

# REAL ESTATE ALERT

10 June 2013

## IN THIS ISSUE

- **Conversion of a share block scheme into sectional title – exemption from transfer duty**

## CONVERSION OF A SHARE BLOCK SCHEME INTO SECTIONAL TITLE – EXEMPTION FROM TRANSFER DUTY

With effect from 1 January 2013 transfer duty is no longer payable in respect of a transaction contemplated in item 8 of schedule 1 of the Share Blocks Control Act, No 59 of 1980, whereby a right to or interest in the use of immovable property conferred by virtue of the ownership of a share in a share block company is converted to ownership of the immovable property concerned.

The amendment of s9(19) of the Transfer Duty Act, No 40 of 1949 is contained in s1 of the Taxation Laws Amendment Act, No 22 of 2012.

The exemption from payment of transfer duty in such circumstances was previously restricted to a natural person and only applied if the initial acquisition of the share was subject to duty in terms of the Transfer Duty Act. The exemption now applies in respect of any such transaction concluded on or after 1 January 2013 irrespective of whether the holder of the share is a natural or juristic person, and whether or not the transaction relating to the initial acquisition of the share was subject to payment of transfer duty at that time.

The exemption is extended further to include the acquisition by any person of a part of the immovable property of the share block company where that person had a right of use of that part of the property that was conferred on him or her by reason of the ownership of a share held in the share block company.

*Hugh Jackson*

## CONTACT US

For more information about our Real Estate practice and services, please contact:



**Attie Pretorius**  
National Practice Head  
Director  
T +27 (0)11 562 1101  
E attie.pretorius@dclacdh.com



**Andrew Heiberg**  
Regional Practice Head  
Director  
T +27 (0)21 481 6317  
E andrew.heiberg@dclacdh.com



**Mike Collins**  
Director  
T +27 (0)21 481 6401  
E mike.collins@dclacdh.com



**Lucia Erasmus**  
Director  
T +27 (0)11 562 1082  
E lucia.erasmus@dclacdh.com



**Simone Franks**  
Director  
T +27 (0)21 670 7462  
E simone.franks@dclacdh.com



**Daniel Fyfer**  
Director  
T +27 (0)21 405 6084  
E daniel.fyfer@dclacdh.com



**Muhammad Ziyaad Gattoo**  
Director  
T +27 (0)11 562 1174  
E muhammad.gattoo@dclacdh.com



**Hugh Jackson**  
Director  
T +27 (0)11 562 1088  
E hugh.jackson@dclacdh.com



**Rekha Jaga**  
Director  
T +27 (0)21 481 6382  
E rekha.jaga@dclacdh.com



**Rob Jarvis**  
Director  
T +27 (0)11 562 1200  
E rob.jarvis@dclacdh.com



**Len Kruger**  
Director  
T +27 (0)11 562 1049  
E len.kruger@dclacdh.com



**Muriel Serfontein**  
Director  
T +27 (0)11 562 1237  
E muriel.serfontein@dclacdh.com



**John Webber**  
Director  
T +27 (0)11 562 1444  
E john.webber@dclacdh.com



**Carol Wiggett**  
Consultant  
T +27 (0)21 481 6530  
E carol.wiggett@dclacdh.com

**Bronwyn Brown**  
Senior Associate  
T +27 (0)11 562 1235  
E bronwyn.brown@dclacdh.com

**Simone Immelman**  
Senior Associate  
T +27 (0)21 405 6078  
E simone.immelman@dclacdh.com

**Andrew Seaber**  
Senior Associate  
T +27 (0)11 562 1768  
E andrew.seaber@dclacdh.com

**Kerensa Thomas**  
Senior Associate  
T +27 (0)11 562 1183  
E kerensa.thomas@dclacdh.com

**Fatima Valli-Gattoo**  
Senior Associate  
T +27 (0)11 562 1236  
E fatima.gattoo@dclacdh.com

**Lulama Yawa**  
Associate  
T +27 (0)11 562 1134  
E lulama.yawa@dclacdh.com

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

### BBBEE STATUS: LEVEL THREE CONTRIBUTOR

#### JOHANNESBURG

1 Protea Place Sandton Johannesburg 2196, Private Bag X40 Benmore 2010 South Africa  
Dx 154 Randburg and Dx 42 Johannesburg  
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@dclacdh.com

#### CAPE TOWN

11 Buitengracht Street Cape Town 8001, PO Box 695 Cape Town 8000 South Africa  
Dx 5 Cape Town  
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@dclacdh.com

[www.cliffedekkerhofmeyr.com](http://www.cliffedekkerhofmeyr.com)

©2013