

Meeting:	Quarterly CSOS/ARC INDUSTRY BODY MEETING (QIBM)						
Meeting Venue:	Teams Meeting						
Date:	05 July 2021						
Time:	09:00 – 10:00						
Chaired by:	Adv. Boyce Mkhize						
Scribe:	Siyethemba Mthethwa						
Legend: P-present A-Absent X X-Absent with apology							
Attendee Name	Initials		P	A	XX		
Advocate Boyce Mkhize – CHIEF OMBUD	BM		X				
Abe Masilo – REG OMBUD GP	AB				X		
Maletsatsi Wotini – REG OMBUD WC	MW				X		
Mervin Dorasamy – REG OMBUD KZN	MD		X				
Lesiba Seshoka – CSOS Exec Corp Affairs	LS		X				
Kanozi Mlotha – CSOS Adjudicator General	KM		X				
Siyethemba Mthethwa – CSOS MarComms	SM		X				
Jeff Gilmour – ARC CHAIR	JG		X				
Hannes Hendriks – RCC CHAIR	HH		X				
Dirk Uys – RCC WC	DU		X				
Johan Kruger - CAISA	JK		X				
Stephan Vorster – RCC DIRECTOR GP (E&S REGIONS)	SV		X				
Johlene Wasserman – CSOS Manager Governance	JW		X				
1.	Opening and Welcome						
	BM welcomed all attendees and noted apologies.						
2.	Minutes of previous meeting						
	The minutes of the previous meeting of 29 March 2021 were read and adopted as a true reflection of discussions at said meeting.						

3.	Matters Arising from previous meeting (minute resolutions)
	No new matters arising from previous meeting
4.	New Matters
	<ol style="list-style-type: none"> 1. JW requested to add Form B1 on the agenda for further discussion and BM suggested that the point should be added under 4.2 with all the updated forms. 2. HH asked where JW is dealing with discussion of the Training Strategy from the previous meeting and JW replied by requesting for another point to be added on the agenda as 4.3 Education & Training Strategy to be discussed and further that she had an online discussion with the stakeholders. 3. HH mentioned that they will need to provide feedback by the current meeting of what they have done. 4. DU joined the meeting and was welcomed by chairperson BM
5.	Agenda Items – industry matters
	<ul style="list-style-type: none"> • BM advised that the point 3.1. ARC, RCC and CAISA update on the agenda is assigned to ARC and gave ARC members the platform to give an update. • Following the 3.1, JG mentioned that there is not much to update on, except the that ARC have an upcoming conference in September, and they continue to hope and pray the conference carries on. • JG further mentioned that the Chief Ombud is a speaker on the day, he is doing the presentation on the event, and they are looking forward to that and further reminded that it is on the Chief Ombud’s diary. • JG mentioned that he had a chat with HH, and they are in limbo as they don’t know where things are going, he further explained that because of the cold, Covid is at a rapid rate. • JG indicated that an alternative will be to host the conference online, maybe two or three weeks after, but they remain confident, and it will be up to the President in respect of the numbers for gatherings.

- **JG** advised that they continue to keep the number at 100 (Hundred) and dinner arrangements may need to be split into 2(two) and other kind of logistics, but however ARC continues to believe that they won't have to delay the face to face, they will do the conference online if needs be. In conclusion **JG** handed over to RCC and CAISA member for any update.
- **BM** thanked **JG** for the update and gave the RCC and CAISA platform to give an update.
- On behalf of the RCC **HH** said that **DU** can mention that they are still in a process of getting some feedback on the directives of cases that have been submitted and indicated that they are compiling a list of what the problem are in different regions, and they are hoping they will be able to forward the list to the Chief Ombud's office by next meeting.
- **HH** added that it is individual estates, but as a collective they can get the percentage lower and that is their current focus. **HH** further mentioned the issue he raised on the previous meeting as he requested an explanation of: Why the CSOS levy is charged twice within the Scheme? And have not received an answer regarding the question asked. **HH** asked if **JW** can give feedback on the matter raised about the levy charges.
- **BM** thanked **HH** for the update and advised that **JW** can take note of the question and reply and advised that they can all have a comprehensive discussion on all presentation.
- **BM** gave CAISA platform to give an update
- **JK** (CAISA) thanked **BM** for the opportunity and mentioned that they came late to the party as they were introduced about a week ago but seems they have covered a lot and mentioned that they had a meeting with **JW**, they had three (3) or four (4) zoom sessions with one (1) or two (2) stakeholders regarding training and they have also given inputs on the strategic documents.
- **JK** further indicated that they got the ball rolling from their side (CAISA) and they are excited of the partnership with the institution and indicated that their submission is in front of the senate and that will take another month, and it will be several issues in place to start rolling out the program.
- **BM** thanked **JK** (CAISA) for the update and gave **JW** the opportunity to respond to the matter raised within the levy and any other reflections on the reports that have been presented.
- **JW** thanked **BM** for the opportunity, and thanked **HH** for the question asked.
- **JW** acknowledged that there is a double levy liable to be paid if one lives within a community scheme and further mentioned that the CSOS legislation state that every community scheme

must pay a CSOS levy, whether there is a Share Block, Sectional Title Scheme or HOA, it is two (2) levies that needs to be paid.

- **JW** mentioned that she has a document explaining the levy payments and added that it is different from when the Sectional Title built per unit or per scheme, then the levy also differs. **JW** advised that she will send the document to ARC and CAISA, and there can be further discussion regarding the document. In conclusion, **JW** mentioned again that there are two payments payable within the community scheme, the HOA is the overarching agreement and the master property association agreement, and there is HOA governance documentation that cannot be in contravention with the master HOA agreement.
- **HH** thanked **JW** for the response and advised that the document is very important to them as there are different views and do not want to elaborate on the legal implications going forward.
- **HH** mentioned the one issue that is of importance, which is point four (.4) of the previous meeting under resolutions, that was meant to be investigated by CSOS.
- **BM** asked **HH** if it is in relation to the cases that are pending before adjudication and **HH** agrees “Yes that is correct”
- **BM** asked **KM** and **MD** if there is any feedback on the matter raised regarding the pending cases.
- **MD** said yes and further explained that they don’t have to wait for the next meeting and asked if **HH** could get people who are interested to know about their matters that are delayed or no progress and direct the matter to him and the Adjudicator General (**KM**).
- **MD** further mentioned that they are ready to deal with the matters and engage directly with the people and asked for the list to be sent to them.
- **BM** indicated that they are looking forward to the conference and trust that things might be look a little better at that point, in terms of the lockdown regulations and general state of the pandemic.
- **BM** further mentioned that they hope that processes with the senate in terms of the educational aspect will progress well and he is looking forward to those developments.
- **BM** mentioned item 3.1 from the agenda, that the CSOS was supposed to give feedback in terms of the proposed amendments to legislation and added that he will be receiving a comprehensive memorandum that articulates the areas that have provided some challenges in terms of the implementation of the CSOS mandate, and things that have created some ambiguity in the legislative framework.

- **BM** mentioned that once CSOS receives the memorandum, it will then be taken up with the internal structures (the CSOS board in particular), then the memorandum will be taken up to ministry (Department of Human Settlement) and the process of engagement will then begin in earnest.
- **BM** indicated that there have been some areas of weakness in the legislation that have been identified and are considered and added that in the spirit of inclusiveness, an opportunity will be given to the industry for any additions in the memorandum. The memorandum will be sent to ARC, RCC and CAISA as an index indicating the areas which they believe ought to be adjusted or investigated.
- **BM** added that this is a beginning of a consultative process in terms of insuring that they have got robust legislation and that there are areas that needs change and some that need to be introduced into the legislation.
- **BM** asked if there are any additional submissions or comments from the CSOS staff
- **MD** indicated that the engagement with ARC so far has shown from their side particularly that there is a request for independent piece of legislation that speaks to home-owners association (HOA) and free title properties.
- **MD** added that the stands taken by ARC can be a motivation from them and can join the collaborative effort of how they could join in on the general legislative amendments as well.
- **BM** opened a platform for discussion
- **HH** mentioned that ARC and RCC have no input on the separate legislation, it has been muted a number of times and at the last board meeting, it was suggested that this remains on the agenda, but no formal step has been taken on the issue of separate formal legislation but remains on the agenda.
- **DU** added that on behalf of the RCC the absence of specific guidelines regarding HOA and the issue about the different treatment of the sectional title verses HOA is still an issue and further mentioned that if CSOS could draft a tentative legislation, they could be part of it and be involved, so that they don't challenge it when it is final and ready to go to the Parliament.
- **DU** suggested that they work hand in hand with CSOS on the document before it can go any further.
- **HH** mentioned that the previous acting Chief Ombud had put that on the table, but it has not yet materialised, he further added that when they are slowly working through this engagement process with Johlene and other role players, they are mending some of the

issues to include the role and responsibilities of HOA and Estate Management staff, not only refers to the estate agent as such.

- **HH** added that for the sake of clarity, he mentioned that there is a Waterfall Estate issue that involves legal situation have impact on the industry they are currently considering and mentioned that there was a directive issued by CSOS which has an impact, and it looks like they might join or not join but they will keep their card open on the side currently.
- **BM** mentioned that he is not sure if the case is made for a separate legislation to govern only HOA, it does not sound to be a good thing to do to separate frameworks and mentioned that we are able to define the stakeholder's role and responsibility because it all arises within the context of good governance and dispute, and he is not sure if they would want to consider a different framework.
- **BM** mentioned that it is a personal view, and they may investigate how to effectively integrate framework rather than disintegrate them.
- **DU** added that the Chief Ombud had hit the nail on the head and further explained that it is not much about integration, it is about aligning the current CSOS directives and the legislation with the industry situation of the IE, HOA and sectional title. He further explained that if we could get to the point where the HOA are properly addressed in the current legislation, then it is fine. **DU** mentioned that we must work together to say which of the elements are currently not acceptable to HOA and how would we suggest that get amended, but it can still be integrated into the current.
- **BM** agreed with **DU** and thanked him for the input
- **HH** gave an example that we can get a register of all the directives that have been issued, then take out the problem issue from the directive and then they cannot talk in a broader sense, however they can isolate them and say where they think the directives are right or wrong and what they propose, rather than being obstructive and participate in the process and come up with suggestions of what they see.
- **HH** further added that in several directives sent out by Chief Ombud and he quoted the directive "when adjudication is made, it is critically important that the adjudicator takes into consideration the MOI" which has been lacking because that MOI is specific to that specific company, and it is not a general legislation like the sectional title.
- **BM** agreed with **HH** and acknowledged that the point is well made and added that they just need to be sure that these things are effectively integrated, and **BM** further advised that they go forward with that understanding and see what comes out in the wash with how the section

on HOA and other piece, come together in the draft that they considering. **BM** mentioned that if there are inadequacies, then there is always an opportunity to give inputs to those things.

- **All** no questions or comments on the item 4.1 and **MD** gave **JW** the platform to address item 4.2 on the agenda which is Updated Forms:
- **JW** advised that CSOS have amended several forms and created new form to be inclusive of other types of schemes, not just sectional title, but also homeowners' associations and shared block.
- **JW** advised of the CS1 Form which is the registration of all community schemes in South Africa, she further indicated that the form is editable and can be filled online and sent through to CSOS.
- **JW** advised of the CS2 Form, which is the Annual Return form, **JW** advised that the form is also editable and can be completed online and sent through to CSOS. This CS2 form specify what documents are needed when you are a non-profitable HOA, or a common law association and it has space for the company registration number.
- **JW** advised on Form B, which is a new form document that was sent out to stakeholders a week ago. The form is to be completed when an HOA – whether it is a common law HOA or NPC - would like the CSOS to quality assure its scheme governance documents, such as MOI and scheme constitutions. The dedicated email address for the Form B is governance@csos.org.za.
- **JW** explained that the CSOS issues compliance certificates through the Chief Ombud and further explained that the certificates are issued in terms of the CSOS Act and that it is free but not compulsory.
- **JW** also explained that the CSOS does have a MOI template for new upcoming HOA who are not sure how to draft the document and would not like to spend money on an attorney.
- **JW** indicated that all the provision of the company's act is embedded in the MOI.
- **JG** added that all the forms were distributed to their database.
- **MD** indicated that the forms are also uploaded on the CSOS website and further advised that CSOS is trying to reconcile the databank, and he is not sure to what extent.
- **DM** advised that they have started with the CSOS stakeholders in terms of the completeness of the schemes that are under the control of various entities they are interacting with and asked **JW** if CSOS have a complete list of various entity's and if it accords to the CSOS list in terms of the universal of the schemes.

- **DM** also mentioned that it is a natural point to start in terms of ensuring that everyone is accounted for.
- **DM** asked **JW** to reflect on the question raised.
- **JW** advised that there will be an evaluation of bidders at the CSOS office, and it is a final day of database cleansing, **JW** further indicated that the data is collected for CIPC and the Deeds office, to see who is registered and who is not registered.
- **JW** mentioned that regarding **DM's** question about the completeness of the universal of schemes, **JW** advised that they have 80% of the stakeholders in South Africa and a complete list of community schemes.
- **JW** indicated that she has not approached ARC and CAISA for their database and indicated that they are currently busy with a project, subscribing to a service provider who will provide finer details of address, name of owners etc for CSOS to have completeness of stakeholder database.
- **BM** indicated that they need to request information from their colleagues (ARC, RCC and CAISA) and mentioned that they picked up some duplication on the database and they need to act speedily to get all schemes registered with the CSOS.
- **HH** indicated that their database is similar and can be found on the public domain and on their website but once the CSOS is done with the database cleansing, **HH** requested that the information be forwarded to them, they will double check and revert to CSOS regarding the database update.
- **BM** thanked **HH** and moved to item 4.3 which is Education and Training:
- **HH** indicated that **JW** has circulated the document to them and had a meeting with **JW**, worked through the document and provided input.
- **HH** further indicated that the document will be distributed to their members so that they can also take notice of the proposed changes and further indicated that they are on board, and they are part of the process, and they are looking forward.
- **JW** indicated that the CSOS staff have not seen the document yet, the document will be presented at an Exco meeting, and it will be sent out on a pack meeting today (5 July 2021) to the Exco members.
- **JW** made a request to **HH** to hold off the distribution till next week and would appreciate to give members a complete document with an input from Exco and the Board committee, and further added that the document will be tabled for Board approval.

	<ul style="list-style-type: none"> • JW mentioned that AG (Adjudicator General) together with three Ombuds are part of the Training process and provide education and awareness, and they will also provide input. • All:No inputs on the Education and Training Strategy • In addition, BM indicated that the concept paper on the transformation initiative is dealt with in a special meeting and it is now going to the board and will go the ministry (Department of Human Settlement) and National Treasury. BM added that they are making some headways with regards to ensuring that the transformation concept becomes a reality. • BM mentioned that they still need some feedback with regards to what they had undertaken regarding what to do in the 6 weeks period and mentioned that “being the practical measures around how the industry would put its shoulder to the wheel with regards to the transformation initiative.” • BM asked when the end of the 6week is, and JG advised of end of July and HH concurs with it.
5	OPERATIONAL UPDATE
	<ul style="list-style-type: none"> • BM conveyed the following update under item 4.1 of the agenda <ol style="list-style-type: none"> 1. BM mentioned that the 4.1 item is just for information’s sake as we have moved from level 3 to level 4 now. 2. BM advised that the CSOS have issued out a circular to operations and staff members are working from home and made arrangements that service delivery is not hammered by remote working situation. 3. BM further added that the scheme governance documents are produced and signed off on Tuesday and they are issued out on Wednesday. 4. BM mentioned that there will be no issues with regards to the scheme governance documents and advised that dispute continues to be set down via remote platforms, therefore conciliations and adjudications are still going ahead. 5. BM indicated that the CSOS services continues and closed of walk-ins until we hear the adjustments in terms of the regulation. 6. BM mentioned that the CSOS telephone lines continues to operate, and we can be reached via telephone line or emails, that is what we communicated, and the information appears also on our website.

5.	GENERAL MATTERS
	<p>LS indicated that the CSOS is in a process of doing a stakeholder perception survey and this will be communicated to the stakeholder to be on the lookout, in addition LS indicated that there is a company that is assisting CSOS to identify where to establish new offices and again indicated that communication will be sent out.</p> <p>LS requested that the information that will be communicated to (ARC, RCC and CAISA) be distributed amongst all stakeholders.</p>
6	Closure and Next Meeting
	<p>BM advised that date for next meeting will be confirmed and distributed.</p> <p>BM thanked everyone for their attendance and submission made in the meeting discussion and mentioned that relationship is progressing and maturing nicely, and he is looking forward to more interactions.</p>
7.	Acceptance of Minutes by Co-Chairs
	<p>Scribe: Signed Electronically Date Accepted</p> <p>Chairperson ARC - Jeff Gilmour Date Accepted: XX/XX/2021</p> <p>Adv. Boyce Mkhize (Chairperson) Date Accepted: XX/XX/2021</p>