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SEPTEMBER 2017 | NEWSLETTER/BULLETIN

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CONTENTS

Newsletter ([Click here](#) to go directly to Newsletter)

How much money do I owe CSOS? - Article by Alan Levy,
Alan Levy Attorneys 02

Bulletin ([Click here](#) to go directly to Bulletin)

ADVERTORIALS

• Bright Light Solar VCC 06

CSOS ANNOUNCES APPOINTMENT
OF NEW ACTING OMBUD IN KZN 07

NEW NAMA BANK ACCOUNTS 08

NAMA EVENTS 09

DISCLAIMER 10



HOW MUCH MONEY DO I OWE CSOS?

Article by Alan Levy, Alan Levy Attorneys

The Regulations to the Community Schemes Ombud Service Act (the Act) on the one hand make what levies (fees) CSOS is entitled to fairly clear and on the other hand have left Schemes with a number of quandaries?

One such quandary is - When a single property is made up of various additional parts, are further fees payable to CSOS for these additional parts?

This Article will do its best to clear up the ambiguity created. It will first do so in relation to Sectional Title Schemes and having done so a better understanding of Home Owners Associations will also be obtained.

Before doing so, the sources for the CSOS fee must be examined:

Source 1, Regulation 2 (1) [GN1232] “The Schemes must collect as follows the prescribed monthly levy from every unit within community schemes and pay to the Service on a quarterly basis.”

Source 2, Regulation 11 (3) [GN1233] “The levy is calculated subject to any applicable maximum amount, discount or waiver referred to in subregulation (2), according to the following formula: (a) the lesser of R40 or 2% of the amount

by which the monthly levy charged by the Scheme exceeds R500.”

Source 3, Section 1 of the Sectional Titles Act “unit means a section together with its undivided share in common property...”

We can see from these sources that the legislature details from whom the CSOS fee is collected and how it is calculated, but fails to set out what part of the unit/property the fee is actually for. This will need to be addressed by the legislature in future.

Sectional Title Schemes

Source 1 above, imposes an obligation on a Scheme to collect the CSOS fee from **every unit**, a unit being a section

with its undivided share in the common property (See source 3 above). The below therefore seems clear:

- The source for the CSOS fee is the section itself;
- Each section must have a CSOS fee collected from it;
- Exclusive use areas play no role whatsoever. Whether the section has linked to it an exclusive use area or not, does not have any impact.

The above however must be qualified. Let's look at the quandaries we mentioned and by so doing, dig a little deeper....

The first quandary arises in respect of certain Schemes laid out and registered in a manner whereby for example a single owner's flat is a section, his garage is a second

section and his domestic quarters a third section and where such owner (albeit incorrectly so) only receives a levy statement for the flat with a single debit for levies for the flat.

Now in terms of the first source, the Scheme has to collect the prescribed monthly levy from each of the 3 sections.

However in terms of the second source the CSOS fee is calculated on the lesser of R40 or 2% of the amount.... etc. In this scenario there is no levy for the other 2 sections.

One therefore has to say that every section must have a CSOS fee collected from it calculated on the monthly levy charged but that if no levy is charged for that section (albeit incorrectly so) then no CSOS fee is payable.

A further quandary and the last item to be canvassed in this article is additional contributions or levies raised by the Scheme for exclusive use areas (See S3(1)(c) of the Sectional Titles Schemes Management Act). If these have been resolved for and debited separately to the owner's levy statement, whether the Scheme must now collect an additional fee for CSOS.

The answer to this has been canvassed above. CSOS fees do not arise from owners entitlement to the use of exclusive use areas but rather from the ownership of the section itself.

Therefore, currently no CSOS fee is payable on additional contributions for exclusive use areas if debited separately to the owners levy statement.

Home Owners Associations

For Home Owners Associations things are a little simpler. Normally the unit is comprised of a single erf in the township. On the erf all the owners amenities are situate and the quandaries highlighted above are less probable to arise.

**Alan Levy is an Attorney at Alan levy Attorneys
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on 011 326 8050 / alan@alattorneys.co.za**

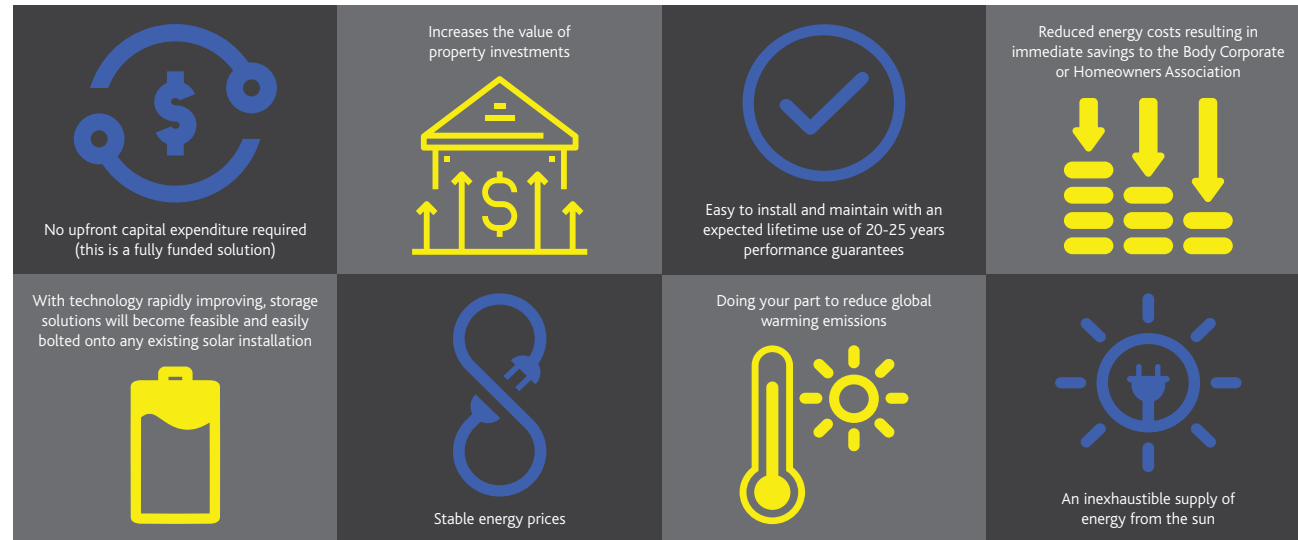
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Solar energy is becoming increasingly popular amongst commercial and residential users, who are looking for alternatives to carbon-based electricity supplied by South African utilities. Electricity in South Africa is becoming more expensive each year with regular double-digit tariff increases. In comparison, the technology improvements and reduction in cost of alternatives, particularly in the solar photovoltaic (PV) space, has resulted in solar energy solutions becoming more cost efficient to the end-user.

More and more end-users are now turning to the alternative space to reduce costs and cut emissions. The solar industry continues to experience unprecedented growth due to this movement away from carbon-based electricity supply.

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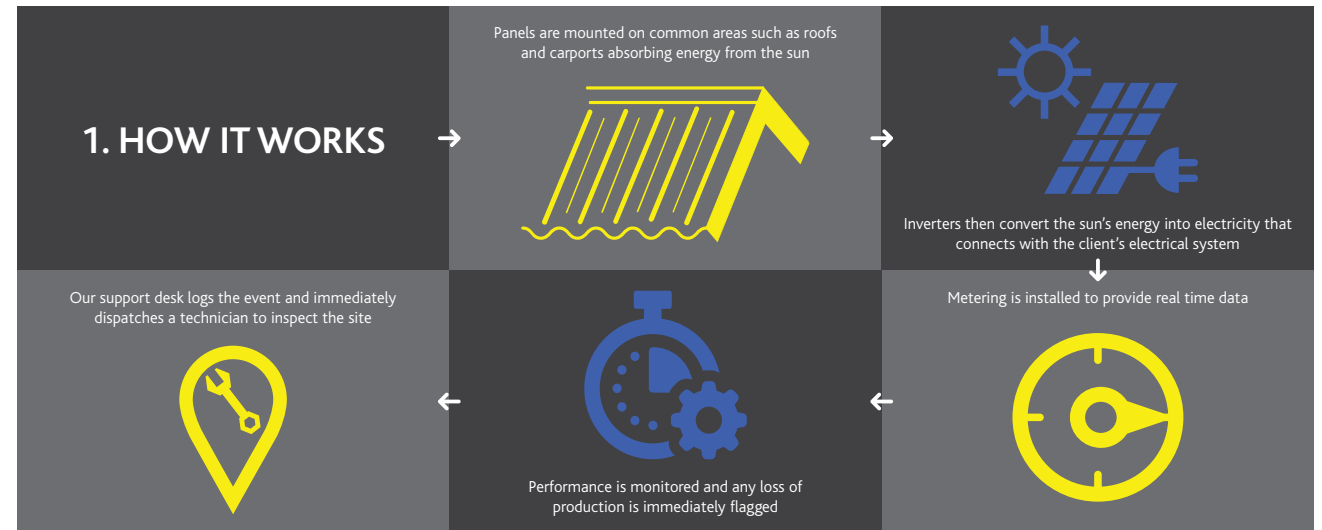
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CSOS ANNOUNCES APPOINTMENT OF NEW ACTING OMBUD FOR KZN

Please note that this will be my last month at CSOS and my last day will be the 31st of August 2017. CSOS has appointed Ms Prevashni Moodley to act as an Ombud from today the 21st of August 2017, until a permanent appointment is made. Ms Moodley can be contacted at our offices **on 031 001 4215 or on her mobile number 082 627 7458.**

Regards,

Lucky Rabotapi

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www.csos.org.za Fraud Hotline 0800 701 701



NAMA BANKING ACCOUNTS

CHANGE OF NAMA BANKING ACCOUNTS

We would like to remind all our members that our banking details changed from ABSA to FNB.

If you have not yet amended your records for payment of your membership fees please contact Candice on 012 567 7597 or accounts@nama.org.za

PLEASE NOTE THAT THE OLD ABSA ACCOUNTS WILL BE CLOSED ON 30 SEPTEMBER 2017

NAMA EVENTS

WESTERN CAPE REGION

Annual Golf Day – 29 September 2017,
Stellenbosch Golf Course

Contact Kate at namawc@nama.org.za
to book. [Click here](#) for more information

GAUTENG NORTH REGION

Sectional Title Seminar – 4 November 2017,
CSIR, Pretoria
Contact Lizbé at namanorth@nama.org.za
for more information

NAMA BI-ANNUAL INDABA

**Feedback will be forwarded soon via a special
edition of the NAMA Newsletter / Bulletin!**



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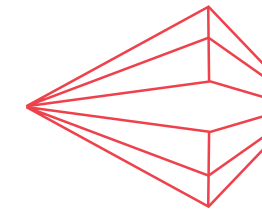
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