



## DATE OF LIABILITY FOR FIRST REGISTRATION

The purpose of this document is to clear the misunderstanding with regard to the model year of a motor vehicle. The information in this statement is provided in terms of the National Road Traffic Act, 1999 (Act No 93 of 1999) and the National Road Traffic Regulations.

The Department wishes to make it very clear that the motor vehicle register, as operated on the National Traffic Information System (e-NaTIS), does not keep record of the model year or year of manufacture of any vehicle. The industry often interprets the date of liability for first licensing as printed on certificates issued by Registering Authorities, as the model year. The only body that may declare the year of manufacture of any vehicle is the manufacturing plant where that specific motor vehicle has been assembled.

In all cases, the date of liability for first licensing is the date of liability for first registration that results in the motor vehicle being liable for licensing (Reg 23(1) (a)). The date of liability is *not* the date of registration.

The date of liability in respect of any transaction is filled in on the application form. The registering authority processing the application, may only adjust this date if documentary proof can be obtained that indicates the date of liability for registration as different from what is provided on the form. The person signing the specific part of the form is liable for prosecution if the date is stated incorrectly. The offence is a false declaration and is punishable.

The date of liability for registration is, among others, the date of change of title holder or owner (Reg 6(1)(a) of the motor vehicle. The documents that will necessitate the registering authority to adjust the date of liability must thus prove the date of change of title holder or owner. The title holder of the motor vehicle is the person who finances the vehicle (e.g. a bank that finances the vehicle by means of an installment sale transaction). The owner is the person who has the motor vehicle at his disposal for use (not necessarily the driver).

The date of liability may be set by the current owner or title holder giving notice of the sale on form NCO at his or her registering authority. The date from which a temporary permit issued to the owner of a motor vehicle was valid, is deemed as the date of change of ownership.

Regulation 69 of the Act specifies the acceptable use of Motor Trade Numbers and it does not include the provision of a motor trade number to the buyer of a vehicle in order to operate it on a public road. It is suggested that holders of motor trade numbers acquaint themselves properly with the relevant regulations. Should the owner of a motor trade number allow the number to be used for this purpose, all motor trade numbers for that person may be cancelled as per Regulation 80(1).

### **Example 1**

The buyer submits an offer to purchase a new vehicle, to the dealer on 14 December 2017. The offer to purchase is accepted by the dealer on 15 December 2017 and includes a condition that the purchase contract will be null and void if the application for finance by the owner is not approved. A financial institution evaluates the application for finance and grants the loan on 18 December 2017. The purchase contract thus comes into force on 18 December 2017. The vehicle remains on the dealer floor until 4 January 2018, when it is delivered to the new owner. The date of liability for registration and thus the date of liability for first licensing is 4 January 2018. Note that, in most cases, the financial institution will not pay the amount over to the dealer, unless the registration certificate indicating the financial institution as title holder has not been presented to the financial institution.

### **Example 2**

The buyer submits an offer to purchase to the seller on 30 December 2017. The offer to purchase is accepted by the seller on 30 December 2017, and the purchase contract is immediately valid. The vehicle remains in possession of the seller and is delivered on 5 January 2018. The date of liability is 5 January 2018.

### **Example 3**

A new vehicle is sold to the buyer on 23 December 2017 and the motor dealer issues a temporary permit to the owner (Reg 87(3), which is valid from 23 December 2017 to 13 January 2018. The registering authority processing the application on 5 January 2018, will set the liability date to 23 December 2017 or, if not set at that stage, change the date of liability for first licensing once the fact that the permit was issued, becomes known.

### **Please note:-**

Only **one** temporary permit may be issued to the same person in respect of the same vehicle (Reg 87(5)).

#### Example 4

The seller fills in form NCO and submits it to the registering authority. The change of ownership date, indicated as 18 December 2017, is set as the liability date for registration. The application for registration is processed on 15 January 2018. The date of liability for licensing will be **18 December 2017**.

#### Example 5

The dealer is a franchise dealer for a manufacturer. The manufacturer is an appointed agent, i.e. introduces his motor vehicles directly onto the NaTIS. On 23 December 2017, an offer to purchase is received and the dealer reports the retail to his manufacturer. The Manufacturer releases the vehicle record on the NaTIS on the same day. However, the finance (which was indicated as a condition of sale) is only granted on 4 January 2018 due to the financial institution's offices being closed for the festive season. The vehicle remained on the dealer's premises and is delivered to the new owner on 6 January 2018. The date of liability is 6 January 2018 (date of delivery) and the registering authority may not set the liability date to 23 December 2017.

**In closing, we would like to point out that the date of liability for registration is the date on which the vehicle is received by the buyer and liability for licensing is the date that the vehicles becomes liable for registration.**