

**Adopted Standard 0.07 - s23-3: Unique property identifier (UPI) Implementation Specification
MPRA Defined Property Roll / Billing Data Unique Property Identifier (UPI)**

Surveyor General (SG) Code (21 Digits) and Municipal Valuer Code (5 Digits) – SG21_26 Code

0.07 Standard s23-3: Unique property identifier (UPI)

The municipal valuer must create, allocate, and accurately maintain a unique property identifier (UPI) for each MPRA defined property listed on the “property register” (valuation roll), in terms of the implementation specification standard, which is a common primary unique link code to enable matching and reconciliation between the valuation roll management system (VRMS) database, the finance management system (FMS) database, Roll GIS cadastral layer, and other related MPRA databases and templates. The UPI must remain for the life of an MPRA defined property, and in the case of a new general valuation roll, the municipal valuer of the municipality must after verification, migrate and apply the verified existing UPI from the current consolidated valuation roll defined property to any new general valuation roll defined property and the financial management system for reconciliation and data matching purposes. Where the existing UPI is not created in terms of the implementation specification standard then a new UPI must be created for those records and applied to the valuation roll and financial management system.

Implementation Specification Standard 23-3: Unique property identifier (UPI)

The municipal valuer must create and capture a unique property identifier for each MPRA defined property listed on the property register which must be derived from the property description and aligned to the surveyor general (SG) office codes issued and naming coding practice. The municipal valuer must keep abreast of the SG code and structure issued by the Surveyor General office together with UPI standards amended and adopted from time to time and update the valuation roll and VRMS databases and report such changes to the municipality rates revenue departments for billing system updates.

- a)** For the purposes of this guidance, the UPI includes the surveyor general code (SG Code) for deeds registered property (Full Title - FT) consists of a set number of digits alpha / numeric code assigned by the SG Office.
- b)** For other defined MPRA property, the municipal valuer must create a UPI which is an extended SG Code, known as an SG Code Plus.
- c)** The SG Code (SG21 Code) and SG Code Plus code (SG21_26 Code) must reside on all databases created and maintained by the municipal valuer and be included in all electronic reports and extracts. The field naming convention is contained in the standard Templates.
- d)** In cases where more than one property is to be held and valued together for municipal rating purposes the municipal valuer may decide to determine a combined value for affected properties, place the combined value on one of the properties and assign zero values to the remaining properties.

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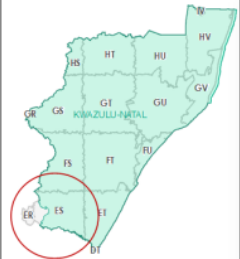
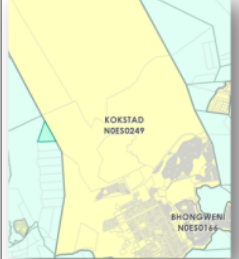
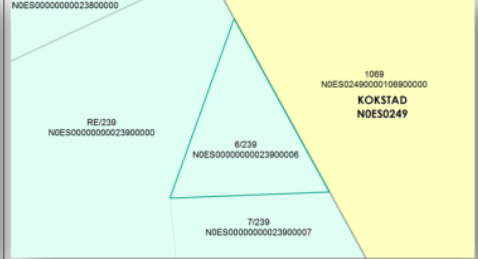
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The municipal valuer should in these cases capture the parent SG Code against which the affected properties are held in a new field called an SG Holding code for identifying associated records linked and held together.

This concept is also known as “Unity of Use” and the properties would need to be contiguous, have the same registered owner and the same category of property for rating.

- e) The intention and purpose of the SG code is to provide a common key for logical linking and matching of databases such as the property register (valuation roll), the Valuation Roll GIS cadastral layer and the financial management system of a municipality. Changes to the SG code approved and adopted by the Surveyor General Office must be applied and updated to the property register and databases.

Illustration and example of the Surveyor General Office SG Code / PIN

N	OES	0000	0000239	00006
SURVEYOR GENERALS OFFICE N = SGO PIETERMARITZBURG	MAJOR REGION In KwaZulu-Natal this is the Registration Division (Some Provinces use Administrative Districts)	MINOR REGION A region code has been allocated to each town The region code for a farm is 0000	ERF / FARM NUMBER	PORTION NUMBER
				

The above is an example of a Farm property which has a minor region code “0000” and in the case of a town each town is allocated with a minor region number which is unique for that town allocated by the surveyor general’s office.

The **Surveyor General Office** provides additional explanation of the source SG21 Digit Code at the link below –

<http://csg.drdlr.gov.za/21charac.htm>

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Implementation of the adopted Standard for MPRA Defined Property in the preparation and updating of Valuation Rolls - Unique Property Identifier (UPI)

The below schedule explains the implementation of the Adopted Standard MPRA Valuation Roll Unique Property Identifier (UPI) by using the Surveyor General (SG) Code (21 Digits) plus the Municipal Valuer Code (5 Digits suffixed) which equals 26 Digits. The adopted MPRA Templates provide for the field names SG21_26 Code and Tenure Type (TT) which must be created for all MPRA Defined Property as described and **must be implemented and maintained by the designated municipal valuer**. The standardisation of the SG21_26 Code applied to each property on the valuation roll ensures that the data of the separate MPRA databases (Roll / Billing) can be compared, reconciled, and analysed on demand for revenue generation, valuation roll compliance, and value performance monitoring and assessments. The adopted Standard UPI must be populated to the adopted MPRA Data templates contained in the Standard: Municipal Valuations for Property Rating (sMVPR) to promote billing completeness.

The UPI must remain for the life of an MPRA defined property, and the municipal valuer of the municipality must migrate and apply the verified UPI from the current consolidated valuation roll defined property to any new general valuation roll defined property for reconciliation and data matching purposes.

National and Provincial Treasury conduct monitoring of billing completeness and reconciliations for revenue enhancement of the municipal revenue base in terms of the Municipal Finance Management Act (MFMA).

As the MPRA is a rating (Finance) Act for generating revenue from rates, the valuation profession in compiling valuation rolls (in terms of Section 23 - Part A of the Property Register), must be aware of and implement adopted specifications and standards to achieve a common objective of revenue sustainability and enhancement with improved revenue collection.

Maximising the revenue generation of the municipal revenue base

Reference is made to National Treasury MFMA Circulars No.122 Paragraph 5.1, No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

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The below is an extract of the National Treasury MFMA Circular No.122 issued on 21 December 2022 to assist in understanding the requirement of an adopted Standard UPI.

“National Treasury issue MFMA Circulars from time to time to ensure that municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic.

The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions.

The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system.

This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code.

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The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system (Financial Management System) and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July of that year, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable.

This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date.

In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23 (1) and (2) of the MPRA and therefore use the Part A register (Valuation Roll) as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8 (1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are required to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis. A detailed action plan must accompany the reconciliation where variances are noted.

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MPRA #	MPRA Defined Property Description	Tenure Type	Tenure Type (TT) Code	Unique Property Identifier (SG Code and SG Plus Code). Field Name SG21_26 Code	SG Coding explained / comment	Extent	Market Value (Y / N)	COP
FULL TITLE (FT) REGISTERED PROPERTY TYPE (DEEDS OFFICE REGISTRY)								
(a)	Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Full Title	FT	N0FS00000000689300000	Full Title (FT) Registered Property will use the standard SG 21 Digit Code as assigned by the SG office for the underlying registered full title (FT) property. If no rights or multiple purpose apportionments apply, then the FT property will be valued otherwise the values will be placed on the individual roll records and the main registered property will not be valued but will be retained for cadastral matching and audit purposes.	Legal FT Registered Extent Land	Y	Rates Policy
SECTIONAL TITLE (ST) REGISTERED PROPERTY TYPE (DEEDS OFFICE REGISTRY)								
(a)	Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Full Title Sectional Title	FTST	N0FS00000000689300000	This is the Full Title Property upon which the Sectional Title Scheme is developed. The standard SG 21 Digit Code as assigned by the SG office is to be used. The Tenure Type will be FTST (Full Title Sectional Title)	Legal FT Registered Extent Land	N	Registered Property
(a)	Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Sectional Title	ST	N0FS0000000068930000000001	This represents each individual registered sectional title unit. The SG Plus 26 Digit Code (5 Digits suffixed to the SG 21 Code) is to be used where the deeds office assigned unique Sectional Title Unit Number is included in the 5 digits. A sectional title unit within a Sectional Title scheme used for multiple purposes will be categorised and rated on the dominant use of the property in terms of section 9 (1) (b) of the MPRA	Legal Registered Extent Sect Title	Y	Rates Policy

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REGISTERED RIGHTS (RR) PROPERTY TYPE								
(a)	Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Full Title	FT*	NOFS00000000689300000	Full Title (FT) Registered Property and will use the standard SG 21 Digit Code as assigned by the SG office for the underlying registered full title (FT) property. If no rights or multiple purpose apportionments apply then the FT property will be valued otherwise the values will be placed on the individual roll records and the main registered property will not be valued but will be retained for cadastral matching and audit purposes.	Legal FT Registered Extent Land	N	Registered Property
(a)	Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; As a parent remainder (PR)	Full Title Parent Remainder	FTPR	NOFS00000000689300000 00000	A Parent Remainder Property must be created as the parent remainder (PR) if there are Registered Rights OR Land Tenure Rights over the same registered property. The applicable land extents must be determined and reconciled to the legal registered extent. The Parent Remainder must have a value determined and will be reflected as a 26 digit Code with the 5 digits suffixed being all Zeros	Legal FT Parent Remainder Extent Land	Y	Rates Policy
(b)	A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;	Registered Right	RR	NOFS00000000689300000 RR001	SG Plus 26 Digit Code (5 Digits suffixed to the SG 21 Code). The Registered Right Text "RR" plus the assigned unique sequential number issued by the valuer is included in the 5 digits. The Registered Right "Owner" for rates liability must be as defined in the MPRA	Legal Registered Right Extent Land	Y	Rates Policy

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LAND TENURE RIGHTS (LTR) PROPERTY TYPE								
(a)	Immovable property registered in the name of a person , including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Full Title	FT*	N0FS0000000689300000	Full Title (FT) Registered Property and will use the standard SG 21 Digit Code as assigned by the SG office for the underlying registered full title (FT) property. If no rights or multiple purpose apportionments apply, then the FT property will be valued otherwise the values will be placed on the individual roll records and the main registered property will not be valued but will be retained for cadastral matching and audit purposes.	Legal FT Registered Extent Land	N	Registered Property
(a)	Immovable property registered in the name of a person , including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; As a parent remainder (PR)	Full Title Parent Remainder	FTPR	N0FS0000000689300000 00000	A Parent Remainder Property must be created as the parent remainder (PR) if there are Registered Rights OR Land Tenure Rights over the same registered property. The applicable land extents must be determined and reconciled to the legal registered extent. The Parent Remainder must have a value determined and will be reflected as a 26 digit Code with the 5 digits suffixed being all Zeros	Legal FT Parent Remainder Extent Land	Y	Rates Policy
(c)	A land tenure right registered in the name of a person or granted to a person in terms of legislation;	Land Tenure Right	LTR	N0FS0000000689300000 00001	SG Plus 26 Digit Code (5 Digits suffixed to the SG 21 Code). The Land Tenure Right (LTR) to be assigned a unique sequential number issued by the valuer and is included in the 5 digits. The Land Tenure Right "Owner" for rates liability must be as defined in the MPRA	Land Tenure Right Extent Land	Y	Rates Policy

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MULTIPLE PURPOSE PROPERTY (MP) – APPORTIONED PROPERTY TYPE								
(a)	Immovable property registered in the name of a person , including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;	Full Title	FT*	N0FS0000000689300000	SG 21 Digit Code as assigned by the SG office for the underlying registered property. If no rights or multiple purpose apportionments apply, then the FT property will be valued otherwise the values will be placed on the individual roll records and the main registered property will not be valued but will be retained for cadastral matching and audit purposes.	Legal FT Registered Extent Land	N	Multiple Purpose Section 8 (2) (i)
(a)	Immovable property registered in the name of a person , including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; As a parent remainder (PR)	Full Title Parent Remainder	FTPR	N0FS0000000689300000 00000	It is feasible to have land tenure rights, registered rights, and multiple purpose use on a single registered property therefore the requirement to create and allow for the Full Title Parent Remainder as the reconciling balance. The applicable land extents must be determined and reconciled to the legal registered extent. The Parent Remainder must have a value determined and will be reflected as a 26-digit Code with the 5 digits suffixed being all Zeros.	Legal FT Parent Remainder Extent Land	Y	Rates Policy
Multiple Purposes	In relation to a property, means the use of a property for more than one purpose, subject to section 9	Multiple Purposes	MP	N0FS0000000689300000 00001	To use the SG Plus 26 Digit Code (5 Digits suffixed to the SG 21 Code). The Multiple Purpose Use Property (property used for more than one purpose in terms of section 9 (1) (c) and 9 (2)) must be created and assigned a unique sequential number issued by the valuer which is included in the suffixed 5 digits. The market value of the property is apportioned to the different purposes for which the property is used. The owner of each MP property will be the registered owner	Multiple Purpose Use Extent Land	Y	Rates Policy

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PUBLIC SERVICE INFRASTRUCTURE (PSI) PROPERTY TYPE								
(d)	Public service infrastructure	Public Service Infrastructure	PSI	N0FS00000000689300000	SG 21 Digit Code as assigned by the SG office for the underlying registered property. If the PSI is further split over the same registered property an SG Plus 26 Digit Code (5 Digits suffixed to the SG 21 Code) can be used. The PSI assigned unique sequential number issued by the valuer is included in the 5 digits. The Tenure Type PSI must be recorded against each PSI roll record	PSI Land Extent	Y	Rates Policy

For all Government owned property, the municipal valuer must where possible source, capture and maintain the Government allocated asset number against each valuation roll property for accurate identification to support completeness of billing. This is with particular reference to the MPRA definition of property and the creation of the UPI.