

THE REPUBLIC OF SOUTH AFRICA
CONVEYANCING EXAMINATION

PART 1

6 APRIL 2022

2 Hours

09:00 - 11:15

Candidates are allowed 15 minutes to peruse the paper before starting to answer the questions. No candidate may start writing in the answer book during this period. The examination of 2 hours then follows.

PLEASE NOTE:

1. Please write the number allocated to you on the cover of your answer book.

2. Candidates **must** write legibly and neatly. What may appear to a candidate (being accustomed to his own handwriting) to be legible, may **not** be legible to the examiners who cannot be expected to guess what has been written, nor would it be correct or fair (to other candidates) to expect the examiners to do so. If a candidate's handwriting is not **clearly** legible to the examiners, the candidate runs the risk of losing many marks. **ANSWERS MUST BE WRITTEN ONLY IN INK OR WITH A BALLPOINT PEN.**

3. Please use only **one** side of each page.

4. As many of the questions are based on sections and/or regulations of the relevant Acts, the answers thereto will obviously be either correct or incorrect.

5. Except if a special reason exists, a candidate will not be required to do an oral if 50% aggregate or more is attained. If a candidate achieves an aggregate of between 40% and 49% he/she will have failed the examination and will be required to do an oral in order to convince the examiners that he/she does have sufficient knowledge to pass the exam. Candidates who attain less than 40% will not qualify for an oral and will have failed this examination.

TOTAL MARKS: [100]

QUESTION 1 **[4]**

Trider Proprietary Limited and Quoter Proprietary Limited, trading in partnership under the name Decapulet Joint Venture, purchased Erf 100 Polokwane Township. Describe the transferees in the vesting clause, add your own details.

QUESTION 2 **[5]**

Ordinarily donation tax is payable, where a person has donated a property. List at least five exemptions allowed in terms of the Income Tax Act.

QUESTION 3 **[4]**

List four instances where the original title deed need not be lodged with the Registrar of Deeds in respect of the affected property.

QUESTION 4 **[4]**

You receive instructions to attend to the registration of a mortgage bond. On receipt of the relevant deed, being the registered lease, you notice that pages 2 and 4 thereof are missing. What steps will you take to ensure that the property is transferred to the buyer?

QUESTION 5 **[3]**

You are approached by a client who would like to cancel a mortgage bond fully paid up. On receipt of instructions, you realise that the mortgage bond is registered in favour of a company that is finally deregistered. How will you go about the matter, to ensure that your client's instructions are carried out effectively?

QUESTION 6 **[3]**

You receive instructions to attend to the registration of a transfer of a property. On perusal of instruction, you realise that any transfer of the property is subject to the consent of the Homeowners' Association duly registered as an NPC and that the company has been deregistered. How will you go about the matter, to ensure that your client's instructions are carried out effectively?

QUESTION 7 **[3]**

What are the consequences of the failure to disclose a registered real right of extension of a sectional title scheme in terms of Section 25 in a sale agreement?

QUESTION 8 **[10]**

List 10 (ten) documents prepared by a conveyancer for lodgement with the Registrar of Deeds that must be witnessed to be valid for registration of the transactions.

QUESTION 9**[15]**

David Smith has sold his property Erf 123 Emdo Township to Thabo Dube in terms of a “contract” as defined in the Alienation of Land Act 68 of 1981, which contract was duly recorded against the title deed. Subsequently Thabo Dube sold the property to Jack Black who requires transfer to be registered in his name. In the meantime, David Smith has been declared insolvent. Before the sequestration the parties - David Smith, Thabo Dube and Jack Black had entered into an agreement to the effect that David Smith will pass transfer directly to Jack Black. Answer the following question in this regard:

- 9.1 What effect does the insolvency have on the recorded contract? (5)
- 9.2 Does the fact that Thabo Dube has already paid more than 50% (fifty percent) of the purchase price, affect his position? Motivate your answer. (5)
- 9.3 Discuss what the consequences would be if the registered owner of land against which a contract has been recorded dies. (5)

QUESTION 10**[6]**

Describe in your own words what is an “intermediary” and a “remote purchaser” in terms of the Alienation of Land Act 68 of 1981 and provide examples for each.

QUESTION 11**[9]**

Mr John Doe, a developer has received approval to subdivide an erf in a Township in 10 portions, as reflected on a sketch plan. The diagrams of the 10 portions have not yet been approved by the Surveyor General.

Mr Doe has sold one of the portions and has described the property with reference to the mentioned sketch plan attached to the deed of sale. The deed of sale allows him to receive a deposit from the buyer and utilise it to finalise the installation of infrastructural services.

You are instructed to advise the buyer of the legal requirements and consequences of the deed of sale in terms of the provisions of the Alienation of Land Act No. 68 of 1981 and whether the deposit may be utilised as provided for in the deed of sale.

QUESTION 12**[6]**

List documents to be lodged for cancellation of registered real right of extension in a sectional title scheme which is mortgaged.

QUESTION 13**[6]**

Imagine that the property, Erf 123 Emdo Township is mortgaged with Preferred Bank Ltd. and both the original mortgage bond of the bank and copy of the Deeds Office are lost. However, the Bank does not wish to cancel the bond and wishes to keep the bond until the relevant debt is settled and it requires a copy.

Explain the procedure to be followed and list the acts of registration required to comply with your instruction as well as the documents to be lodged in each instance, including the correct order of sequence.

QUESTION 14 **[12]**

14.1 Describe when and how a praedial and personal servitude may be created in terms of the Deeds Registries Act in a title deed without a Notarial Deed. (10)

14.2 When does a praedial servitude lapse due to merger? (2)

QUESTION 15 **[10]**

A title deed contains a reversionary right condition that is binding on successors in title. The effect of this condition is that a dwelling must be erected on the property within a specific period of time, failing which the property is to be transferred back to a person nominated in the condition. Answer the following questions and briefly motivate your answer.

a) May the condition automatically be left out from further title deeds upon transfer of the property, in instances where the dwelling has indeed been erected within the specified time period? (2)

b) How do you deal with the situation where the person mentioned in the condition is prepared to waive his right to transfer of the property and agreed to transfer thereof to a third party? (2)

c) What is the position where the period of time has expired and the dwelling 'has not been erected? (2)

d) Are there any transfer duty implications to the leaving out, cancelling, or lapsing of the conditions? (4)

- THE END -
