



INTRODUCTION OF AN ADMINISTRATIVE FEE FOR LATE PAYMENT OF THE ANNUAL FEE AND REDUCTION OF PERIOD LEADING TO CANCELLATION OF REGISTRATION OR DE-REGISTRATION

BACKGROUND

In terms of section 12(1) of the SACPCMP ACT (Act 48 of 2000), Council is empowered to charge annual fees primarily to meet its day to day administrative/operational costs and is thus not reliant on any form of subvention from government. It is on this basis that it is a standing requirement that all registered persons who wish to continue their registration are required to renew this on an annual basis through the payment of an annual fee that will be prescribed from time to time. Council is also empowered by section 20 of the Act to cancel the registration of a registered person for a variety of reasons one of which is the non-payment of the annual fee.

EXISTING PROCESS LEADING TO THE CANCELLATION OF REGISTRATION OR DE-REGISTRATION

Council took the decision that the prescribed period for payment of the annual fee be ninety (90) days. It is on this basis that invoices for payment of the annual fee are issued in December of each year for payment of the annual fee in the following year to be made between the 1st of January and the 31st of March. Following the resolution made by Council in August 2009, those that do not pay the annual fee within this prescribed ninety (90) day period are put on suspension for a fifteen (15) months period. There is an additional three (3) months grace period that is further granted before the eventual cancellation or de-registration occurs on account of non-payment of the annual fee. This in essence means that cancellation of registration only occurs after eighteen (18) months from the prescribed ninety (90) days payment period.

During the time the registered persons are on suspension, Council embarks on numerous countless initiatives in an effort to entice them to pay their outstanding annual fees. These include issuing reminder letters at regular intervals, following them up through different modes of communication (e-mail, fax telephone etc.), engaging external assistance/temporary employees to chase the outstanding payment etc. This has other undesirable consequences in terms of utilisation of scarce resources, adverse effect on the budgeting process, negatively affecting the cash flow projections etc. What compounds the problem even further is that presently there are no cost recovery measures to re-coup costs that Council incurs. Furthermore, the period leading to the eventual cancellation of registration or de-registration is far too long and somewhat cumbersome.

NEW MEASURES TO BE INTRODUCED FROM THE 1ST OF JANUARY, 2013.

Council resolved at the meeting of the 13th of July 2012 that there was need to re-coup the administrative costs it incurs in following-up on outstanding payments of the annual fee, to shorten/lessen the period leading to the eventual cancellation of registration and to also introduce other subsidiary measures to encourage the timely payment of the annual fee within the prescribed period. These are to come into effect from the 1st of January 2013 and are as follows:

- 1) Payment of a fixed administration fee of R900-00 for late payment of the annual fee from the period beyond the prescribed and grace period.
- 2) The suspension period leading to the eventual cancellation of registration to be six (6) months beginning after the grace period.
- 3) The grace period to be one (1) month after the prescribed ninety (90) day payment period.
- 4) Those in suspension to receive through e-mail communication a certificate to be inscribed in red across the face of the certificate with the words **suspended**.
- 5) Publishing on the website the names of all registered persons in good standing.
- 6) Certificates to be issued to have a validity period inscribed therein

From the above it is clearly evident that in any given year, those that do not pay their annual fee by the end of April will be put on suspension till the end of October. At the beginning of November of the same year, those that would still not have paid the annual fee will have their registration cancelled. On the otherhand, the payment of the administration fee would only be applicable to those under suspension which would in a given year be during the months of beginning of May to the end of October.