



the overdue contributions/charges and any interest thereon. The notice must also warn the owner that the body corporate intends taking action against him/her in order to recover overdue contributions, charges and interest if the overdue amounts are not paid within 14 days of receiving the final written notice.

See also PMR 25(4) regarding expenses incurred by the body corporate in the process.

**PMR 25(3)**

At the end of the financial year and awaiting the upcoming new AGM and approval of a budget for increased levies in the year ahead, there always is a bit of confusion about the owners continued liability in respect of the levies.

PMR 25(3) bridges this 'waiting period' and states that on expiry of the financial year and until they become liable for contributions in respect of the next financial year (i.e. after the new AGM and notice of new levies), owners are liable for the same contributions, payable in the same instalments as per the past financial year.

This is however subject to [Rule 21\(3\)\(b\)](#) which makes it possible to increase the levy in this period with a maximum of 10% on a written trustee resolution, subject to certain requirements mentioned in that Rule.

Levy liability at end of financial year / beginning of new financial year, before AGM

**PMR 25(4)**

Having prescribed in PMR 25(2) the procedure for claiming overdue contributions, PMR 25(4) provides that an owner is liable for all reasonable legal costs and disbursements, as *taxed or agreed* by the owner, incurred by the body corporate in the collection of arrear contributions or any other arrear amounts due and owing by such owner.

The same applies to legal costs incurred in enforcing compliance with the prescribed Management and Conduct Rules or the Act.

As it is unlikely that a defaulting owner will easily agree to costs, it appears that in most

Owner's liability for legal costs incurred by body corporate in claiming overdue amounts

Legal costs incurred in enforcing compliance with prescribed rules

instances the trustees will be obliged to have the attorney's account taxed before they will be able to enforce payment thereof against the defaulting owner.

**PMR 25(5)**

In terms of PMR 25(5), a body corporate may not debit an owner's account with any amount that is not a contribution or a charge levied in terms of the Act. The Act provides for the following charges: ordinary and special levies and interest thereon, legal fees and reasonable photocopying fees for the inspection of documents.

It follows that any penalty, "administrative" fee or "debt collection" fee charged by a body corporate to an owner, is not authorised by the Act and will only be lawfully charged if this was specifically provided for in a scheme's Conduct or Management Rules.

Charges that may and may not be debited against an owner's account

**PMR 25(6)**

The body corporate must in its annual financial statements account for all contributions and any other charges debited to owners' accounts.

Annual financial statement must reflect levies and charges

**PMR 25(7)**

On request in writing by a member the body corporate must make available a full and detailed account of all amounts debited and credited to the owner's account with the body corporate.

Owners entitled to details of debits and credits to his/her account with body corporate

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