

**STBB’s REFERENCE GUIDE TO THE SECTIONAL TITLES SCHEMES MANAGEMENT ACT
For Managing Agents, Trustees, Owners and Property Practitioners**

In this, the forty-eighth set of notes for your STSMA Reference Guide, Prescribed Management Rule 27 is discussed.

	<u>PRESCRIBED MANAGEMENT RULE 27 – PART 6: ADMINISTRATIVE MANAGEMENT – GOVERNANCE DOCUMENTS AND RECORDS</u>	<u>REFERENCES & SEARCH WORDS</u>
PMR 27	PART 6 of the Management Rules consist of Rules 27 and 28 which deal in some detail with the requirement to keep various records and to make these available to others, in certain circumstances.	
PMR 27(1)	<p><i>Keeping updated records of the Rules</i></p> <p>The body corporate must (via its trustees and/or managing agent) ensure that-</p> <ul style="list-style-type: none"> a) any resolution to amend the Rules (see Section 10(5) of the Act) is lodged with the Ombud as soon as possible, which may not be later than 10 days after the date of the relevant resolution; and b) a complete set of all management and conduct rules are kept. This list MUST have (i) an index and (ii) a prominent reference to any rules that confer exclusive use rights, vary the effects of the participation quotas in regard to the value of votes or the liability for contributions, or impose either a financial or a maintenance obligation on members; c) a consolidated set of updated rules are in place whenever there are any amendments. 	<p>Obligation to file resolution to change rules with Ombud within prescribed time period</p> <p>Obligation to keep records of updated rules</p>

PMR 27(2)

Other records

The body corporate **must** prepare **and** update the following records-

- a) minutes of general meetings as well as trustee meetings. These must include:
 - (i) the date, time and place of the meeting;
 - (ii) the names and roles of the persons present, including details of the authorisation of proxies or other representatives;
 - (iii) the text of all resolutions; and
 - (iv) the results of the voting on all motions;

- b) (updated) lists of trustees, members and tenants, reflecting:
 - (i) full names;
 - (ii) identity numbers or, in the case of non-South African citizens, their passport numbers; and
 - (iii) section addresses and mailing addresses, if different;
 - (iv) telephone numbers; and
 - (v) email or other electronic addresses, if any;

- c) (updated) lists of-
 - (i) sections shown on the sectional plan, indicating in each case whether it is a primary or a utility section (see [Rule 2](#) regarding the meaning of utility section) , its participation quota and the name of the member in whose name it is registered;
 - (ii) exclusive use areas with descriptions of purposes and numbers, if any, indicating whether the rights to each area are conferred in terms of the Sectional Titles Act (s 27) or in terms of a Rule, and a reference to the relevant rule where applicable; and
 - (iii) registered bondholders with their names and addresses;

- d) details of all future development rights that are held by anyone in respect of land

General list of documents that *must* be kept by body corporate (or trustees or managing agent)

incorporated in the scheme. These records must include (i) the names and addresses of all registered holders of such rights; and (ii) copies of all documentation prepared in terms of the Sectional Titles Act (s 25(2)) for any such right.

- e) any other records that may be prescribed.

PMR 27(3)

Copies of important documents and agreements

Documents that *may* be kept

It is further indicated that the body corporate (via its trustees and/or managing agent) **may*** obtain and keep copies of the following:

- a) The registered sectional plan and any registered amending Sectional plan;
- b) the Act and the regulations;
- c) resolutions that deal with changes to the common property, including the conferring of exclusive use rights on members;
- d) consents and approvals given by the body corporate to members;
- e) waivers and consents given by members;
- f) written contracts to which the body corporate is a party;
- g) any decision of an adjudicator, arbitrator, magistrate or judge in a proceeding in which the body corporate is a party, and any legal opinions obtained by the body corporate;
- h) the budget and financial statement for the current year and previous years;
- i) income tax returns;
- j) insurance policies, endorsement and claim forms;
- k) correspondence sent or received by the body corporate and trustees; and
- l) any other records required by the regulations.

(* Rule 27(1)(a) and (b) both state the word “must” when listing the records and lists that the body corporate must maintain. Rule 27(1)(c) is therefore distinguishable as it specifically says “may”. These records are therefore important and undoubtedly advantageous for good governance purposes, but not obligatory.)

<p>PMR 27(4)</p>	<p><i>Making records available</i></p> <p>Members, bondholders (or someone authorized by the bondholder in writing) must be allowed to inspect the records listed in this Rule and must be kept by the body corporate (its trustees or managing agent). Such request must be made in writing and if copies of the documents are required, these must be provided.</p> <p>See PMR 27(6) below – the body corporate may charge for the copies made!</p>	<p>Who may apply for copies of records Application in writing</p>
<p>PMR 27(5)</p>	<p><i>Making copies of records</i></p> <p>On receipt of a request for inspection of records (in PMR 27(4) above), the body corporate must provide the necessary within 10 days. (See also PMR 27(6) which allows the body corporate to insist on reasonable copying charges being paid before it will release the information).</p> <p>However, if the request relates to copies of the Rules, these must be furnished within 5 days (and see PMR 27(6) – no fee may be charged for this).</p>	<p>Time periods within which copies must be made available</p> <p>Copy of Rules – can't charge fee</p>
<p>PMR 27(6)</p>	<p><i>Fee for copies</i></p> <p>The body corporate (trustees or managing agent) may charge a reasonable fee for a copy of a record or document. The fee may not be more than the reasonable cost associated with the process of making the copy, and the body corporate may refuse to supply the copy until the fee is paid.</p> <p>A fee may however not be charged for providing copies of the Rules.</p>	<p>Payment for copies of documents other than copies of Rules</p>

PMR 27(7)

If the body corporate terminates its contract with an employee or a managing agent, that person must within 10 days deliver to the body corporate all records referred to in this rule that are in the person's possession or under the person's control.

Records in possession of employee or managing agent – on termination of relationship

PMR 27(8)

The records referred to in this rule must be in writing or in a form that can be easily converted to writing. This means that pdf or email or Word documents are allowed, as well as physical paper copies; but audio recordings of meetings, for example, will not suffice.

Format of records

CONTACT US

- CAPE TOWN
Tel: 021 406 9100
- SOMERSET MALL
Tel: 021 850 6400
- TYGER VALLEY
Tel: 021 943 3800
- FOURWAYS
Tel: 010 001 2632
- CLAREMONT
Tel: 021 673 4700
- STELLENBOSCH
Tel: 021 001 1170
- MENLYN
Tel: 012 348 1682
- CENTURION
Tel: 012 001 1546
- FISH HOEK
Tel: 021 784 1580
- BLOUBERG
Tel: 021 521 4000
- ILLOVO
Tel: 011 219 6200
- BEDFORDVIEW
Tel: 011 453 0577