



APPOINTMENT OF A PANEL OF EXECUTIVE MANAGING AGENTS

Further information from the Community Schemes Ombud Service (CSOS) relating to the NAMA Notice Board No 56 circulated on 12 January 2021



The purpose of the advert was to advise interested Managing Agents to apply for the panel of Executive Managing Agents, as it has been found that the majority of BC's who wish to appoint an Executive Managing Agent does not know where to turn or who to appoint.

In terms of Prescribed Management Rule (PMR) 28 (2) of the Sectional Titles Schemes Management Act (No. 8 of 2011) a body corporate may by special resolution, appoint an Executive Managing Agent to perform the functions and exercise the powers that would otherwise be performed and exercised by its scheme executives.

Appointment of an Executive Managing Agent

The body corporate may, by special resolution, appoint an Executive Managing Agent to perform the functions and exercise the powers that would otherwise be performed and exercised by the trustees.

Alternatively, members entitled to 25 per cent of the total quotas of all sections may apply to the Community Schemes Ombud Service for the appointment of an Executive Managing Agent.

As they are a public entity, CSOS derives its powers from the CSOS Act, and what PMR 28 in essence means is that if a BC is unable to appoint their own Executive Managing Agent, then the BC can turn to the CSOS to appoint one for the community scheme. The community scheme will also fit the bill for the appointed Executive Managing Agent, as they step into the shoes of the trustees.

BEE compliance

CSOS has an obligation, in terms of the Law, to promote compliance with broad-based BEE, and in terms of the recent ruling by the Supreme Court of Appeal – *November 2020* – which declared the Preferential Procurement Policy Framework Regulations invalid, will have no effect on the current B-BBEE Act and its requirements.

Professional indemnity insurance

This is to protect both the appointed company, as well as the scheme itself.

This requirement was inserted after extensive research was carried out into insurance requirements that '*SHOULD*' be carried by Managing Agents, and most professional Managing Agents do indeed carry professional indemnity cover notwithstanding that it is not compulsory.

The duties and responsibilities of a professional Managing Agent are extremely onerous and must, of necessity, be taken seriously. This requirement will go a long way in ensuring that the professional Managing Agent takes its duties and responsibilities extremely seriously.

Fidelity cover

A scheme is required to have fidelity cover in terms of both the Management Rules and the CSOS Regulations, and a BC is bound by these two sets of Legislation.

Is the requirement that Executive Managing Agents must register with CSOS like Estate Agents register with the EAAB?

The answer is yes.

Please note that Managing Agents are not obligated to apply.

Enquiries

Ms Lindi Sibiya, Human Resources Manager

Tel. (010) 593-0533

Applications, including a covering letter accompanied by a CV and certified copies of qualifications and relevant documents, must be addressed to the Human Resources Manager, Ms Lindi Sibiya, and emailed to recruitment3@csos.org.za

Closing date for applications

1 February 2021

[Click HERE to download the referenced CSOS Notice ...](#)

[Click HERE to download NAMA Notice Board No 57 ...](#)

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