

01 FEBRUARY 2022

MEDIA STATEMENT

COMMUNITY SCHEMES THAT ARE NOT REGISTERED WITH THE CSOS ARE BREAKING THE LAW!

The Community Schemes Ombud Service (CSOS) appeals to all unregistered community schemes to register and abide by the law with immediate effect.

In terms of the CSOS Act, read with Regulation 18(2)(a)(v) of the CSOS Regulations, all community schemes **must be registered with the CSOS** within 30 days after the incorporation of the community scheme or within 30 days of the coming into effect of the CSOS Regulations on the 7 October 2016.

Section 1 of the CSOS Act defines a “community scheme as any scheme or arrangement where there is shared use of and responsibility for parts of land and buildings, including but not limited to:

- a) Sectional titles development schemes;
- b) Share block companies;
- c) Home or property owners' associations (inclusive of non-profit companies and common law associations);
- d) Housing schemes for retired persons; and
- e) Housing co-operatives.

The application for registration must be accompanied by the following documents:

- a) Prescribed Form CS1, duly signed by the developer or two scheme executives, or one trustee or director and the managing agent; and
- b) Rules (Management or Conduct); or
- c) Constitution; or
- d) Regulations; or
- e) Memorandum of Incorporation (Articles of Association); or
- f) Use Agreement; or



- g) Any other relevant supporting governance documentation: or
- h) Sectional Title Plans; and
- i) Audited Annual Financial Statements.

The CS1 form can be completed online or downloaded from the CSOS website at www.csos.org.za. Alternatively, the form can be obtained at any of the CSOS offices nationwide.

The completed form can be submitted to CSOS either online, by post, email, or hand-delivered to any of the CSOS's Regional Offices. The email address is registration@csos.org.za

The community scheme will receive a reference number which should be used when effecting payment of the CSOS levy.

Please note that all community schemes registering with the CSOS with immediate effect going forward will receive a registration number where the following characters will be omitted: CSOS/.

The registration number will therefore commence with **REG/YEAR/PROVINCE/6 DIGIT NUMBER**.

In the past the registration reference number was: **CSOS/REG/22/GP/123456**, however going forward the registration reference number will be **REG/22/GP/123456**.

The change is due to the fact that the financial institutions are unable to assist with allocating levy payments made to the CSOS because of the current format being too long resulting in unallocated payments in the CSOS suspense account, it was for this reason that we have shortened the number.

Existing community schemes will not receive a new number and will keep their registration reference numbers save for deletion of the "CSOS/" in your existing registration number.

There is no fee to register the community scheme with the CSOS.

All scheme executives including but not limited to the board of trustees, directors and management associations have a duty to register their schemes with the CSOS as failing to do so is a serious breach of the law with serious legal consequences.



Equally, it is an offence punishable by law to collect the CSOS levy from your members of the Scheme and not pay it over to the CSOS. We have come across such practices and these will not be tolerated going forward.

All members of the Schemes (residents and owners) have a right and an obligation to ensure that their levies which they pay in respect of the CSOS, are duly paid over to the CSOS.

Please check if your Scheme does this and if not, get in touch with the CSOS immediately!

Community schemes that act unlawfully and do not register will be subjected to strong enforcement action.

For Immediate Release

