rural development
& land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

REGISTRARS' CONFERENCE RESOLUTIONS 2015

A. WITHDRAWAL OF REGISTRARS' CONFERENCE RESOLUTIONS

1/2015 The following Registrars' Conference Resolutions are withdrawn:

- RCR 26/1989 (see RCR 44/2013)
- RCR 53/1994 (see RCR 4/2014)
- RCR 6.12 of 1999 (see RCR 3/ 2015)
- RCR 4/2003 (see RCR 5/1991)
- RCR 6 /2004 (see RCR 5/2014)
- RCR 18/ 2004 (see RCR 2/2015)
- RCR 7/2007 (see RCR 3/ 2015)
- RCR 37/2010 (see section 56 (1) (b) of Act 47 of 1937)
- RCR 45 of 2012 (see Basfour 2994 (Pty) Ltd v Registrar of Deeds: Bloemfontein (497/2014) [2014] ZAFSHC 38)
- RCR 60/2012 (see amendment to Form I of Act 95 of 1986)
- RCR 13 of 2013 (see RCR 4/ 2015)
- RCR 20/2013 (see RCR 2/2014)
- RCR 46/2013 (see section 15B (8) to (11) of Act 95 of 1986).

- RCR 52/2013 (see RCR 5/2015)
- RCR 4/2014 (see RCR 7/ 2015)
- RCR 5/2014 (see RCR 8/2015)
- RCR 20/2014 (see amendment to regulation 44A of Act 47 of 1937 and regulation 16C of Act 95 of 1986)
- RCR 22/2014(see amendment to regulation 68 (11B) (*a*) of Act 47 of 1937)
- RCR 23/2014 (see amendment to regulation 73 (2) of Act 47 of 1937)
- RCR 24/2014 (see RCR 9/2015)
- RCR 36/2014 (see amendment to regulation 28 (2) of Act 95 of 1986)

B. PREVIOUS REGISTRARS' CONFERENCE RESOLUTIONS

2/2015 **RCR 18/2004: Servitude over agricultural land**

Where a servitude over agricultural land is not depicted on a diagram but is described in general terms, must the consent of the Minister as contemplated in terms of section 6A of the Subdivision of Agricultural Land Act 70 of 1970 be insisted upon?

Resolution:

The consent must be insisted upon unless it is clear from the notarial deed that the provisions of section 6A of the Subdivision of Agricultural Land Act 70 of 1970 are not contravened.

(RCR 18/2004 is hereby withdrawn.)

3/2015 **RCR 7/2007 RCR 6:12/1999 – Regulation 68(11) of Act 47 of 1937**

RCR 7/2007 prohibits an agent authorized by way of a registered General Power of Attorney from making an affidavit on behalf of someone else. What is the correct position in respect of Regulation 68(1) and (11) applications? May an affidavit be lodged by an agent?

Resolution:

An agent is allowed to make an affidavit if the facts contained therein are within the personal knowledge of the agent. See *Hiltunen vs Hiltunen [2008] ZWHHC 99*

(RCR 7/2007 and RCR 6.12 of 1999 are hereby withdrawn.)

4/2015 RCR 13 /2013: Erroneously registered exclusive use areas (RCR 36/ 2002 and RCR 2/2012)

There is no basis in law for ruling that there is no authority for the "cancellation of an erroneously registered right of exclusive use area" but which then permits both the "erroneously registered right of exclusive use area as well as the correctly registered exclusive use area" to be cancelled. This does not make sense. Section 27(5) of the Sectional Titles Act clearly authorises a cancellation of a right to the exclusive use area of a part of the common property in favour of an owner by the holder thereof and the Body Corporate, and it is not clear where the prohibition against the cancellation of only an "erroneously registered" right of exclusive use area comes from, whilst a "correctly" registered exclusive use area can be freely cancelled.

Resolution:

Where the same exclusive use area is erroneously registered in the name of two or more owners, the erroneously registered deed may be cancelled in terms of section 27(5).

(RCR 13/2013 is hereby withdrawn.)

5/2015 RCR 52 /2013: Lost or destroyed rules of scheme

What procedure must be followed where the rules of a Sectional Titles Scheme have been lost or destroyed?

Resolution:

A certified copy of the resolution together with a certified copy of the rules must be obtained from the body corporate and be submitted for filing in the deeds registry. The lodgement of form "V" is not required. Lost or destroyed rules may be substituted by lodging the substituted rules, supported by a unanimous resolution for management rules and a special resolution for conduct rules.

(RCR 52/2013 is hereby withdrawn.)

6/2015 **RCR 41/1967 - Section 75 (2) (bis) Act 47 of 1937: Endorsement of bond**

Why should the bond be produced and should it be endorsed and if so how should the endorsement read?

Resolution:

As the production of the bond facilitates examination, the section should remain unchanged. The bond need not be endorsed.

7/2015 **RCR 4/2014: RCR 41/1967, RCR 20/ 2011, RCR 89/ 2010 and RCR 8/ 2012 - Cancellation of servitudes benefitting the common property**

Section 29(3) of Act No. 95 of 1986 does not make provision for the lodgement of bonds and consents of mortgagees where servitudes which benefit the common property are cancelled. How should this matter be dealt with?

Resolution:

The provisions of section 75(2)bis of Act No. 47 of 1937 read with section 3(1) of Act No. 95 of 1986 must be applied. Consents by bondholders as well as the bonds must be lodged and endorsed regarding the cancellation of the servitudes.

(RCR 4/2014 is hereby withdrawn.)

8/2015 **RCR 43/2003 and RCR 2/ 2007 - Home Owners Association**

Where a condition prohibiting the alienation or transfer of a property without the consent of the Home Owners Association is contained in the title deed of the property and the conveyancer lodges a certificate stating that the Home Owners Association has not been established, may the Registrar of Deeds accept this certificate, and must the condition be brought forward in the transfer deed?

Resolution:
Consent must be obtained from a duly established Home Owners' Association, failing which the matter must be referred to court for

permission to transfer without the consent. The condition must be brought forward in the title deed, unless the court provides otherwise.

(RCR 5/2014 is hereby withdrawn.)

9/2015 RCR 24/2014: Transfer and vesting of State Land in respect of certificates issued in terms of Item 28(1) of Schedule 6 of the Constitution of the Republic of South Africa

(a) Where different properties are held under one title deed and same need to be transferred separately to the National Government and the Provincial Government, may the properties be transferred by means of the registration of Certificates of Registered Title in terms of section 36 of Act No. 47 of 1937, or Deeds of Transfer in terms of section 31 of Act No. 47 of 1937?

(b) Is an office fee payable in this regard?

Resolution:

(a) The properties may be transferred in terms of section 31 of Act 47 of 1937. Alternatively the title deed must first be endorsed in terms of Item 28(1) and simultaneously a certificate of registered title in terms of section 36 of Act 47 of 1937 must be issued.

(b) Item 28(2) provides for an endorsement in terms of item 28(1) to be exempted from the payment of duties or fees. Office fees are payable in respect of the registration of a certificate of registered title in terms of section 36 of Act 47 of 1937 and a deed of transfer under section 31 of Act 47 of 1937.

(RCR 24/2014 is hereby withdrawn.)

C. DEEDS REGISTRIES ACT 47 OF 1937

10/2015 Section 7 of Act 47 of 1937: Office Fees

Section 7 of Act 47 of 1937 deals with obtaining copies of records and providing information upon payment of the prescribed fees. In terms of section 7(2) of Act 47 of 1937, no person (including the State) shall, notwithstanding anything to the contrary in any other law contained, be

section 7(2) of Act 47 of 1937, no person (including the State) shall, notwithstanding anything to the contrary in any other law contained, be exempt from payment of the prescribed fee. Under what valid authority are exemptions of the payment of fees currently granted to inter alia certain Departments?

Resolution

No exemption for the provision of information or copies of deeds may be granted. Section 7(2) of Act 47 of 1937 does not permit any exemption contained in any other Act.

11/2015 Transfer pursuant to a divorce settlement

Taking into account the provisions of section 14 of Act 47 of 1937, may property from a joint estate be transferred to a third party by virtue of a divorce settlement? Scenario in the divorce settlement: "*Immovable property shall be defined and distributed as follows: The plaintiff or her nominee shall be entitled to the property situated at Erf 7689 Saulsville.*" Is direct transfer to a third party (nominee) permitted? Also refer to CRC 21/1990.

Resolution:

The property may be transferred to the person or entity mentioned as a nominee in instances where the divorce settlement has been made an order of court. Both former spouses must give transfer and the nominee must accept in writing.

12/2015 Section 18 (3) of Act 47 of 1937 – State Land

Section 18(3) of Act 47 of 1937 still requires that when unalienated state land is registered in a deeds registry, that a diagram for the land must be lodged in duplicate. Regulation 32 of Act 47 of 1937 only refers to "a diagram" and on that basis conference correctly so ruled in RCR 3/2009 that only one copy of a diagram need to be lodged for registration purposes. In light of the above, is it still necessary that the diagram for unalienated State land be lodged in duplicate?

Resolution:

Pending the amendment of the Act, only one copy of a diagram relating to unalienated State land as referred to in Section 18(3) of Act 47 of 1937 will suffice.

13/2015 Section 24*bis* of Act 47 of 1937 – Transfer from firm or partnership

If a sectional title unit and an exclusive use area in a scheme is owned by a firm or partnership and the firm or partnership is dissolved, may the application in terms of Section 24*bis* (2) of Act 47 of 1937, to vest the unit and the exclusive use area in the members or partners, be lodged in one application or must there be separate applications for the unit and the exclusive area respectively?

Resolution:

A single or separate application(s) for the unit and the exclusive use area may be lodged.

14/2015 Section 39 (1) of Act 47 of 1937- Double Registrations

The same property (Proclamation R293/1962) has been registered in the name of "A" vide two titles (e.g. T11/2014 and T12/2015). The same is further registered in the name of "B" by means of another deed of transfer, i.e. 3 titles deeds exist for one property. Can the provision of section 39(1) of Act 47 of 1937 be invoked or must the matter be referred to court?

Resolution:

The provisions of section 39(1) of Act 47 of 1937 can be invoked. However, where proclamation R293/1962 makes provision for the cancellation of a title deed, such procedure may be followed.

15/2015 Section 45, Section 45*bis* and Section 45*bis* (1A) of Act 47 of 1937– Transfer by endorsement

If a sectional title unit and an exclusive use area in a scheme forms part of a joint estate and is dissolved through death, divorce or change in matrimonial property system, may the application in terms of section 45, section 45*bis* and section 45*bis* (1A) of Act 47 of 1937, to vest the unit and the exclusive use area in the surviving spouse, former spouse or individual spouses/former spouses, be lodged in one application or must there be separate applications for the unit and the exclusive area respectively?

Resolution:

Yes, a single or separate application(s) for the unit and the exclusive use area may be lodged.

D. REGULATIONS TO THE DEEDS REGISTRIES ACT 47 OF 1937

16/2015 Regulation 44A - General Power of Attorney

The amendment to Regulation 44A(d)(ii)(aa) Act 47 of 1937 to include natural persons has removed all uncertainties whether examiners must check General Power of Attorney's when referred to in deeds for examination. Where agents act in accordance with General Power of Attorney's in deeds with no preparation clauses, eg consents to cancellations of bonds registered over Proclamation 293/1962 property; must this General Power of Attorney's still be checked?

Resolution:

Proof of appointments of agents in deeds with no preparation clauses must still be checked and lodged where necessary.

17/2015 Regulation 84 Item 1 (*a*) of Act 47 of 1937

Regulation 84 Item 1 (*a*) seems to be in contrast with Item 1 (*d*) of the last proviso (where no purchase price is involved).

Is it correct that office fees are charged as per the value of the property whereas Item 1 (*d*) indicates otherwise? Should the last proviso of Item 1 (*d*) not be deleted (where no purchase price is involved) to only make provision for any other registrations or annotations in register or records, certificate of titles, any other registrations which are not exempted by Law?

Resolution:

This is not a contradiction. Item 1(*a*) refers to 'transfer' and item 1(d) refers to 'other registration or annotation and certificates of title'.

E. GENERAL - (ACT 47 OF 1937)

18/2015 Tie conditions

How should an attachment against a component of a tie condition be noted? Does the condition fall away upon attachment? If the interdict is

noted, is the ultimate transfer by the sheriff permissible without any notification to the enforcer of the tie?

Resolution:

The registrar must note the attachment against the relevant property. The condition does not fall away and the issue in respect of the tie condition must be dealt with upon transfer of the property.

19/2015 Expropriation of attached Property

When an expropriation transfer is lodged at the deeds registry and there is an attachment noted against the property, how must the attachment be dealt with? May it be dealt with in the same way as when an insolvent's property is sold and there is an attachment noted against that property, i.e. the examiner withdraws the attachment?

Resolution:

The attachment must be purged on the basis of section 31(4) (a) of Act 47 of 1937.

20/2015 Consent in terms of section 40(3) or 4(5)(*a*) and (*b*) of Act 47 of 1937

Two or more properties are held by one title deed. These properties are mortgaged with the same bond/different bonds. The trustee of an insolvent estate first consolidates these properties and simultaneously transfers the consolidated property. Is a bondholder's consent in terms of section 40 (3) or 40 (5) (a) and (b) required, keeping in mind that section 56 (1) (b) of Act 47 of 1937 does not require a bondholder's consent to be lodged if the trustee in the insolvent estate is the transferor?

Resolution:

If the transactions are registered simultaneously, no consent/s is/are required.

21/2015 Cancellation of a General Plan

What is the procedure when a general plan registered against a property is cancelled by the surveyor general?

Resolution:

By virtue of the provisions of section 37(4) of the Land Survey Act No. 8 of 1997, the registrar of deeds must endorse the title deed.

22/2015 One or more deeds of transfer

May one deed of transfer be accepted for the same transferor and the same transferee, but in respect of two or more deed of sales for different properties and different purchase prices? If yes, how is office fees charged?

Resolution:

Yes, it is permissible in terms of section 22(2) of Act 47 of 1937. The causa of the deed must make reference to both transactions. The purchase price of the transactions must be reflected separately in the consideration clause.

RCR 20/2012 is hereby confirmed pertaining to the payment of fees.

23/2015 The appearer and the transferor in a deed of transfer is one and the same person

The appearer and the transferor/seller in a deed of transfer is one and the same person. How should the pre-amble be cited?

Resolution:

No reference must be made to the appearer or to the power of attorney in the pre-amble of the deed.

24/2015 Parties were married in South-West Africa (now Namibia) prior to independence

Parties were married to each other and at the time of the marriage the husband was *domiciled* in South-West Africa (now Namibia), prior to independence. An antenuptial contract was registered prior to independence in terms whereof the marriage is regarded to be out of community of property. How should their status be cited in a deed after independence?

Resolution:

It must be cited as: '*Married, which marriage is governed by the Laws of Namibia*'.

25/2015 A beacon certificate when application is made for the issuing of a Certificate of Registered Title for an erf on a provisionally approved general plan

It is generally understood that an erf indicated on a provisionally approved general plan cannot be transferred without the beacon being placed. Is a beacon certificate required when application is made for the issuing of a Certificate of Registered Title for an erf on a general plan?

Resolution:

In terms of section 14 of the Land Survey Act 8 of 1997 a beacon certificate is required in respect of a provisionally approved general plan for the issuing of certificates of title.

26/2015 Tie condition

Two or more farm properties are tied subject thereto that it shall not be separately dealt with without the written consent of the Minister of Agriculture. The Minister subsequently granted consent to the subdivision of one of these farms and further asked that it be consolidated with other farm properties and thereafter endorsed by the deeds registry that it shall not be separately dealt with. Where the consolidated property is transferred, is the Minister's approval necessary in so far as the first tie condition is concerned or is the consent for subdivision sufficient?

Resolution:

The consent of subdivision will also serve as consent to a separate dealing with the subdivision.

27/2015 Negative Personal Servitude/Restrictive Condition

Can a negative personal servitude/restrictive condition hidden behind the pivot reference be cancelled in terms of section 68 of Act 47 of 1937?

Resolution:

Yes, it may be cancelled in terms of section 68 (2) of Act 47 of 1937 or the lapsing thereof may be noted in terms of section 68(1) of Act 47 of 1937.

28/2015 Waiver of preference of Usufruct

Can a usufructuary waive preference of his/her usufruct over a property in favour of a lease to be registered over that property? The effect will be that the lease ranks prior to the usufruct on insolvency of the landowner.

Resolution:

Pending the amendment of the Act, the Registrar of Deeds must allow such a waiver of preference of the rights of the usufructuary in favour of a lease over the property.

29/2015 Hyphenated Surname

Does the taking on of a hyphenated surname by a person on marriage or civil union require a Government Gazette, if a section 93 (1) of Act 47 of 1937 application is brought?

Resolution:

Where a person wishes to update his/her title deed, proof in the form of a copy of the government gazette or a letter by the Department of Home Affairs must be submitted. In the case of any of the exceptions in terms of section 26 (1) of the Births and Deaths Registration Act 51 of 1992, an affidavit by such person may be accepted.

30/2015 A new conversion certificate in which the bond amount is expressed in foreign currency

Does conference agree that a new conversion certificate is needed in cases where a notarial bond, in which the bond amount is expressed in foreign currency, is to be registered in more than one deeds registry?

Resolution:

Yes, a new certificate must be lodged for the purpose of calculating registration fees.

31/2015 Value of property

According to item 2.4 of CRC 7/2010 the purchase price and the value of property must be disclosed in the consideration clause of deeds if the value is reflected on the transfer duty receipt.

Seeing that the purpose is for calculation of office fees, it serves no purpose to require the disclosure of the value if it is less than the purchase price. The provision of the said item 2.4 as it stands result in the unnecessary rejection of deeds. It is proposed that item 2.4 of CRC 7/2010 be suitably amended to require the value of the property to be inserted only in instances where it is higher than the purchase price.

Resolution:

Only the value of the property must be inserted in the deed of transfer in instances where it is higher than the purchase price.

32/2015 Section 38 of Act 47 of 1937 - Issuing of one certificate of title in respect of more than one title deed

In instances where a number of title deeds (or some pages thereof) of the same owner have been lost or destroyed, and the deeds registry copies thereof has also been lost or destroyed, is it possible to invoke section 38 of Act 47 of 1937 and issue one certificate of registered title in respect of the many title deeds that have been lost (each property with its conditions to be referred to in a separate paragraph).

Resolution:

Yes, one certificate of registered title may be issued in terms of section 38 of Act 47 of 1937 in respect of two or more titles deeds that are lost or destroyed, provided all title deeds are registered in the name of the same person or entity.

F. OTHER LEGISLATION THAT HAS AN IMPACT ON ACT 47 OF 1937

33/2015 Consent by Guardians in terms of section 18 (3) of the Children's Act No. 38 of 2005

Section 18 of the Children's Act 38 of 2005 refers to the following:

"(3) Subject to subsections (4) and (5), a parent or other person who acts as guardian of a child must

(a) administer and safeguard the child's property and property interests;

(b) consent to the alienation or encumbrance of any immovable property of the child"

Section 80 of the Administration of Estates Act No 66 of 1965 also requires besides assistance by the child's guardians the authorization of the Master of the High Court where the value does not exceed R250 000,00 and the High Court's consent if the value exceeds R250 000,00. The question from the above is the following:

(a) If the Master has consented in terms of section 80, is a separate consent by the guardian's as stipulated in section 18(3)(c)(v) of the Children's Act No. 38 of 2005 needed where a minor's immovable property is alienated?

(b) If the minor is duly assisted by the guardian in the power of attorney, do we still need additional consent?

Resolution:

(a) Yes, the guardian will still have to consent in terms of section 18(3) of the Children's Act No. 38 of 2015.

(b) No.

34/2015 Appointment of representative in terms of the Administrative of Estate Act 66 of 1965

Section 18(3) of Act 66 of 1965 have been amended by Gazette dated November 2014 thereby changing the amount to R 250 000, 00.The effect of the amendment on the application of Section 18(3) is, where a person has died and the value of the estate does not exceed R 250 000, 00 the Master may dispense with the appointment of an executor and give directions as to the manner in which any such estate shall be liquidated and distributed. Is it the duty of the Registrar of Deeds to ensure this provision is correctly complied with?

Resolution:

No, in terms of section 18(3) of Act 66 of 1965 it is clear that it is the discretion of the Master to dispense of the appointment of an executor, provided that the amount of the estate does not exceed the amount determined by the Minister from time to time for the purposes of section 18(3) of Act 66 of 1965.

35/2015 Registrability of conditions that no rates may be levied - Local Government – Municipal Property Rates Act 6 of 2004

May conditions in respect of the exemption from the payment of rates be registered against a property on transfer to a land reform beneficiary?

Resolution:

No, the condition does not restrict the exercise of any right of ownership in respect of immovable property and shall therefore not be capable of being registered. See Section 63(1) of Act 47 of 1937.

36/2015 Act No. 70 of 1970 – Lodgement of the original consent to subdivision or a certified copy thereof

May a deeds registry accept a certified copy of a consent to subdivision (certified by a conveyancer)? If the Surveyor-General office has the original on their file, may a certified copy from the Surveyor-General be accepted in the deeds registry?

It is argued by the conveyancers that because a duplicate original is issued to the client, the conveyancer may certify a copy thereof as an original.

Resolution:

Yes, in terms of regulation 20 (7) of Act 47 of 1937 a deeds registry may accept an originally certified copy by the conveyancer or notary public, or by the head of a government department if such document is filed in that government office.

G. SECTIONAL TITLES ACT 95 OF 1986

37/2015 Section 11 (2) Conditions

Section 11 (2) of Act 95 of 1986 allows the developer, when making application for the opening of a sectional title register and the registration of a sectional plan, to impose registrable conditions in the schedule referred to in subsection (3) (b) of section 11.

Section 65 (1) of Act 47 of 1937 allows the transferor in a Deed of Transfer to impose restrictive conditions. In view of section 65 (1) of Act 47 of 1937:

(a) Should the conditions imposed by the developer in terms of section 11 (2) of Act 95 of 1986 not be registered notarially where such restrictive condition is imposed for the benefit of a third party?

(b) Should a transfer duty receipt be insisted upon if the condition is imposed in favour of a third party?

Resolution:

(a) No, the condition may be imposed by the developer in terms of section 11(2) and contained in the section 11(3) (b) certificate, provided that the third party accepts the benefit in writing. Alternatively the condition may be created notarially.

(b) A transfer duty receipt or exemption certificate must be insisted upon if it is imposed in favour of a third party.

38/2015 Section 15(B)(3)(*a*)(i)(*aa*) - certificate must be certified by a Conveyancer

According to section 15B (3)(*a*)(i)(*aa*) a conveyancer must certify as to whether monies due have been paid or arrangements made for payment. The question is whether the conveyancer must choose between the two possibilities, or may the practice be continued to refer to both?

Resolution

No, the conveyancer does not have to choose. The content of the certificate is the conveyancer's responsibility and the certificate must not be questioned in this regard.

39/2015 Issuing of a certificate of registered title for a portion of the common property

A developer is the sole owner of a sectional title scheme and no body corporate exist. The developer wants to subdivide the common property and register a certificate of registered title for that portion. Section 17 of Act 95 of 1986 allows for the subdivision of common property in a sectional title scheme, but it only allows for the subdivision to be registered as a transfer and there is no provision made for a certificate of registered title to be issued.

How can the developer obtain a title for the portion of the common property where he/she want to retain the subdivided portion?

Resolution:

Section 3 (1) of Act 95 of 1986 can be invoked to allow for the issuing of a certificate of registered title in terms of section 43 of Act 47 of 1937, provided a certificate by a conveyancer as provided for in regulation 29 of Act 95 of 1986 is submitted. The provision of section 17 and section 18 of Act 95 of 1986 applies *mutatis mutandis*.

40/2015 Section 49-Closure of a scheme

The body corporate is the registered owner of a unit. The scheme is closed in terms of section 49 of Act 95 of 1986. Certificates of Registered Titles are to be issued in the names of the owners of the units according their participation quota. In whose name must the certificate of registered titles be issued in respect of the unit registered in the body corporate name, i.e. in the name of the body corporate or in the name of the members, i.e. the owners in equal shares?

Resolution:

The procedure provided for in section 49 must be applied and the certificate of title must be issued in the name of the body corporate.

H. REGULATIONS TO SECTIONAL TITLES ACT 95 OF 1986

41/2015 Regulation 31 – Destruction of or Damage to Building and Transfer of interest

Regulation 31 (2) have been amended to read that the notification to the Registrar pursuant to regulation 31 (1) shall be accompanied by a sectional plan. However, regulation 31 (4) have not been amended accordingly and still requires a copy of the schedule to be submitted to the local authority and the Surveyor-General.

Resolution:

Until the Act has been amended, the sectional plan must be lodged for purposes of regulation 31(4).

42/2015 Causa of a share block transfer of property to members

What will the causa be if a share blocks company transfers immovable property?

Resolution:

When the intention is not to do a conversion, but merely to alienate property belonging to the share block to its members, an appropriate causa must be furnished e.g. sale, donation, *dividend in specie,* etc. Transfer duty will be payable.