



## CIRCULAR ON THE REGISTRATION AND SUBMISSION OF ANNUAL RETURNS OF A COMMUNITY SCHEME IN TERMS OF THE CSOS ACT AND REGULATIONS

### Revision history

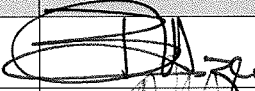

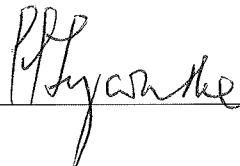
This section records the change history of this document,

Revision #	Date of Release	Author (s)	Summary of Changes
1.0		Ms Johlene Wasserman	EXCO submission: 12 July 2021

### Approvals

The undersigned has approved the release of version 1 of CSOS' Practice Directive on the Circular of the Registration of a Community Scheme and Submission of Annual Returns of a Community Scheme in terms of the Community Schemes Ombud Service Act 9 of 2011 and Regulations thereof.

The undersigned has approved the release of Version 1 of CSOS' Circular.

Name	Designation	Signature	Date
Adv Boyce Mkhize	Chief Ombud		31/08/2021
Mr Taurean Holmes	LATCOM Chairperson		6/8/21
Mr Mthobi Tyamzashe	Chairperson of the Board		6/8/21



## CIRCULAR ON THE REGISTRATION AND SUBMISSION OF ANNUAL RETURNS OF A COMMUNITY SCHEME

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No: 1

2021

### COMMUNITY SCHEME OBMUD SERVICE ACT, 2011 (ACT 9 OF 2011)

## CIRCULAR ON THE REGISTRATION AND SUBMISSION OF ANNUAL RETURNS OF A COMMUNITY SCHEME

### 1. DEFINITION

In this Circular, any word or expression to which a meaning has been assigned by the CSOS and Regulations under the CSOS shall bear the same meaning assigned to it in the CSOS or Regulations made in terms of the CSOS, and unless the context indicates otherwise —

<b>Term</b>	<b>Definition</b>
<b>“Act”</b>	means the Community Schemes Ombud Service Act (2011) Act, No. 9 of 2011, and includes any Regulations made in terms of the Act;
<b>“Circular”</b>	means a Notice issued in terms of the Community Scheme Ombud Service;
<b>“CSOS”</b>	means the Community Schemes Ombud Service;
<b>“Ombud”</b>	means the Chief Ombud and/or Regional Ombuds appointed in terms of the CSOS Act;

### 2. OBJECTIVES OF THE CIRCULAR

- 2.1 The objective of this Circular is to provide operational guidelines and clarity on the procedure and content requirements for the registration and submission of annual returns of community schemes.

- 2.2 The Circular is not intended to amend, replace, override or supersede the CSOS Act or the CSOS Regulations.

### **3. LEGISLATIVE FRAMEWORK**

- 3.1 Community Schemes Ombud Service Act, No. 9 of 2011
- 3.2 Community Schemes Ombud Service Regulations, No. 9 of 2011.

### **4. SCOPE OF APPLICATION**

- 4.1 The Circular applies to the following persons: -
- 4.1.1 Community Schemes as defined in CSOS Act, all persons who own and occupy units in such schemes, and all persons who manage such schemes.

### **5. ADMINISTRATIVE PROCEDURE**

- 5.1 The Community Schemes (Scheme) must complete the application for the Registration of a Community Scheme (Form CS1).
- 5.2 Form CS1 can be completed online or downloaded from the CSOS website at [www.csos.org.za](http://www.csos.org.za). Alternatively, the form can be obtained at any of the CSOS offices nationwide.
- 5.3 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](mailto:registration@csos.org.za). Other contact details can be downloaded from the CSOS website.
- 5.4 The applicant bears the onus of ensuring that all relevant information has been submitted and to ensure that their application form is correctly completed and meets legislative requirements. The CSOS cannot complete application forms for applicants nor can the CSOS instruct applicants on how to complete their application form unless the Applicant is unable to read and write or is a person living with disabilities.

5.5 The application form and any attachments may either be typed or handwritten. If typed, the font must be clear. Handwritten applications must be clear and legible.

5.6 If an application is not clear and illegible, whether typed or handwritten, the applicant will be requested to submit a revised application that is clear and legible.

## **6. APPLICATION REQUIREMENTS**

### **6.1 REGISTRATION OF A COMMUNITY SCHEME**

6.1.1 In terms of Section 59 of the CSOS Act read with Regulation 18(2)(a)(v) of the CSOS Regulations all Schemes must be registered with the CSOS within 90 days after the incorporation of the Scheme or within 90 days of the coming into effect of the CSOS Regulations on the 7 October 2016.

6.1.2 The application for registration of a Scheme must be accompanied by the following documents: -

- a) Prescribed Form CS1, duly signed by the developer or two scheme executives, or one trustee 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.

## **7. PROCEDURAL REQUIREMENTS**

7.1. CSOS will register the Scheme provided that all the supporting documentation as indicated on the CS1 form is attached.

- 7.2 There is no fee to register the Scheme with the CSOS.
- 7.3 The Scheme will receive a six-digit reference number which should be used when effecting payment of the CSOS levy and dispute resolution fees.
- 7.4 The Scheme will not receive a registration certificate as it is only issued upon request.
- 7.5 CSOS cannot accept an unsigned copy of the CS1 form.
- 7.6 CSOS will not register the Scheme if it is not compliant with the prescribed requirements.
- 7.7 A list of supporting documents to attach to the CS1 form is attached to this Circular as Annexure "A".

## 8. SUBMISSION OF ANNUAL RETURNS

- 8.1 In terms of Section 59(b)(i) of the CSOS Act and Regulation 18(2)(a) (i) all community schemes must file their annual returns to the CSOS within 4 (four) months after the end of the community scheme's financial year.
- 8.2 The submission of annual returns must be accompanied by the following documents:
  - a) Prescribed Form CS2, duly signed by the developer or two scheme executives, or one scheme executive and the managing agent; and
  - b) Signed off audited financials; and
  - c) Approved annual general meeting minutes; and
  - d) Approved resolution; and
  - e) Approved Levy Schedule; and
- 8.3 The following most recent scheme governance documentation must be included in the submission as and when needed, alternatively, the amended and approved.
  - a) Rules (Management or Conduct); or
  - b) Constitution
  - c) Regulation; or
  - d) Memorandum of Incorporation (Articles of Association); or
  - e) Use of Agreement or;
  - g) Any relevant supporting documents; or

- f) Sectional Title Plan

## 9. PROCEDURAL REQUIREMENTS

- 9.1 The CSOS will peruse the community schemes annual returns and conduct quality assurance on the documentation and whether the scheme is compliant with the CSOS Act, STSMA and the Regulations and other applicable Legislations.
- 9.2 If the scheme is found to be compliant, the Chief Ombud, will issue a section 59(b)(i) compliance certificate. Which will be valid for a period of three (3) years from the date of issue.
- 9.3 Non-compliant community schemes will be notified and issued with a non-compliant certificate and be required to comply within a specified period.
- 9.4 The CSOS will peruse the list of non-compliant community schemes from the Independent Regulatory Board of Auditors (IRBA) and notify those community schemes which are non-compliant and issue a non-compliance letter.
- 9.5 The CSOS will enforce the compliance and enforcement policy against non-compliant community schemes.
- 9.10 A list of supporting documents to attach to the CS2 form is attached to this Circular as Annexure "B".

## 10. AMENDMENT OF SCHEME EXECUTIVES' PARTICULARS

- 10.1 When there is a change of the scheme executives of a community scheme, the relevant form should be completed indicating the contact details of the existing scheme executives and the contact details of the new scheme executives.
- 10.2 The CS1A form must be accompanied by the following documentation:
  - a) Special resolution.

10.3 The CS1A form should be forwarded to the CSOS together with the CS2 form for the submission of annual returns to [annualreturn@csos.org.za](mailto:annualreturn@csos.org.za) on an annual basis.

#### **11. REVIEW OF THE CIRCULAR**

11.1 This Circular will be reviewed annually or as and when there is a change in legislation, or if a court decision amends or varies any of the provisions contained herein.

11.2 The amended Circular will be published on the CSOS website.

#### **12. COMMENCEMENT OF THE CIRCULAR**

12.1 This Circular will commence on the date of signature hereof and will remain in force until amended, substituted, withdrawn or repealed.

- END -



**LIST OF SUPPORTING DOCUMENTS FOR REGISTRATION OF A COMMUNITY SCHEME****ANNEXURE 'A'****New Developed Schemes:**

- Completed** CS1 Form (signed).
- Schedule of levies payable by each unit within the Community Scheme (if Applicable).

**Either of the following supporting documents (Mandatory)**

- Certificate of incorporation
- Constitution
- Rules (Management or Conduct)
- Articles of Association
- Memorandum of incorporation
- Terms and conditions of Community Scheme
- Copy of registration certificate with CIPC.
- Copy of the Title Deed.
- Use Agreement

**Existing Community Schemes**

- Completed** CS1 Form (signed)
- Schedule of levies payable by each unit within the Community Scheme **(Mandatory)**
- The Audited financial statements of the Community Scheme **(Mandatory)**

**Either of the following supporting documents (Mandatory)**

- Certificate of incorporation
- Constitution
- Rules (Management or Conduct)



- Articles of Association
- Memorandum of incorporation
- Terms and conditions of Community Scheme
- Copy of registration certificate with CIPC.
- Copy of the Title Deed.
- Use Agreement



## LIST OF SUPPORTING DOCUMENTS FOR SUBMISSION OF ANNUAL RETURNS OF A COMMUNITY SCHEME

### ANNEXURE "B"

According to CSOS Act and Regulations the Following documents need to be submitted at CSOS for a compliant Annual Return submission:

- Completed CS2 Form with signed declaration.
- Signed Audited Annual Financial Statement of the Scheme
- Minutes of the most recent Annual General Meeting
- Up-to-date Levy Schedule
- Details of Executive Committee (including names, ID numbers, and contact details)
- All relevant documentation relating to the rules, resolutions and constitution of the Scheme.
- Copy of registration certificate with CIPC/Copy of the title Deeds.