

the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

Chief Masters Directive 3 of 2007

1. Purpose

The purpose of the directive is to provide guidelines to follow when an official in a Masters Office wants to buy any property from any estate.

The point of departure is that officials should refrain from buying any property from estates.

2. Motivation / Background

The general public frown on the procurement of property by officials of the Masters Branch from an estate. It is important that the confidence and image which in the Master has in the eyes of the public should not be tarnished.

Whilst this may not be the most desirable state of affairs, the procurement of property by officials of the Masters Branch from an estate should not be excluded all together and should an official who wish to buy property from an estate should strictly adhere to this directive.

The conduct of officials in the Masters Office must at all times be above reproach and transactions between Masters Officials and estates are to be regarded with circumspection.

3. The following is required:

In the main, there must be full transparency in what is being done to avoid any suggestion of something untoward. Under no circumstances must such official be involved with any approval in respect of the sale or transfer of the property in question. The Head of Office must put measures in place to ensure that we have taken every precaution required to avoid anything untoward.

The requirements for a purchase of estate property by a member of the Master's Office staff should be dealt with equivalently to a purchase by an executor – refer to section 49 of the Administration of Estates Act, 66 of 1965 in this regard. The absence of prejudice to beneficiaries should guide the Masters in such matters.

Questions that should be considered may include the following:

- How was the fair market value of the house determined?
- Who determined the value?
- Does the person belong to a recognized/ prescribed (in law) professional body?
- What is the person's standing within that professional organization, if any?
- When was the value determined?
- Is there any relationship between the estate agent or employer or associate of the estate agent and the official?
- How did it happen that the estate agent offer the house for sale to the official?
- Did the official not play any role in determining the price?
- Can any reasonable seller in that area regard the price as being fair within that neighborhood?
- Is it general knowledge that the house is on sale for that price and

- whether the house was only offered to the official at that price?
- Is the purchase not being manipulated in any manner?

Deceased Estates

Where there are major heirs: The sale should be approved by them. They should also indicate that they are aware that an official from the Master's Office is the purchaser and that they have no objection thereto.

Where there are minor heirs: The sale should be approved by the guardian of the minors. The guardian should also indicate that he/she is aware that an official from the Master's Office is the purchaser and that he/she has no objection thereto. The purchase price should not be less than the present day fair market value (as determined by a sworn appraiser) of the property.

Insolvent deceased estates/Insolvent estates/companies in liquidation:

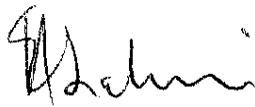
The sale should be approved by the creditors who have an interest in the property, stating that they are aware that an official from the Master's Office is the purchaser and that they have no objection thereto.

Curatorship estates and instances where heirs are absent or a person under curatorship is an heir: The purchase price should not be less than the present day fair market value (as determined by a sworn appraiser) of the property.

In addition an official should submit a request to purchase such a property, via the Head of the office, to the Chief Master for information purposes or for approval.

Such an official should not be involved in the decision making process and the sale must be approved by the Head of the relevant office or the Chief Master.

A copy of such an application as well as the approval should also be filed on the personal file of such an official.



Hassen Ebrahim

Chief Master

Date: 6/04/2007.



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Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

Chief Masters Directive 2 of 2007

1. Purpose

Masters are required to comply with the prescripts relating to the implementation of a

- safeguard and filing system and the monitoring of movement of the Green Cards and Guardians Fund files
- to have a Back-up policy in place in respect of the manual and electronic data/ information
- and to have a continuation plan in their Guardians Funds

This directive is to standardize Master's conduct in compliance with the above.

2. Motivation / Background

An audit of the Guardians Funds, in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 8723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006 was conducted in our Guardians Funds

3. Safeguard and filing system

It was found that files or green cards are not readily accessible due to inadequate and inefficient filing or storage systems which results in a risk that files and/or cards may be misplaced or removed without detection; and the beneficiary information cannot be accessed easily or on a timely basis

It was recommended and I require that Masters should ensure that:

- a. *An efficient and effective management system and monitoring of movement of Guardians Fund files and cards.*
- b. *Ensure that all cards are kept in the safe/strong room when not being worked on.*
- c. *There must be effective controls and monitoring of files/cards*
- d. *A Register must be kept in respect of the movement of beneficiary*

files/cards if a card or file leaves the safe/strong room in which it is kept.
c. *Masters must ensure that the correct procedures are enforced.*

4. Back up policy or continuity plan in place to prevent loss of data in event of disaster

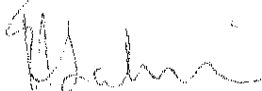
It was revealed that there is no back up policy or continuity plan in place to prevent loss of data in event of disaster which results in a risk identified is as follows:

- a. Loss of financial information and data (No backups) relating to beneficiaries, impacting on the continuity of the Guardians Fund to fulfill its mandate.
- b. Service may be jeopardized
- c. May lead to incomplete recovery policy and plan

The following is required :

1. It is imperative that Masters ensure that data is captured in respect of every transaction daily.
2. Masters should note that our disaster recovery plan is as stated below
3. In the event of a disaster, a list of beneficiaries with the balances is available on the server, and can be obtained by following prescribed procedures in logging a call.
4. There is also back up process in place for data captured in the electronic environment available from ISM.
5. Data can also be obtained from source documents for e.g. deposit letters, Liquidation and Distribution Accounts, Wills, receipt books and counterfoils.

I require written confirmation from Head of Offices to be submitted within 7 working days as from date of this Chief Masters Directive, confirming that aforementioned procedures are enforced and implemented.


Hassen Ebrahim
Chief Master
Date: 11/4/07

CHIEF MASTERS DIRECTIVE 1 OF 2007

Colleagues

1. The South African Revenue Services requested the assistance of the Office of the Chief Master to obtain appropriate prefixes for all Masters Offices for the purpose of Estate Duty Assessments.
2. Kindly be advised that the following prefixes are applicable to all estate duty assessments for the next financial year. The new prefixes will apply as from the 1st April 2007
3. You will notice that we are using the same PREFIX for your office than that used for Insolvency matters

Hassen Ebrahim
Chief Master

PREFIXES FOR ESTATE DUTY ASSESSMENTS FROM 1 APRIL 2007 IN THE VARIOUS OFFICES OF THE MASTERS OF THE HIGH COURT

OFFICE	EXISTING PREFIX	PREFIX AS FROM 1/4/07
PRETORIA	<u>T</u>	<u>T</u>
BLOEMFONTEIN	<u>O</u>	<u>B</u>
KIMBERLEY	<u>K</u>	<u>K</u>
MAFIKENG		<u>M</u>
CAPE TOWN	<u>C</u>	<u>C</u>
PIETERMARITZBURG	<u>N</u>	<u>N</u>
THOHOYANDOU		<u>V</u>
UMTATA		<u>U</u>
GRAHAMSTOWN	<u>E</u>	<u>E</u>
BISHO		<u>H</u>
DURBAN		<u>D</u>
PORT ELIZABETH		<u>S</u>
POLOKWANE		<u>L</u>
JOHANNESBURG		<u>G</u>
NELSPRUIT		<u>P</u>