SECTIONAL TITLES SCHEMES MANAGEMENT ACT, 2011
(Act No 8 of 2011)
SECTIONAL TITLES SCHEMES MANAGEMENT REGULATIONS

I, Lindiwe Nonceba Sisulu, MP, the Minister of Human Settlements, hereby in terms of section 19 of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), and after consultation with Parliament, make the Regulations as set out in the Schedule hereto.



Lindiwe Nonceba Sisulu, MP Minister of Human Settlements

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Definitions

1. In these Regulations any word or expression to which a meaning has been assigned in the Act has the meaning so assigned and, unless the context otherwise indicates—

(a) **"managing agent"** means any person who provides scheme management services to a body corporate for reward, whether monetary or otherwise, including any person who is employed to render such services

(b) **"primary section"** means a section designed to be used for human occupation as a residence, office, shop, factory or for any other type of use allowed in terms of local municipal by-laws, not being a utility section;

(c) **"scheme management service"** means any financial, secretarial, administrative or other service relating to the administration of a scheme; and

(d) **"the Act"** means the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011);

(e) **"these regulations"** includes the Annexures;

(f) **"utility section"** means a section which, in terms of local municipality by-laws, is designed to be used as an accessory to a primary section, such as a bathroom, toilet, storeroom, workshop, shed, servant's quarters, parking garage, parking bay or other utility area, not being a primary section.

Minimum amounts for reserve fund

2. For the purposes of section 3(1)(b) of the Act, the minimum amount of the annual contribution to the reserve fund for a financial year being budgeted for, other than the financial year budgeted for at the first general meeting referred to in section 2(8) of the Act, must be determined as follows:

(a) If the amount of money in the reserve fund at the end of the previous financial year is less than 25 per cent of the total contributions to the administrative fund for that previous financial year, the budgeted contribution to the reserve fund must be at least 15 per cent of the total budgeted contribution to the administrative fund;

(b) if the amount of money in the reserve fund at the end of the previous financial year is equal to or greater than 100 per cent of the total contributions to the administrative fund for that previous financial year, there is no minimum contribution to the reserve fund; and

(c) if the amount of money in the reserve fund at the end of the previous financial year is more than 25 per cent but less than 100 per cent of the total contributions to the administrative fund for that previous financial year, the budgeted contribution to the reserve fund must be at least the amount budgeted to be spent from the administrative fund on repairs and maintenance to the common property in the financial year being budgeted for.

Other risks to be insured against

3. Other risks against which a body corporate may insure, in terms of section 3 (1)(h) of the Act, are—

(a) lightning, explosion and smoke;

(b) riot, civil commotion, strikes, lock-outs, labour disturbances or malicious persons acting on behalf of or in connection with any political organisation;

(c) storm, tempest, windstorm, hail and flood;

(d) earthquake and subsidence;

(e) water escape, including bursting or overflowing of water tanks, apparatus or pipes;

(f) impact by aircraft and vehicles; and

(g) housebreaking or any attempt thereat.

Powers of a provisional curator ad litem and curator ad litem

4. For the purposes of section 9(5) of the Act, the powers of a provisional *curator ad litem* appointed in terms of section 9(3) of the Act or a *curator ad litem* whose appointment has been

confirmed by a Court in terms of subsection 9(4) of the Act, in addition to any powers expressly granted by the Court, are—

(a) to attend, ask questions and speak, but not to vote, at meetings of the body corporate and of its trustees; and

(b) to inspect and make copies of any information about the affairs of the body corporate relevant to the curator's mandate.

Notifications

5. (1) The body corporate notification of its service address referred to in section 3(1)(o) of the Act must be substantially in accordance with Form A of Annexure 3.

(2) The body corporate notification of amendment of rules referred to in section 10(5)(a) of the Act must be substantially in accordance with Form B of Annexure 3.

(3) The notification by a member to a body corporate of the appointment of a proxy must be substantially in accordance with Form C of Annexure 3.

Rules

6. (1) Rules, as prescribed and as amended by a body corporate in accordance with section 10 of the Act, must be considered to be and interpreted as laws made by and for the body corporate of that scheme.

(2) For the purposes of section 10(2)(a) and (b)-

(a) Subject to sub-regulations (3), (4), (5) and (6), management rules are as they appear in Annexure 1; and

(b) Conduct rules are as they appear in Annexure 2.

(3) when submitting an application for the opening of a sectional title register a developer may substitute, amend or withdraw management rules number 5(2) and (3), 7, 8(1) and (2) and 12 and may add management rules that are not inconsistent with any other management rule that appears in Annexure 1.

(4) If the schedule referred to in section 11(3) b of the Sectional Titles Act contains a condition restricting transfer of a unit without the consent of an association whose constitution stipulates that-

(a) All members of the body corporate and of the development scheme of which the unit forms part, must be members of that association and;

(b) The functions and powers of the body corporate must be assigned to that association; the developer may, when submitting an application for the opening of a sectional title register, substitute any management rule that appears in Annexure 1.

(5) If at the commencement of the Act the members of a body corporate are all members of an association whose constitution binds its members to assign the functions and powers of the body corporate to that association, the management rules contained in Annexure 1 do not apply.

(6) The management rules set out in Annexure 1 may be added to, amended or repealed by unanimous resolution of the body corporate: Provided that no such addition, amendment or repeal made be made until such time as there are owners, other than the developer, of at least 30% of the units in the scheme save in the case of a body corporate which is established in a scheme which was approved in terms of the Sectional Title Act, 1971.

Broadly representative nature of Advisory Council

7. For the purposes of section 18(4)(b), persons nominated for consideration for appointment by the Minister to the Advisory Council must be broadly representative of females, males and, where possible, include people with disabilities.

Short title and effective date

8. These Regulations are called the Sectional Titles Schemes Management Regulations, 2016 and will come into operation on the date of publication in the Government Gazette.