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## Sectional title amendments – take note

31 Oct 2011

Recent welcome amendments to the prescribed management rules, Annexure 8 of the Sectional Titles Act of 1986, were published in the Government Gazette in September 2011.



[Bester](#) says this, in turn, led to the amendment of rule 36 (1) which now provides for the trustees to prepare the budget, prior to year end, and to lay this budget before the members at the AGM.

Martin Bester, the Managing Director of Intersect Sectional Title Services, who sits on the board of the Residential and Sectional Title Committee of SAPOA and is an alternate member of the Sectional Title Regulations Board, explains that one such amendment is the insertion of rule 31(2A), which states that the budget of the body corporate shall run concurrent with the financial year of the scheme.

Bester says this, in turn, led to the amendment of rule 36 (1) which now provides for the trustees to prepare the budget, prior to year end, and to lay this budget before the members at the AGM.

"Whereas in the past many budgets were 'on hold' until the AGM was held and the budget approved by the members, sometimes putting strain on the cash flow of the body corporate."

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Another amendment, which according to Bester will save time, costs and importantly, resources, is the substitution of rule 39, which now allows for the delivery of documents by means of facsimile or email, provided that the owner, in writing, consents to receiving same in such a manner.

He says this means that, inter alia, the paper and postage intensive annual notice and supporting documents for the AGM may now be issued in a digital format, whereas in the past this had to be issued by prepaid post.

“I foresee, in a scheme where all owners consent, to not only saving costs and resources, but also to ensuring timeous and accurate delivery with the use of delivery confirmations. One could even go so far as to use the email software to notify members of the meeting and to remind them of same.”

Bester also advises that trustees and members of sectional title body corporates should be aware of the deletion of sub rule 31 (4), which dealt with the application of special contributions [special levies] and, in turn, make themselves *au fait* with sections 37 (2A) and 37 (2B) of the Act which provide for the Trustees to raise and collect special contributions.