



## **NEDLAC REPORT**

### **ON THE ELECTRONIC DEEDS REGISTRATION SYSTEMS AMENDMENT BILL**

#### **1. BACKGROUND**

- 1.1. On 24 April 2024, the Department of Land Reform and Rural Development (DLRRD) published the Electronic Deeds Registration Systems (EDRS) Amendment Bill for public comment. The public was given 30 calendar days to submit written comments.
- 1.2. The Electronic Deeds Registration Systems Amendment Bill proposes certain amendments to the Electronic Deeds Registration Systems Act, 2019 (Act 19 of 2019), to improve the application and implementation of the Act. The EDRS Act generally provides for the development of an electronic deeds registration system (e-DRS).
- 1.3. On 06 August 2024, the Department of Land Reform and Rural Development (DALRRD) submitted the Electronic Deeds Registration Systems Amendment (EDRS) Bill to Nedlac for engagement. The matter was allocated to the Development Chamber for further processing and engagement.
- 1.4. The Development Chamber through its Convenors, agreed to establish a three-a-side task team consisting of members from the Government, Organised Labour, Organised Business, and Community to consider the EDRS Amendment Bill.
- 1.5. This Nedlac Report provides a summary of the process at Nedlac and outlines the areas of agreement with inputs from social partners regarding the EDRS Amendment Bill.

## 2 PURPOSE OF THE ELECTRONIC DEEDS REGISTRATION SYSTEMS AMENDMENT BILL

2.1 The Bill aims to:

- 2.2 provide for a client's copy of a registered deed to remain a valid copy for purposes of preparation, lodgement, registration, execution and filing manually, until such time a transaction in respect of such property is registered electronically, or until such time the registration, execution and filing procedures to the Deeds Registries Act (DRA) and the Sectional Titles Act (STA) are discontinued;
- 2.3 provide that if a transaction about a property was registered electronically, all future transactions about such property must also be registered electronically; and
- 2.4 provide for the amendment of the DRA and the STA to the extent set out in the Schedule, to align relevant provisions with that of the EDRS Act.

## 2. PROCESS AT NEDLAC

2.1. The task team convened two (2) meetings on the following dates:

- 2.1.1. 02 October 2024; and
- 2.1.2. 16 October 2024.

2.2. The Report consists of Annexures outlined as follows:

- 2.2.1. **Annexure 1** consists of the list of task team members that considered the EDRS Amendment Bill.
- 2.2.2. **Annexure 2**, the copy of the EDRS Amendment Bill published for public comment, as tabled by Government.

2.3. The Nedlac task team members acknowledged that wide consultations and contributions from social partners were conducted in 2017 when the EDRS Act was initially introduced by the Government.

2.4. The task team further noted that the proposed amendments as contained in the 2024 EDRS Amendment Bill were administrative and minimal in nature, and therefore did not necessitate detailed engagement.

2.5. As a result, there were no areas of disagreement identified during the engagement process. Social partners agreed with all the proposed amendments contained in the EDRS Amendment Bill. An emphasis was placed on the long title of the Bill, as outlined below, and one adjustment was made to the initial Government proposal, specifically relating to clause 2, which amends section 6 of Act 19 of 2019 concerning the "Transitional Provisions."

### 3. AREAS OF AGREEMENT

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- 3.1. The following section outlines the areas of agreement reached and highlights key points emphasised during the Nedlac engagement process.

Government proposal as outlined in the EDRS Amendment Bill	Emphasis by the Constituencies for Governments review	Areas of agreement
<b>3.2.1. The long title of the Bill</b>		
<b>BILL</b>  <b>To amend the Electronic Deeds Registration Systems Act, 2019, so as to provide that a client copy of a registered or executed deed or document remains a valid copy for certain purposes; to provide that a transaction pertaining to a property registered electronically will result in subsequent transactions being registered electronically; to provide for the consequential amendment of certain legislation to the extent set out in the Schedule; and to provide for matters connected therewith.</b>	<p>The copy of the title deed must be valid for all purposes</p>	<p>It was agreed that the copy of the title deed would be valid for all purposes as provided in section 3 of the EDRS Amendment Bill.</p> <p>Furthermore, noted that during the transitional period as provided for in section 6 of the EDRS Act (Act 19 of 2019), the owner may choose to use either the manual or electronic system of registration. Should the owner use the manual procedure, then the paper copy of the deed will be regarded as a valid copy.</p> <p>Should the owner choose to use the electronic procedure, then the electronic version of the deed as incorporated into the electronic deeds registration system (e-DRS) will be regarded as a valid copy.</p>
<b>4.1.2. Clause 2 of the Bill - Amendment of section 6 of Act 19 of 2019</b>		
<b>“Transitional provisions”</b>		
<p>Section 6 of the principal Act is hereby amended by the substitution for subsection (4) of the following subsection:</p> <p>“(4)Notwithstanding subsections (2) and (3), the Chief Registrar of Deeds may issue a directive for the continuation of the preparation, lodgement, registration, execution and filing of deeds and documents manually, as prescribed by the Deeds Registries Act and the Sectional Titles Act, whereupon</p>	<p>In dealing with the roll-out of phase 2 (two) of the Implementation of the electronic system.</p> <p>In cases where exceptional transactions are not provided for by the e-DRS, it was noted that section 2 of the EDRS Act empowers the Chief Registrar of Deeds to issue Directives, following consultation with the Deeds Registries Regulations Board which, includes representatives from the Legal Practice Council, will collaborate to determine the</p>	<p>It was agreed that the proviso should be further amended to cater for instances where the e-DRS does not provide for certain transactions to be registered electronically.</p> <p>Furthermore, Government will be proactive in its approach and issue Directives in terms of section 2 of the Act to prescribe the manner in which such transactions must be dealt with.</p>

Government proposal as outlined in the EDRS Amendment Bill	Emphasis by the Constituencies for Governments review	Areas of agreement
<p>a conveyancer, statutory officer and notary public may either use the said manual system or the electronic deeds registration system, until such period as may be determined by the Chief Registrar: <u>Provided that if a transaction pertaining to a property is registered electronically during such period, subsequent transactions pertaining to such property must be registered electronically.</u>"</p>	<p>most appropriate approach for handling these exceptional cases. In addition, Government circulars will be published regularly on the department website to provide additional information.</p> <p>Additionally, Business Constituency emphasised the importance of legal certainty during the phasing in of the EDRs, as well as the need for proactive steps to be taken by the Deeds Registry to cater for all transactions that the EDRs may not yet provide for in a speedy manner as not to cause any undue delays in registration or any reluctance on the part of the public and conveyancers to use the electronic system.</p>	<p>Additionally, it was agreed to rephrase the section to read:</p> <p><i>"(4)Notwithstanding subsections (2) and (3), the Chief Registrar of Deeds may issue a directive for the continuation of the preparation, lodgement, registration, execution and filing of deeds and documents manually, as prescribed by the Deeds Registries Act and the Sectional Titles Act, whereupon a conveyancer, statutory officer and notary public may either use the said manual system or the electronic deeds registration system, until such period as may be determined by the Chief Registrar: Registrar: <u>Provided that if a transaction pertaining to a property is registered electronically during such period, subsequent transactions pertaining to such property must be registered electronically: Provided further that if such subsequent transactions have not yet been provided for in the electronic deeds registration system, the said subsequent transactions may be registered in a manner as prescribed by a Directive issued in terms of section 2 of the Act.</u>"</i></p>

## 5. AREAS OF DISAGREEMENT AGREEMENT

- 5.1. There were no areas of disagreement identified during the engagement process.

## 6. CONCLUSION

- 6.1. This Report, therefore, concludes considerations at Nedlac on the EDRS Amendment Bill. It will be submitted to the relevant Ministers and Portfolio Committee in terms of Section 8 of the Nedlac Act. No 35 of 1994.

## ANNEXURE 1

Business	Labour	Community	Government
Annelize Crosby	Matthew Parks	Lucas Qakaza	Antoinette Reynolds
Dave Bennett		Ntobeko Gotyana	George Tsotetsi
Lebogang Sethusha		Dudu Ngidi	Tshepo Mahlaela
Tsakane Muavha			