

05 October 2016

## ADVISORY NOTE PUBLICATION OF THE CSOS & STSMA REGULATIONS

The Community Schemes Ombud Service (CSOS) has pleasure in announcing the following.

The Minister of Human Settlements has signed the Regulations and the President has signed the Proclamation Notice for the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) and the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011). The presidential proclamation as well as the regulations will be published in the Government Gazette on **07 October 2016** and will be effective on the date of publication.

The STSMA and CSOS Regulations will take effect from the date of publication. However, certain provisions will only take effect **after** date of publication:

- The Regulations on the Fees and Levy Collection of the will only commence 90 (ninety) days from date of publication.
- The provisions of the CSOS Regulations relating to the registration of the schemes will be effective 30 (thirty) days from date of publication.
- The provisions of the CSOS Regulation regarding the filing of Schemes Governance Documentation will take effect 90 (ninety) days from date of publication.

### In terms of CSOS Act, the Schemes have the following rights and obligations:

- Regulation 11 – An obligation to pay a levy on a quarterly basis.
- Regulation 12 – An obligation to pay an application fee (only if the scheme refers a dispute to CSOS for conciliation).
- Regulation 12 – An obligation to pay of adjudication fee (only if the scheme refers the matter to adjudication).
- Regulation 14 – An obligation to observe their Fiduciary Duties.
- Regulation 15 – An obligation to maintain a fidelity insurance.
- Regulation 16 - An obligation to lodge the Community Schemes Governance Documentation with CSOS within 90 days of coming into effect of the Regulations or the incorporation of a scheme in terms of applicable laws.
- Regulation 17 – The Right to be trained by CSOS.
- Regulation 18 (1) – An obligation to File the Annual Return within four months after the end of the financial year of the Scheme.



- Regulation 18 (3) – An obligation to Register with CSOS within 30 (thirty days) of coming into effect of the Regulations or the incorporation of the schemes in terms of the applicable law.
- Regulation 19 – The Right to have the dispute within the schemes resolved by CSOS.
- Regulation 21 - The Right to Appeal the decision of the Adjudicator (on a point of law)
- The coming into effect of the CSOS and STSMA Regulations does not substitute any other obligation that community schemes and/or managing agents might have under any other law such as the Estate Agency Affairs Board legislation.

In terms of the Regulations the levies are determined/calculated as follows: **The lesser of R 40.00 or 2% of the amount by which the monthly levy charged by the Scheme exceeds R 500.00. Community schemes are required to collect and submit to CSOS on a quarterly basis.** The fee for filing an application for Dispute Resolution is R50 and the fee for Adjudication is R100.

Additional information regarding the forms for registration, the dispute resolution model and filing of schemes governance documentation will be placed on the CSOS website.

For further information, contact:

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