Motor Vehicle Sale Agreement

1. Parties and date

1.1 **Date and parties.** This Motor Vehicle Sale Agreement (the "Agreement") is made on **[Date of the agreement: _____]** at [Place where the agreement is made: _____] between:

(a) **[Seller's full name: _____]**, identity or registration number [Seller's identity or registration number: _____], of [Seller's physical address: _____], telephone [Seller's telephone: _____], email [Seller's email: _____] (the "Seller"); and

(b) **[Buyer's full name: _____]**, identity or registration number [Buyer's identity or registration number: _____], of [Buyer's physical address: _____], telephone [Buyer's telephone: _____], email [Buyer's email: _____] (the "Buyer").

Each is a "Party" and together they are the "Parties".

1.2 **Capacity.** Each Party who is a natural person states that he or she is of full age and legal capacity and has any consent that the law requires for this transaction. Each Party that is a company, close corporation, trust or other entity states that the person signing for it is properly authorised to do so, and will give the other Party a copy of the resolution or authority on request.

1.3 **Seller's status.** The Seller states that it sells the Vehicle as: **[Seller's status: _____]**. A "Private Seller" is a person who does not sell vehicles in the ordinary course of a business. A "Dealer" is a person who sells vehicles in the ordinary course of business, whether or not as its main business.

1.4 **Dealer registration.** If the Seller is a Dealer, it states that it is registered as a dealer in second-hand goods where the Second-Hand Goods Act 6 of 2009 requires it, under registration number [Dealer's second-hand goods registration number: _____], and that its VAT number, if any, is [Seller's VAT number: _____]. A Private Seller writes "Not applicable".

1.5 **Identification.** Before signature each Party will show the other an original identity document, passport or company registration certificate. The Parties will use copies only to complete the change of ownership and for the records that the law requires the Seller to keep.

2. Background and definitions

2.1 **Background.** The Seller is the owner of the Vehicle and wishes to sell it. The Buyer has inspected the Vehicle and wishes to buy it on the terms below.

2.2 **Definitions.** In this Agreement:

(a) "Business Day" means any day other than a Saturday, Sunday or public holiday in South Africa.
(b) "CPA" means the Consumer Protection Act 68 of 2008.
(c) "Delivery" means the moment the Buyer takes physical possession of the Vehicle and its keys under Section 18.
(d) "Deferred Balance" means any part of the Purchase Price that the Parties agree the Buyer will pay after Delivery under Section 7.
(e) "eNaTIS" means the electronic National Traffic Information System used by the registering authorities.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

(f) "NCA" means the National Credit Act 34 of 2005.
(g) "Registering Authority" means the motor vehicle registering authority where the change of ownership, registration and licensing of the Vehicle is recorded.
(h) "Registration Certificate" means the certificate of registration of the Vehicle issued in the name of the current title holder.
(i) "Roadworthy Certificate" means a certificate of roadworthiness issued by a testing station for the Vehicle.
(j) "Signature Date" means the date on which the last Party signs this Agreement.
(k) "Vehicle" means the motor vehicle described in Section 3, with its spare wheel, tools, keys and the accessories listed in clause 4.2.

2.3 **Interpretation.** Words in the singular include the plural and the reverse. A reference to a Party includes its lawful successors. Headings are for convenience and do not affect meaning. A period of days excludes the first day and includes the last day; if the last day is not a Business Day, the period ends on the next Business Day. Amounts are in South African rand (R).

2.4 **Cash sale or instalment sale.** If the Purchase Price is paid in full on or before Delivery, Sections 7, 8 and 22 and Schedule A do not apply. All other Sections apply to both a cash sale and a sale with interest-free instalments.

2.5 **Schedules.** Schedules A and B form part of this Agreement. If a Schedule conflicts with a numbered Section, the Section prevails, except that Schedule A prevails on the dates and amounts of instalments.

3. Vehicle description

3.1 **Description.** The Vehicle is:

Make: [Make: _____]
Model and derivative: [Model and derivative: _____]
Year of first registration: [Year of first registration: _____]
Colour: [Colour: _____]
Vehicle identification number (VIN): [Vehicle identification number (VIN): _____]
Engine number: [Engine number: _____]
Vehicle register number: [Vehicle register number: _____]
Licence (number plate) number: [Licence (number plate) number: _____]
Licence disc expiry date: [Licence disc expiry date: _____]
Odometer reading at signature: [Odometer reading at signature (km): _____] km

3.2 **Checking the numbers.** Before signature the Parties will compare the VIN, engine number and licence number on the Vehicle with the Registration Certificate and the licence disc. If any number does not match, the Buyer need not pay any further amount, and may cancel this Agreement and recover every amount paid if the Seller does not correct the records within 10 Business Days after written notice.

3.3 **Registered and licensed vehicle.** The Seller states that the Vehicle is registered and licensed, and that the licence fees are paid up to the licence expiry date stated above. The Parties will not conclude or complete a sale of the Vehicle while it is unregistered or unlicensed.

3.4 **Description binding.** The description in clause 3.1 is a term of this Agreement. No voetstoots clause, condition statement or limitation in this Agreement releases the Seller from delivering the Vehicle described here.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

4. Sale and purchase

4.1 **Sale.** The Seller sells the Vehicle to the Buyer, who buys it, for the Purchase Price and on the terms of this Agreement.

4.2 **Included items.** The sale includes [Accessories included: _____]. The Seller will hand over [Number of keys or remotes: _____] keys or remotes, the owner's manual, the service book and all service and repair records in the Seller's possession.

4.3 **Excluded items.** The sale does not include [Items not included: _____]. The Seller will remove excluded items before Delivery without damaging the Vehicle and will make good any damage caused by removal.

4.4 **Tracking and connected services.** Before Delivery the Seller will cancel or transfer any tracking device subscription, sign out of the Vehicle's connected accounts and telephone applications, and delete its personal data from the Vehicle's systems as far as the Vehicle allows. After Delivery the Seller will not track, immobilise or access the Vehicle by any device or account, except through a court order.

4.5 **Condition until Delivery.** Between signature and Delivery the Seller will keep the Vehicle in the condition in which the Buyer inspected it, fair wear and tear from limited use excepted, will not drive it more than [Maximum distance before delivery (km): _____] km, and will not offer it for sale to any other person.

5. Purchase price, deposit and VAT

5.1 **Purchase price.** The purchase price of the Vehicle is **R[Purchase price (rand): _____]** (the "Purchase Price"), made up as follows:

(a) deposit payable on signature: R[Deposit on signature (rand): _____] (the "Deposit");
(b) balance payable on or before Delivery: R[Balance payable on delivery (rand): _____]; and
(c) Deferred Balance payable in interest-free instalments under Section 7: R[Deferred balance paid in instalments (rand): _____].

The amounts in (a), (b) and (c) must add up to the Purchase Price. Write "0" in (c) for a cash sale.

5.2 **VAT.** If the Seller is a VAT vendor, the Purchase Price **[VAT treatment: _____]** value-added tax at the standard rate, and the Seller will issue a valid tax invoice on receipt of payment. If the Seller is not a VAT vendor, no VAT is payable and the Seller will issue a written receipt instead.

5.3 **Deposit.** The Seller will acknowledge receipt of the Deposit in writing. The Deposit is part payment of the Purchase Price and not a separate charge. The Seller will refund the Deposit in full within 5 Business Days if the Buyer lawfully cancels this Agreement, if the Seller fails to deliver the Vehicle on the Delivery Date, or if the Vehicle is destroyed or materially damaged before Delivery.

5.4 **Buyer's failure to complete.** If the Buyer does not pay the balance under clause 5.1(b) on the Delivery Date without a right to cancel, the Seller may give the Buyer written notice under Section 23. If the Buyer does not pay within the period in that notice, the Seller may cancel this Agreement and keep from the Deposit only the amount of its actual, reasonable and documented loss. The Seller will refund the rest of the Deposit with a written statement within 10 Business Days after cancellation.

5.5 **Costs of the sale.** Unless the Parties agree otherwise in writing, the Seller pays for the

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

Roadworthy Certificate under Section 16, any duplicate Registration Certificate, the settlement of existing finance and all licence fees and fines up to Delivery. The Buyer pays the registration and licensing fees for registering the Vehicle in the Buyer's name and the cost of any number plates the Buyer needs.

6. Payment and proof of payment

6.1 **Method.** The Buyer will pay all amounts by electronic funds transfer into the following account, or by another method the Seller agrees to in writing:

Account holder: [Account holder: _____]
Bank: [Bank: _____]
Account number: [Account number: _____]
Branch code: [Branch code: _____]
Payment reference: [Payment reference: _____]

6.2 **When payment counts.** A payment counts as made only when the funds are cleared and available in the Seller's account. A proof of payment, screenshot or bank notification does not by itself count as payment. The Seller will confirm receipt in writing within 1 Business Day after the funds reflect.

6.3 **Changed bank details.** The Seller will never change its bank details by email or message alone. Before paying into any new account, the Buyer will confirm the details with the Seller by telephone at the number in clause 1.1, or in person. A Party who pays into an account that it did not confirm in this way bears the loss if the payment does not reach the other Party, unless the other Party's negligence caused it.

6.4 **Cash.** If the Seller agrees to accept cash, it will give a signed receipt at the time of payment. The Parties will not split cash payments to avoid a reporting duty that the law places on either of them.

6.5 **Release of the Vehicle.** The Seller need not deliver the Vehicle until the amounts in clause 5.1(a) and (b) are cleared in its account.

7. Interest-free instalments and the National Credit Act

7.1 **Optional instalments.** This Section applies only if a Deferred Balance is stated in clause 5.1(c). The Buyer will pay the Deferred Balance in [Number of instalments: _____] instalments of R[Amount of each instalment (rand): _____] each, payable [Instalment frequency: _____], starting on [First instalment date: _____]. The last instalment is due on [Last instalment date: _____]. Schedule A lists every instalment.

7.2 **No interest, fees or charges.** No interest, fee, administration charge, initiation fee, service fee or other charge of any kind is payable on the Deferred Balance or in respect of the deferral of payment. The Buyer pays only the Purchase Price. Neither Party will add any such charge later without first complying with the NCA.

7.3 **Why the instalments carry no charges.** The Parties record that a sale of a vehicle on instalments under which interest, fees or other charges are payable is an instalment agreement and a credit agreement under the NCA. A seller who extends credit under such an agreement must be registered as a credit provider with the National Credit Regulator, and a credit agreement made by an unregistered credit provider who was required to register is unlawful. The Parties intend this Agreement to be a sale with interest-free deferred payment and not a credit agreement under the NCA.

7.4 **Registered credit providers.** If the Seller is a registered credit provider and wants to charge

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

interest or fees, the Parties will not use this Section. They will instead sign a separate credit agreement that complies with the NCA in every respect.

7.5 **Prepayment.** The Buyer may pay all or part of the Deferred Balance early at any time without penalty. An early payment reduces the last instalments in reverse order unless the Parties agree otherwise in writing.

7.6 **Receipts and statement.** The Seller will acknowledge each instalment in writing within 2 Business Days after receipt and will keep a record of each payment and the remaining Deferred Balance. Within 5 Business Days after a written request the Seller will give the Buyer a statement of the Deferred Balance.

7.7 **Settlement.** When the Deferred Balance is paid in full, the Seller will within 5 Business Days confirm in writing that the Purchase Price is paid and complete any step still needed under Sections 8 and 19 to record the Buyer as owner and title holder.

8. Reservation of ownership

8.1 **Ownership reserved.** If a Deferred Balance is payable, ownership of the Vehicle remains with the Seller, despite Delivery, until the Purchase Price is paid in full. The Buyer receives possession and use of the Vehicle on Delivery and holds it on the terms of this Agreement until ownership passes.

8.2 **Registration while the Deferred Balance is outstanding.** The Parties record the Vehicle with the Registering Authority as follows: **[Registration while instalments are outstanding: _____]**. The Parties will complete every form that this option requires within the periods in Section 19.

8.3 **Passing of ownership.** Ownership passes to the Buyer automatically when the Seller receives cleared payment of the last amount of the Purchase Price. In a cash sale, ownership passes on Delivery after the Seller has received cleared payment of the full Purchase Price.

8.4 **Buyer may not dispose of the Vehicle.** While ownership is reserved, the Buyer will not sell, donate, lease, pledge, lend for reward or otherwise dispose of or encumber the Vehicle, and will not allow any lien to arise over it beyond a repairer's lien for repairs that the Buyer pays for promptly.

8.5 **Notice to third parties.** If any person attaches the Vehicle or claims rights in it while ownership is reserved, the Buyer will at once tell that person that the Seller owns the Vehicle and will notify the Seller in writing within 2 Business Days.

9. Late payment interest and penalty

9.1 **Late payment in a cash sale.** If the Buyer does not pay an amount due under clause 5.1(a) or (b) on the due date, interest runs on the unpaid amount from the due date to the date of payment at the rate prescribed under the Prescribed Rate of Interest Act 55 of 1975 from time to time.

9.2 **No charge on instalments.** No interest, penalty or late charge accrues by agreement on a late instalment of the Deferred Balance. The Seller's remedies for a late instalment are those in Section 23. This clause does not exclude interest that a court awards by law on a judgment debt.

9.3 **Agreed penalty.** If the Buyer fails to take Delivery and pay the balance under clause 5.1(b), and the Seller cancels this Agreement under Section 23, the Buyer will pay the Seller a penalty of R[Penalty if the buyer fails to take delivery (rand): _____] instead of damages for that failure. The Seller may not claim both the penalty and damages for the same failure. The penalty may not be more than the Seller's actual prejudice, and the Parties accept that a court may reduce it if it is

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

out of proportion to that prejudice. Write "0" if no penalty is agreed.

9.4 **Dishonoured or reversed payment.** If a payment is reversed or recalled for a reason that is not the Seller's fault, the Buyer will pay the amount again within 3 Business Days after written notice. The payment does not count as made until the replacement payment clears.

10. Inspection and test drive

10.1 **Inspection.** The Buyer states that before signing it was given a fair opportunity to inspect the Vehicle, to test drive it on public roads with the Seller's consent, and to have it examined by a mechanic or vehicle testing centre of the Buyer's choice. The Buyer [Buyer's inspection: _____].

10.2 **Test drive.** During any test drive before Delivery the Buyer will hold a valid driving licence, obey the road traffic laws and pay any traffic fine incurred by the Buyer. The Buyer is liable for damage to the Vehicle caused by its negligence during a test drive, to the extent that the Seller's insurance does not cover it.

10.3 **Independent checks.** The Buyer may at its own cost obtain a vehicle history report, a police clearance of the VIN and engine number, and a finance enquiry. If a check shows that the Vehicle is reported stolen, written off or subject to undisclosed finance, the Buyer may cancel this Agreement before Delivery by written notice and recover every amount paid within 5 Business Days.

10.4 **Inspection does not remove disclosures.** The Buyer's inspection does not release the Seller from the statements in Sections 11, 12 and 15, and does not reduce a right that the Buyer has under the CPA.

11. Seller's disclosures

11.1 **Seller's statements.** The Seller states, to the best of its knowledge after reasonable enquiry, that:

(a) accident or structural damage: [Accident or structural damage: _____];
(b) whether the Vehicle was ever recorded as a write-off, and the code recorded: [Write-off history and code: _____];
(c) flood, fire or hail damage: [Flood, fire or hail damage: _____];
(d) finance or other encumbrance currently registered over the Vehicle: [Existing finance over the vehicle: _____];
(e) service history: [Service history: _____];
(f) known mechanical, electrical or other defects: [Known defects: _____]; and
(g) the odometer has not been replaced, disconnected, reset or tampered with, except: [Odometer exceptions: _____].

11.2 **Truth of statements.** Each statement in clause 11.1 is a term of this Agreement. The Seller has not made, and will not make, a false, misleading or deceptive statement about a material fact concerning the Vehicle, and has not concealed a fact that it knows the Buyer would regard as material.

11.3 **Documents.** On request before Delivery the Seller will give the Buyer copies of the documents that support the statements in clause 11.1, including service invoices, an insurer's assessment report and the latest finance statement.

11.4 **Change before Delivery.** If any statement in clause 11.1 becomes untrue before Delivery, the Seller will tell the Buyer in writing at once. The Buyer may then cancel this Agreement and recover every amount paid within 5 Business Days.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

11.5 **Untrue statement after Delivery.** If a statement in clause 11.1 was materially untrue when made, the Buyer keeps every remedy the law gives, including cancellation, a reduction of the Purchase Price and damages. Section 13 does not limit this clause.

12. Odometer reading

12.1 **Reading.** The odometer reading on the Signature Date is **[Odometer reading at signature (km): _____] km**. The reading on Delivery will be recorded in Schedule B.

12.2 **Statement.** The Seller states that, to the best of its knowledge, the reading in clause 12.1 reflects the actual distance that the Vehicle has travelled, subject only to the exceptions disclosed in clause 11.1(g).

12.3 **Dealer register.** If the Seller is a Dealer in second-hand motor vehicles, it will record the disposal of the Vehicle in the register that the Second-Hand Goods Act 6 of 2009 requires, including the VIN, engine number and odometer reading, and the Buyer will supply the particulars of the Buyer that the register requires.

12.4 **Discrepancy.** If the Buyer shows that the actual distance travelled is materially higher than the reading stated, clause 11.5 applies.

13. Voetstoots sale and its limits

13.1 **Voetstoots sale by a Private Seller.** If the Seller is a Private Seller, the Vehicle is sold **voetstoots** (as it stands), with all its defects, whether patent or latent and whether known or unknown to the Seller, and the Seller gives no warranty about its condition, quality, fitness for a purpose or roadworthiness, except as stated in this Agreement.

13.2 **Limits of the voetstoots clause.** The voetstoots clause does not protect the Seller against:

(a) a defect that the Seller knew about and deliberately concealed from the Buyer, or did not disclose with the intention to deceive;
(b) an untrue statement in Sections 3, 11, 12 or 15; or
(c) a breach of the Seller's warranty of ownership in Section 15.

13.3 **Dealer sales.** If the Seller is a Dealer and the Buyer is a consumer protected by the CPA, clauses 13.1 and 13.2 do not apply. Section 14 applies instead.

13.4 **Buyer's acknowledgement.** The Buyer confirms that the Seller drew its attention to this Section before signature and that it understands its effect.

Buyer's initials:

14. Consumer Protection Act terms for dealer sales

14.1 **When this Section applies.** This Section applies if the Seller sells the Vehicle in the ordinary course of its business and the Buyer is a consumer under the CPA. The CPA does not protect a Buyer that is a juristic person whose asset value or annual turnover, at the time of the sale, equals or exceeds the threshold determined by the Minister, which is R2 million.

14.2 **Quality of the Vehicle.** The Buyer has the right to receive a Vehicle that is of good quality, in good working order and free of any defects. For this right it does not matter whether a defect was latent or patent, or whether the Buyer could have detected it before Delivery.

14.3 **Specific condition.** The Seller has expressly informed the Buyer that the Vehicle is offered in the following specific condition, and the Buyer expressly agrees to accept the Vehicle in that

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

condition:

[Specific condition the buyer accepts (dealer sales): _____]

Buyer's initials:

The Buyer accepts only the conditions described in this clause. The Buyer keeps the CPA quality right for every other defect.

14.4 **Six-month return.** Within six months after Delivery the Buyer may return the Vehicle to the Seller, without penalty and at the Seller's risk and expense, if it fails to meet the quality standards of the CPA, and may then direct the Seller to repair or replace the Vehicle or to refund the price paid. The Seller's warranty in this clause is given in addition to any other warranty in this Agreement.

14.5 **No waiver.** Nothing in this Agreement waives or deprives the Buyer of a right under the CPA, and any clause that would have that effect is void to that extent. The voetstoots clause in Section 13 does not apply to a sale under this Section.

14.6 **Credit sales.** If this Agreement is a credit agreement under the NCA, the Vehicle remains subject to the quality protections of the CPA.

14.7 **Notice of limits. THE BUYER'S ATTENTION IS DRAWN TO SECTIONS 13, 14.3 AND 25, WHICH LIMIT THE SELLER'S RISK AND LIABILITY. THE SELLER HAS POINTED OUT THESE CLAUSES TO THE BUYER BEFORE THE BUYER SIGNED THIS AGREEMENT AND BEFORE THE BUYER PAID ANY AMOUNT, AND THE BUYER HAD A FAIR OPPORTUNITY TO READ AND UNDERSTAND THEM.**

Buyer's initials:

15. Ownership, encumbrances and existing finance

15.1 **Ownership.** The Seller warrants that it is the owner of the Vehicle, or that the owner and title holder has authorised it in writing to sell the Vehicle, and that it has the right to sell it.

15.2 **No encumbrances.** Except for the finance disclosed in clause 11.1(d), the Vehicle is free of any instalment sale, lease, pledge, lien, attachment or other claim of any person, and is not the subject of any police report of theft.

15.3 **Settlement of existing finance.** If the Vehicle is subject to finance, the Seller will obtain a settlement letter from the financier and give the Buyer a copy before any payment beyond the Deposit. The Parties agree that **[Settlement of existing finance: _____]**. The Seller will ensure that the financier's interest is released and that the Registration Certificate is issued or released for the change of ownership within [Days to release the registration certificate after settlement: _____] Business Days after the settlement amount is paid.

15.4 **Payment to a financier.** Any amount that the Buyer pays directly to the Seller's financier under clause 15.3 reduces the Purchase Price by the same amount. The Buyer will pay the financier only against a written settlement letter addressed to the Seller and dated not more than 10 days before payment.

15.5 **Undisturbed possession.** The Seller will indemnify the Buyer against any claim by a third party to ownership of, or rights in, the Vehicle that arose before Delivery, and against the reasonable legal costs of defending such a claim.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

16. Roadworthy certificate

16.1 **Roadworthy Certificate.** The Vehicle must be tested for roadworthiness before it is registered in the Buyer's name. The Seller will at its own cost obtain a Roadworthy Certificate for the Vehicle and hand it to the Buyer on Delivery, unless the Parties record otherwise here: [Roadworthy arrangement: _____].

16.2 **Validity.** The Roadworthy Certificate handed over must be not older than 60 days on the day the Buyer applies to register the Vehicle. If the Buyer's application is made within the period in Section 19 and the certificate has nevertheless expired because Delivery was late through the Seller's fault, the Seller will pay for a new test.

16.3 **Failed test.** If the Vehicle fails the roadworthiness test, the Seller will within 10 Business Days either repair the listed items at its cost and have the Vehicle re-tested, or allow the Buyer to cancel this Agreement and recover every amount paid. If the Parties agree in writing that the Buyer will do the repairs, they will agree a reduction of the Purchase Price before Delivery.

16.4 **Roadworthiness is not a warranty of condition.** A Roadworthy Certificate shows that the Vehicle passed the test on the day of testing. It does not by itself replace the statements in Section 11 or the rights in Section 14.

17. Licence fees and outstanding fines

17.1 **Licence fees.** The Seller will ensure that the Vehicle's licence is valid and that all licence fees, arrears and penalties are paid up to Delivery. The Buyer needs a valid licence with up-to-date fees to register the Vehicle.

17.2 **Fines before Delivery.** The Seller is responsible for every traffic fine, toll fee, e-toll account, infringement notice and parking charge incurred with the Vehicle up to the date and time of Delivery recorded in Schedule B. The Seller will pay these amounts or settle them with the issuing authority, and will indemnify the Buyer against them.

17.3 **Outstanding items at the Registering Authority.** Before Delivery the Seller will confirm that no outstanding fines, warrants or administrative marks recorded against the Vehicle or the Seller on eNaTIS will block the change of ownership. If an item blocks the change of ownership, the Seller will clear it within 5 Business Days after it is identified.

17.4 **Proof.** On request the Seller will give the Buyer proof of payment of the licence fees and of any fine settled under this Section.

18. Delivery, risk and keys

18.1 **Delivery date and place.** The Seller will deliver the Vehicle to the Buyer at [Place of delivery: _____] on [Delivery date: _____] (the "Delivery Date"), or on another date the Parties agree in writing.

18.2 **What is handed over.** On Delivery the Seller will hand over the Vehicle, all keys and remotes listed in clause 4.2, the Registration Certificate (subject to clause 8.2 and clause 15.3), the Roadworthy Certificate, the licence disc, the service book and the documents listed in Schedule B. The Parties will sign Schedule B on Delivery.

18.3 **Risk.** Risk of loss of, or damage to, the Vehicle passes to the Buyer on Delivery. Until Delivery the Seller bears the risk. If the Vehicle is destroyed or materially damaged before Delivery for a reason that is not the Buyer's fault, the Buyer may cancel this Agreement and recover every amount

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

paid within 5 Business Days, or accept the Vehicle with a reduction of the Purchase Price that the Parties agree in writing.

18.4 **Fuel and condition on Delivery.** The Vehicle will be delivered with at least [Fuel on delivery: _____] of fuel, clean, and in the condition described in this Agreement.

18.5 **Late Delivery.** If the Seller does not deliver on the Delivery Date, the Buyer may give written notice under Section 23. The Buyer need not pay the balance under clause 5.1(b) until Delivery takes place.

19. Change of ownership

19.1 **Seller's notification.** The Seller will notify the Registering Authority of the change of ownership on form NCO, or by performing the electronic notice of change of ownership on eNaTIS where the Seller has access to it, within 21 days after the date of sale. The Seller will give the Buyer proof of the notification within 2 Business Days after it is made.

19.2 **Registration Certificate.** The Seller will hand over the Registration Certificate to the Buyer on Delivery, signed where the form requires, except where clause 8.2 or clause 15.3 provides otherwise, in which case the Seller will hand it over when the condition in that clause is met.

19.3 **Buyer's registration.** The Buyer will apply to register and license the Vehicle in its name on form RLV within 21 days after the change of ownership. The Buyer pays the registration and licence fees. A Buyer who registers late bears the arrears and penalties that follow from the late application.

19.4 **Documents the Buyer needs.** The Seller will supply, as far as they are within its control, the documents that the Registering Authority asks for, including the Registration Certificate, the Roadworthy Certificate, a valid licence and a signed copy of this Agreement as proof of the Buyer's right to be registered as title holder or owner.

19.5 **Help with the change of ownership.** Each Party will sign the forms and attend at the Registering Authority or a testing station when reasonably needed to complete the change of ownership, and will not do anything that delays it.

19.6 **Failure to notify.** If a Party does not complete its step under this Section on time, the other Party may, after 5 Business Days' written notice, complete the step on its behalf as far as the Registering Authority allows, and recover the reasonable costs from the defaulting Party.

20. Number plates, licence disc and traffic fines

20.1 **Number plates.** The Parties agree that the number plates **[Number plates: _____]** . If the Buyer registers the Vehicle with new plates, the Buyer will return the old plates to the Seller or destroy them, as the Seller directs.

20.2 **Licence disc.** The licence disc stays on the Vehicle until the Buyer's new licence disc is issued, unless the Registering Authority requires otherwise.

20.3 **Fines after Delivery.** The Buyer is responsible for every traffic fine, toll fee, e-toll account, infringement notice and parking charge incurred with the Vehicle from the date and time of Delivery. The Buyer will indemnify the Seller against them.

20.4 **Nomination of driver.** If an infringement notice incurred after Delivery is sent to the Seller because the Registering Authority still records the Seller, the Seller may nominate the Buyer as the driver or owner using the Buyer's details in this Agreement and Schedule B. The Buyer will co-operate with the nomination.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

20.5 **Notice to the Seller.** The Buyer will give the Seller a copy of the new Registration Certificate or eNaTIS confirmation within 5 Business Days after the Vehicle is registered in the Buyer's name.

21. Insurance

21.1 **Buyer's insurance.** From Delivery the Buyer will insure the Vehicle with a registered insurer. If a Deferred Balance is payable, the cover will be comprehensive cover for not less than the outstanding Deferred Balance, and the Seller's interest as owner will be noted on the policy where the insurer allows it.

21.2 **Proof.** If a Deferred Balance is payable, the Buyer will give the Seller proof of the insurance before Delivery and again within 5 Business Days after each renewal or written request.

21.3 **Seller's insurance.** The Seller will keep its own insurance in place until Delivery, and may cancel it afterwards.

21.4 **Insured loss while instalments are outstanding.** If the Vehicle is stolen, written off or damaged while a Deferred Balance is payable, the Buyer remains liable for the Deferred Balance. Any insurance payout for a theft or write-off will first settle the outstanding Deferred Balance, and the Buyer receives the rest. Repairs for insured damage will be done by a repairer approved by the insurer.

22. Buyer's undertakings while instalments are outstanding

22.1 **Application.** This Section applies while any part of the Deferred Balance is outstanding.

22.2 **Care and maintenance.** The Buyer will keep the Vehicle in good order and repair, service it according to the manufacturer's schedule at a reputable workshop, keep the licence valid and not use it for racing, rallying, hire or any unlawful purpose.

22.3 **Location.** The Buyer will keep the Vehicle in South Africa and will not take it across a border without the Seller's prior written consent.

22.4 **Information.** The Buyer will notify the Seller in writing within 5 Business Days of any change of the Buyer's address, telephone number or email, any accident involving the Vehicle, and any attachment or claim by a third party.

22.5 **Inspection.** The Seller may inspect the Vehicle at a reasonable time and place by appointment, on not less than 2 Business Days' notice, and not more than once in any period of three months unless the Buyer is in breach.

22.6 **No modifications.** The Buyer will not make a material modification that lowers the Vehicle's value without the Seller's prior written consent, which the Seller will not unreasonably withhold.

23. Breach, notice to remedy and cancellation

23.1 **Notice to remedy.** If a Party breaches this Agreement, the other Party may give it written notice that describes the breach and requires it to remedy the breach within [Business days to remedy a breach: _____] Business Days after receipt of the notice, or 7 Business Days if no period is stated.

23.2 **Cancellation.** If the breach is not remedied within the notice period, the Party who gave notice may cancel this Agreement by further written notice, and claim damages, or may instead enforce performance and claim damages. A Party may cancel without prior notice only where the law allows it for a material breach that cannot be remedied.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

23.3 **Instalment default.** If the Buyer does not pay an instalment within the notice period under clause 23.1, the Seller may choose to:

(a) claim payment of the arrear instalments only;
(b) claim payment of the whole outstanding Deferred Balance at once, if the Buyer has failed to pay two or more instalments when due and has not paid them within the notice period; or
(c) cancel this Agreement under clause 23.2 and recover the Vehicle under Section 24.

23.4 **Restitution on cancellation.** If this Agreement is cancelled, each Party will return what it received, subject to Section 24 and to any claim for damages. The Seller may set off against amounts it must refund only a reasonable amount for the use of the Vehicle, damage beyond fair wear and tear, and its costs of recovering the Vehicle, each proven with documents.

23.5 **Time limit for claims.** A claim for the Purchase Price or for damages under this Agreement prescribes three years after the debt becomes due, unless the law provides otherwise.

23.6 **Legal costs.** A Party who succeeds in legal proceedings to enforce this Agreement may recover its legal costs on the scale that the court orders.

24. Return of the vehicle after cancellation

24.1 **Return by agreement.** If the Seller lawfully cancels this Agreement while ownership is reserved under Section 8, the Buyer will return the Vehicle, its keys and documents to the Seller at the Seller's address, or another place the Parties agree, within 5 Business Days after the cancellation notice.

24.2 **Court order only.** If the Buyer does not return the Vehicle voluntarily, the Seller will recover it only by an order of a competent court executed by the sheriff. The Seller will not take the Vehicle without the Buyer's free consent given at the time, will not immobilise it by a tracking device or other means, and will not use force, threats or deception to recover it.

24.3 **Condition on return.** The Parties will inspect the returned Vehicle together and record its condition and odometer reading in writing. Either Party may have it assessed by an independent assessor, at that Party's cost.

24.4 **Account after return.** Within 15 Business Days after the Vehicle is returned, the Seller will give the Buyer a written account of the amounts the Buyer paid, the amounts set off under clause 23.4 and the balance due by one Party to the other. The Party who owes the balance will pay it within 10 Business Days after receiving the account.

24.5 **Personal belongings.** The Seller will keep the Buyer's personal belongings found in the returned Vehicle safe and make them available to the Buyer for 30 days.

25. Limitation of liability and indemnity

25.1 **Limitation of liability.** Neither Party is liable to the other for indirect or consequential loss, including loss of profit or loss of use, arising from this Agreement, except where the loss results from that Party's fraud, wilful misconduct or gross negligence.

25.2 **What is not limited.** Clause 25.1 does not limit the Seller's liability for its warranty of ownership, for an untrue statement in Section 11 or 12, or for a defect that it deliberately concealed. Nothing in this Section limits a right of the Buyer under the CPA or any other law that cannot be limited by agreement.

25.3 **Buyer's indemnity.** From Delivery the Buyer indemnifies the Seller against every claim, fine

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

and loss arising from the use, possession or driving of the Vehicle by the Buyer or any person to whom the Buyer gives access.

25.4 **Seller's indemnity.** The Seller indemnifies the Buyer against every claim, fine and loss arising from the use or possession of the Vehicle before Delivery, and against a claim by the Seller's financier.

25.5 **Force majeure.** A Party is not in breach while it is prevented from performing an obligation, other than an obligation to pay money, by an event beyond its reasonable control, such as the closure of the Registering Authority or a natural disaster. The Party will notify the other promptly and perform as soon as the event ends. If the event delays Delivery by more than 30 days, either Party may cancel this Agreement by written notice, and the Seller will refund every amount paid within 5 Business Days.

26. Online and distance sales

26.1 **When this Section applies.** This Section applies if the Seller is a supplier selling in the ordinary course of business, the Buyer is a natural person, and the Parties concluded this Agreement by electronic transaction, for example through a website or an online platform, without the Buyer signing in person at the Seller's premises.

26.2 **Seven-day cooling-off.** The Buyer may cancel this Agreement without giving a reason and without penalty within seven days after the date on which the Buyer received the Vehicle. The only charge the Buyer may have to pay is the direct cost of returning the Vehicle.

26.3 **Refund.** If the Buyer cancels under clause 26.2, the Seller will refund every amount the Buyer paid, less only the direct cost of return, within 10 Business Days after the date of cancellation.

26.4 **Other sales.** This Section does not apply to a sale by a Private Seller, or to a sale concluded in person, and does not reduce any other right that the Buyer has under the CPA.

27. Dispute resolution

27.1 **Negotiation.** If a dispute arises from this Agreement, either Party may give the other written notice of the dispute. Senior representatives or the Parties themselves will meet within 10 Business Days after the notice and try in good faith to settle it.

27.2 **Mediation.** If the dispute is not settled within 15 Business Days after the notice, either Party may refer it to mediation by a mediator agreed by the Parties. The Parties will share the mediator's fees equally. Mediation is not a condition for urgent relief from a court.

27.3 **Courts.** If the dispute is not settled by negotiation or mediation, either Party may refer it to a competent court. The Parties consent to the jurisdiction of the Magistrates' Court with jurisdiction over the defendant, even if the amount in dispute would otherwise exceed that court's jurisdiction.

27.4 **Arbitration by agreement.** Instead of a court, the Parties may agree in writing, after a dispute arises, to refer it to arbitration by a single arbitrator. The arbitrator's award is final and binding.

27.5 **Consumer complaints.** If the CPA applies, this Section does not prevent the Buyer from using any complaint or dispute procedure that the CPA gives it.

27.6 **Continuing duties.** The Parties will keep performing their duties under this Agreement while a dispute is resolved, unless it has been cancelled.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

28. Domicilium and notices

28.1 **Domicilium.** Each Party chooses the physical address next to its name in clause 1.1 as its domicilium citandi et executandi, the address at which legal process and notices may be served on it.

28.2 **Email.** Each Party also chooses the email address in clause 1.1 for notices under this Agreement.

28.3 **Form and receipt.** A notice must be in writing. A notice delivered by hand to the domicilium is received on the day of delivery. A notice sent by email is received on the first Business Day after it is sent, unless the sender receives a message that it was not delivered. A notice sent by registered post is received on the seventh Business Day after posting.

28.4 **Change.** A Party may change its domicilium to another physical address in South Africa, or its email address, by written notice to the other Party, effective 5 Business Days after receipt.

28.5 **Actual receipt.** A written notice actually received by a Party is valid even if it was not sent in a way set out in this Section.

29. Personal information

29.1 **Purpose.** Each Party will process the other Party's personal information received under this Agreement only to conclude and perform it, to complete the change of ownership, to keep records that the law requires and to enforce this Agreement.

29.2 **Sharing.** A Party may share the other Party's personal information only with the Registering Authority, a testing station, an insurer, a financier settling existing finance, the police, the Party's professional advisers and a court, and only as far as needed for a purpose in clause 29.1.

29.3 **Security and retention.** Each Party will keep the other's personal information secure, will not use it for marketing without separate consent, and will delete or destroy copies it no longer needs, except where the law requires it to keep them.

29.4 **Access and correction.** Each Party may ask the other what personal information it holds about it and ask for corrections.

30. Assignment

30.1 **Buyer.** The Buyer may not cede its rights or delegate its obligations under this Agreement while any part of the Purchase Price is outstanding, except with the Seller's prior written consent.

30.2 **Seller.** The Seller may cede its right to receive the Deferred Balance to another person only by written notice to the Buyer, and only if the cession places no extra burden on the Buyer and the cessionary is bound by Sections 7, 8, 9 and 24. The Buyer may pay the Seller until it receives the notice.

30.3 **Successors.** This Agreement binds the Parties' executors, heirs, liquidators and lawful successors.

31. Whole agreement, variation and no waiver

31.1 **Whole agreement.** This Agreement, with its Schedules, is the whole agreement between the Parties about the sale of the Vehicle. It replaces every earlier advertisement, offer, discussion and arrangement, except a statement about the Vehicle that the Seller made in an advertisement or in writing, which remains part of the basis on which the Buyer agreed.

31.2 **Variation in writing.** No variation of this Agreement, including this clause, has effect unless it

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

is in writing and signed by both Parties. An exchange of emails that each Party confirms by its own written signature or advanced electronic signature counts as writing for this purpose.

31.3 **No waiver.** A relaxation, extension of time or indulgence that a Party grants does not waive its rights and does not prevent it from enforcing this Agreement strictly afterwards.

31.4 **Cancellation in writing.** No cancellation or consensual termination of this Agreement has effect unless it is in writing.

32. Severability

32.1 **Severability.** Each clause of this Agreement is separate. If a court finds a clause, or part of it, invalid, unlawful or unenforceable, that clause or part is severed, and the rest of this Agreement stays in force.

32.2 **Reading down.** Where a clause can be read in a way that makes it lawful, it will be read in that way. A clause that would be unlawful under the CPA or the NCA applies only to the extent that the law allows.

33. Counterparts and electronic signature

33.1 **Counterparts.** This Agreement may be signed in counterparts, each of which is an original. Together they form one agreement.

33.2 **Electronic conclusion.** The Parties may conclude this Agreement wholly or partly by data messages, and an agreement is not without legal force merely because it was concluded in this way.

33.3 **Electronic signature.** The Parties agree that each of them may sign this Agreement by an electronic signature, including a typed name, a scanned signature or a signature made through an electronic signing platform. No law requires a particular type of signature for this Agreement, so an advanced electronic signature is not needed. Forms of the Registering Authority must still be signed in the way the authority requires.

33.4 **Copies.** Each Party will keep a complete signed copy of this Agreement. A Party who signs electronically will send the other a copy of the completed document within 1 Business Day after signing.

34. Governing law

34.1 **Governing law.** This Agreement is governed by the law of the Republic of South Africa.

34.2 **Statutory rights prevail.** If a clause of this Agreement conflicts with a provision of the CPA, the NCA, the road traffic laws and regulations or any other law that cannot be excluded by agreement, the statutory provision prevails.

34.3 **Language.** This Agreement is written in English. If it is translated, the English text prevails.

The Parties have read the completed Agreement, including the Schedules, and sign it on the dates and at the places below. The Buyer confirms that the Seller pointed out Sections 13, 14 and 25 before signature.

SIGNED by the Seller at [Place where the seller signs: _____] on [Date the seller signs: _____].

SELLER: [Seller's full name: _____]
Capacity (if signing for an entity): [Seller signatory's capacity: _____]

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

Signature:

Witness 1 for the Seller: [Seller's first witness: _____]
Signature:

Witness 2 for the Seller: [Seller's second witness: _____]
Signature:

SIGNED by the Buyer at [Place where the buyer signs: _____] on [Date the buyer signs: _____].

BUYER: [Buyer's full name: _____]
Capacity (if signing for an entity): [Buyer signatory's capacity: _____]
Signature:

Witness 1 for the Buyer: [Buyer's first witness: _____]
Signature:

Witness 2 for the Buyer: [Buyer's second witness: _____]
Signature:

Witnesses are customary and are not required by law for this Agreement. Write "None" where no witness signs.

SCHEDULE A: INTEREST-FREE INSTALMENT SCHEDULE

Complete this Schedule only if a Deferred Balance is stated in clause 5.1(c).

1. Purchase Price: R[Purchase price (rand): _____]

2. Deposit and balance paid on or before Delivery: R[Deposit on signature (rand): _____]; R[Balance payable on delivery (rand): _____]

3. Deferred Balance: R[Deferred balance paid in instalments (rand): _____]

4. Number and frequency of instalments: [Number of instalments: _____]; [Instalment frequency: _____]

5. Amount of each instalment: R[Amount of each instalment (rand): _____]

6. First and last due dates: [First instalment date: _____]; [Last instalment date: _____]

7. Interest, fees and other charges: none (R0.00)

8. Total of all instalments: must equal the Deferred Balance in item 3 exactly. A difference means that a charge has been added, and the Parties will correct it before signature.

Payment record

Instalment 1. Due date: / Amount due: / Date received: / Amount received: / Balance after payment: / Seller's initials:
Instalment 2. Due date: / Amount due: / Date received: / Amount received: / Balance after payment: / Seller's initials:
Instalment 3. Due date: / Amount due: / Date received: / Amount received: / Balance after payment: / Seller's initials:
Instalment 4. Due date: / Amount due: / Date received: / Amount received: / Balance after payment: / Seller's initials:

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

Continue this record on an attached sheet for every remaining instalment.

Deferred Balance paid in full on:Seller's signature confirming ownership has passed to the Buyer:

SCHEDULE B: DELIVERY AND CHANGE-OF-OWNERSHIP CHECKLIST AND RECEIPT

1. Date, time and place of Delivery: [Date and time of delivery: _____]; [Place of delivery: _____]

2. Odometer reading on Delivery: [Odometer reading on delivery (km): _____] km

3. Vehicle checked against the Registration Certificate: VIN [Vehicle identification number (VIN): _____]; engine number [Engine number: _____]; licence number [Licence (number plate) number: _____]

4. Items handed to the Buyer: [Number of keys or remotes: _____] keys or remotes; licence disc expiring [Licence disc expiry date: _____]; service book and records; owner's manual; spare wheel and tools

5. Registration Certificate: handed over on Delivery, or held under this arrangement: [Registration certificate arrangement: _____]

6. Roadworthy Certificate: number and date of issue [Roadworthy certificate number and issue date: _____]. It must be not older than 60 days on the day the Buyer applies to register the Vehicle.

7. Existing finance: settlement letter and financier's release handed over, or "No finance": [Finance release: _____]

8. Licence fees and fines: proof of payment up to Delivery handed over under Section 17.

9. Seller's step: form NCO submitted, or the electronic change of ownership performed on eNaTIS, within 21 days after the date of sale. Date done:

10. Buyer's step: form RLV submitted to register and license the Vehicle within 21 days after the change of ownership. Date done:

11. Payment received: the Seller confirms receipt in cleared funds of the Deposit of R[Deposit on signature (rand): _____] and the balance on Delivery of R[Balance payable on delivery (rand): _____], leaving a Deferred Balance of R[Deferred balance paid in instalments (rand): _____].

Seller: [Seller's full name: _____]
Signature:
Date:

Buyer: [Buyer's full name: _____]
Signature confirming receipt of the Vehicle and the items above:
Date:

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.