
In the Deed of Transfer: The Consideration Clause must set out all the amounts that made up the full consideration amount paid in the Transfer duty receipt (CRC 7/2010 and CRC 2/2016)

For example: ". finally acknowledging the full consideration to be calculated on the Purchase Price of R..... and additional consideration (arrear rates, commissions) of R..... to the total amount of R....."

In the Power of Attorney: The Purchase Price as set out in the Deed of Transfer.

Further payments that must be added to the consideration payable (as set out in the deed of transfer) is often not yet available at the time of signing of Power of Attorney by the seller on auction.

In the Transfer Duty receipt: The full consideration amount as set out in the Deed of Transfer (The various components need not be specified)



**REGISTRAR OF DEEDS:
PRETORIA
DATE:12.07.2022**