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**ENaTIS Debt Collection Policy**

#### Version control

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**Publishing Date : March 2022**

**Review Date : No sooner than 18 Months and no later than 3 years after the**

**Publishing date**

**Responsible Managers : Mr. R. Barlow**

 **Recommended : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **Mr E. Appie Date**

**Approved by the Acting Head of Department:**

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 **Mr. L. Wolfe Date**

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# **Policy aim:**

To provide a framework for managing the e-natis debt collection, write-off and re-payment arrangements;

Recognize and identify e-natis debt promptly and vigorously pursue the collection

 **Legislative framework**

.Public Finance Management Act of 1999, as amended;

 National Treasury Regulations;

 Departmental Debt Management Policy

**Policy scope**

This policy applies to all motor vehicle license holders of the Northern Cape Province and all road users who once registered their vehicles in the province and later, relocate, but there is still an outstanding amount as reflected on their profile.

**Policy Statement**

 **It is the policy of Northern Cape DTSL to:**

Recover all outstanding motor vehicle license fees (debt), effectively and efficiently.

Ensure that the debt collection and recovery procedure, must be such that, all collection methods are fair, effective and are in line with debt management policy of the Department.

**Roles and Responsibilities**

 The Law Administration unit has a responsibility toensure that motor vehicle owners of all outstanding motor vehicle licenses are blocked on the system,

 All vehicles four years and above are archived to avoid accumulation of interests and penalties

 Unblocked or take off all administration marks, once the submission has been approved, by the Accounting Officer

 In the case of an estate (diseased or insolvent) the executor is responsible for the licensing of vehicles in terms of Regulation 53.

 In cases where the estate has been finalized proof is to be obtained hereof, and a submission forwarded for the write-off of outstanding fees.

 A tracing agent, casual workers, EPWP volunteers, and or contract workers may be

utilized in establishing the contact particulars of debtors, or verifying the credibility of information submitted by the debtor.

 The State Attorney may be utilized in as a final measure in collecting outstanding eNaTIS debt. The Accounting officer of an institution must manage revenue effectively, by developing and implementing appropriate process that provide for the identification, collection, recording, reconciliation and safeguarding of an information about revenue (Public Finance Management Act 1 of 1999, section 7.2.1)

All vehicle owners may apply for a discount, however, the approval is at the discretion of the Accounting Officer;

**Review and Distribution**

The Chief Financial Officer is responsible for this policy and for ensuring that it is reviewed and updated.

This Policy will be reviewed no sooner than 18 months but no later than 3years of the last publication date. If necessary an updated version will be issued, if not a formal cover letter will be issued to supplement the cover of this Policy (identifying a revised publication date).

The senior manager for Policy & Planning will distribute updated versions to:

* Member of the Executive Council
* Head of Department
* All senior managers who will in turn distribute to their staff as appropriate

**Annexure: A**

**The route course of e-NaTIS debt:**

Transfer of ownershipVehicles registered and licensed, while the license fee is in arrears.

Vehicles licensed but not renewed on an annual basis, which resulted in penalties and arrears accumulating.

Titleholders/owners not giving notice at the Registering Authorities when their vehicles are:

* Stolen;
* Scrapped; or
* Sold

Debt incurred in one of the above-mentioned methods at another province and transferred with the vehicle to the Northern Cape with the administration of a new address for the owner of the vehicle.

**Backdate:**

Accounts may be backdated in terms of the eNaTIS user manual.

* The vehicle were uneconomically damaged in an accident, given SAPS and Insurance proves to the date of the prove of notification of such accident,
* The vehicle was stolen
* The debtor is in possession of a written receipt of deregistration, and,
* Change of ownership is on the file but was not updated on the system.

Incorrect Tares is to be identified by E-NaTIS officials and corrected in terms of the

ENaTIS user manual.

**Debt Recovery: (DEBT MANAGEMENT POLICY OF THE DEPARTMENT)**

* The debt recovery procedure of the Department states that unless otherwise determined by
* the law or agreement, debts owed to the state may, at the discretion of the Accounting Officer be recovered in instalments
* However, when it comes to the E-Natis debt, an exception is hereby made that, debt can:
1. Also be paid in monthly instalments
2. Be settled as a once off payment
3. Be discounted and paid on monthly instalments
4. Be written –off as a bad debt

**Installments:**

* Debtors may apply to pay the outstanding fees in installments, but must firstly be approved by accounting officer:
* The E-Natis help desk (Law administration unit), will advise the Revenue section about the debtor intending to be pay in instalments;
* The debtor will fill in the Acknowledgement of Debt Form (AoD Form), and Debt Repayment Form (DRF)
* Submission to be compiled by Revenue Section for debt payment in instalment;
* Submission to be submitted to the accounting officer, for approval, together with supporting documents
* Once the submission has been approved, the copy to be submitted to E-natis section, to take off the administration mark, and allow the debt to utilize the system;
* Revenue Management unit (debt section), to facilitate the final stage
* The procedures in terms of effecting installments need to be adhered to.
* Once the submission has been approved, the debtor will be informed to pay his debt as agreed, and submit to the revenue unit, the receipt of payment made as a proof.

**Write-Off:**

The Departmental debt management policy states that ‘in terms of section 11.4 of Treasury Regulations of 2005, and section 76 (1) (e) and 76 (4) (a) of the Public Finance Management Act, any debt written off by the Accounting Officer, may only be written off after the Accounting Officer is satisfied about the process followed to recover.

The following categories, may be recommended for written-off, however, the approval is at the discretion of the Accounting Officer:

* All pensioners debt appearing on the E-Natis system;
* All deceased appearing on the E-Natis system;
* Vehicle archived for more than 15 years, the owner can proof that it is not in use and the intention of the owner is to scrap or de-registered the vehicle, once the administration mark is removed from the system;
* The debtor is unemployed and the household income is less than R50 000;
* The estate of the deceased has been finalized;

**NB: Vehicle owners that falls under this category, may be entitled for write-off, of both penalties and arrears:**

**Debt Settlement:**

According to the departmental debt management policy section 2.8.4, ‘it would be to the advantage of the Department to effect a settlement of the claim or to waive it’, the Accounting Officer, will use his own discretion for approval of any submission of settlement offer:

* All vehicle owners may apply for the debt settlement. Vehicle more than five (5) year, may be offered settlement, both on penalties and arrears. Once submission approved, the owner will be expected to pay a once off payment thereof;
* A debt settlement calculator, will be u used to determine the settlement amount, that the debtor is qualified for (See annexure A)

**Discount :**

The discount calculator will be used to determine the amount that the owner is qualified for. (See annexure B)

**Annexure B**

