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REGISTERED WITH THE COUNCIL FOR DEBT COLLECTORS REG No: 1998/22284/07  
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Co. REG No. 1998/022284/07 VAT No. 4240205726

DMS has been appointed as the preferred debt collection agency for ANGOR Property Specialists (Pty) Ltd and we have a direct link into their accounting data in order to facilitate this service. The aim of DMS is to manage any arrears that may occur from time to time on your Body Corporate/Homeowners Association accounts.

According to the Sectional Titles Schemes Management Act 8 of 2011, it is the duty of the Scheme Executives (Trustees/Directors) to Levy and collect contributions from the owners (Management Rule 25). In the event that an owner fails to pay his obligations to the Body Corporate/Homeowners Association, the Scheme Executives must take the necessary steps to recover the arrears Levy or any other arrears amount owing by the owner to the Body Corporate/Homeowners Association. The owner will be responsible for the cost of such action taken (as per Management Rule 25(4)).

DMS offers this service and expertise in this field to assist the Scheme Executives to manage and control the arrears, therefore releasing the Scheme Executives of this burden. A mandate needs to be signed by the Scheme Executives, instructing DMS to take the necessary action on behalf of the Scheme Executives. It is in the interest of all members of the Body Corporate/Homeowners Association to protect their investment, so that those who pay do not have to carry the burden of those that don't. Therefore it is highly recommended that an arrears policy be put in place and enforced. DMS would act on behalf of the Scheme Executives to enforce this policy.

The cost of such action is collected by the Managing Agent from the Body Corporate/Homeowners Association and paid over to DMS. Unless agreed to by an owner or on order by a Judgment from the relevant court, Management Rule 25(5) prohibits the Body Corporate from debiting a member's account with any amount that is not a contribution or a charge. The implication of this Management Rule is that all legal fees are debited to the Control Account of the Scheme until such time as the costs are taxed and / agreed to by the owner. Once this resolution is reached the relevant fees may be reallocated to the owner's account for collection.

DMS are registered Debt Collectors with the Council for Debt Collectors and therefore charge fees as per the Debt Collectors Act 114 of 1998, Annexure B.

**The DMS arrears collecting system makes provision for the following procedure:**

**For Tenants who have a split account where the Body Corporate / Homeowners Association supplies the Electricity:**

1. SMS (only if the number is available) – R 3.00
2. Arrears Letter – R21.00

**For Owners:**

1. Arrears Letter – R21.00
2. Final Demand – R21.00

**Fees exclude VAT.**

Over and above the letter cost, DMS charges **10% collection commission**, up to a maximum of R509.00 + VAT **per payment made** on the arrears amount.

In the event that the above procedures have been followed through and no response has been forthcoming, Legal Action should be taken. DMS must be authorised to act as a lawful agent for the institution of all Legal proceedings or inter alia related matters on behalf of the Body Corporate/Homeowners Association, who must authorise DMS to institute Legal proceedings on behalf of the Body Corporate/Homeowners Association.

Be assured that we act only in the best interest of your complex and thereby assist you to maintain the value of your property investment.

Should you have any queries with regard to our services, please do not hesitate to contact me.

Yours faithfully,



Kerry Ann Olivier

MANAGING DIRECTOR | DMS

## DEBT COLLECTION MANDATE

We, the Scheme Executives of \_\_\_\_\_  
herewith, instruct DMS (Debt Management Services) to collect on our behalf any overdue amounts  
as follows:

Any amount over R\_\_\_\_\_ or by \_\_\_\_\_ Days in arrears  
on a **Tenant** account.

Any amount over R\_\_\_\_\_ or by \_\_\_\_\_ Days in arrears  
on an **Owner** account.

### 1. Procedure to be followed for tenants who have a split account in respect of electricity:

Please select the actions required

#### 1.1 SMS

Yes  No

(If the number is available, cost R3,00 + VAT)

#### 1.2 Arrears Letter

Yes  No

(cost R21,00 + VAT)

DMS charges **10% collection commission**, up to a maximum of R509,00 + VAT **per payment made** on the arrears amount.

### 2. Procedure to be followed for the Owners:

Please select the actions required

#### 2.1 Arrears letter

Yes  No

(cost R21,00 + VAT)

#### 2.2 If no response to the above, a **Final Demand to be issued**

Yes  No

(cost R21,00 + VAT.)

DMS charges **10% collection commission**, up to a maximum of R509,00 + VAT **per payment made** on the arrears amount.

AND

3. After the above procedures have been followed through and no response has been forthcoming to the satisfaction of the Body Corporate/Homeowners Association, Legal Action must be taken.
  - 3.1. DMS has hereby been authorised to act as a lawful agent for the institution of all Legal proceedings or inter alia related matters on behalf of the Body Corporate/Homeowners Association, and hereby authorises DMS, to institute Legal proceedings on behalf of the Body Corporate/Homeowners Association.
  
4. The Trustees/Directors hereby undertake not to accept payment arrangements without informing DMS of such arrangement in writing.
  
5. It is hereby agreed that DMS will be entitled to charge a 10% collection commission on all arrears amounts recovered by DMS on behalf of the Body Corporate / HOA to a maximum of R509,00 + VAT per payment.
  
6. Payments are accepted without prejudice and will be allocated firstly against arrears then against interest and thereafter to current levies due.
  
7. The Scheme Executives will inform Owners / Tenants / Members concerned of the above procedures.

DATE: \_\_\_\_\_ (DAY / MONTH / YEAR)

FULL NAME OF SCHEME EXECUTIVE	SIGNATURE OF SCHEME EXECUTIVE
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# DEBT COLLECTORS ACT, 1998

## (ACT 114 OF 1998)

As amended by the Judicial Matters Amendment Act, 2005 (Act 22 of 2005) and the Judicial Matters Amendment Act, 2008 (Act 66 of 2008)

(CONSOLIDATED AND ANNOTATED)

1 December 2009 DEBT COLLECTORS ACT, 1998 (Act 114 OF 1998) (Assented to 19 November 1998, Date of commencement: 7 February 2003, Unless otherwise indicated). (English text signed by the President) amended by Judicial Matters Amendment Act 22 of 2005 Judicial Matters Amendment Act 66 of 2008 Act.

*To provide for the establishment of a council, known as the Council for Debt Collectors; to provide for the exercise of control over the occupation of debt collector; to amend the Magistrates' Courts Act, 1944, so as to legalise the recovery of fees or remuneration by registered debt collectors; and to provide for matters connected therewith.*

### Definitions

1. In this Act, unless the context otherwise indicates-

- "Council" means the Council for Debt Collectors established by section 2;
- "debt collector" means-

(a) a person, other than an attorney or his or her employee or a party to a factoring arrangement, who for reward collects debts owed to another on the latter's behalf;

(b) a person who, other than a party to a factoring arrangement, in the course of his or her regular business, for reward takes over debts referred to in paragraph (a) in order to collect them for his or her own benefit;

(c) a person who, as an agent or employee of a person referred to in paragraph (a) or (b) or as an agent of an attorney, collects the debts on behalf of such person or attorney, excluding an employee whose duties are purely administrative, clerical or otherwise subservient to the actual occupation of debt collector;

[Paragraph (c) substituted by Section 10 of the Judicial Matters Amendment Act 22 of 2005]

- "Director-General" means the Director-General of the Department of Justice;
- "factoring arrangement" means an arrangement between a creditor and a financier in terms of which the creditor, in exchange for funding, either sells or offers as security, claims against his or her debtors:

Provided that such claims are not bad or doubtful at the time they are so sold or offered as security: Provided further that no overdue debt or a claim for which a demand has been made, is part of such a factoring arrangement;

- "Minister" means the Minister of Justice;
- "person" includes a juristic person;
- "prescribe" means to prescribe by regulation;
- "this Act" includes any regulation or notice made or issued under this Act.

[Date of commencement of Section 1: 21 January 2000.]

### Offences and penalties

25. Any person who-

(a) contravenes a provision of section 8 (1); or

3. (b) fails to return a certificate of registration in terms of section 18, shall be guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding three years.

**"ANNEXURE B**  
**Expenses and fees**  
[Regulation 11]

**Note: The total amount to be recovered from the debtor in respect of items 1 to 7 of the Annexure shall not exceed the capital amount of the debt or R1023, 00, whichever is the lesser.**

Item	Description	Amount
1.(a)	Necessary ordinary letter, registered letter, facsimile or e-mail:	R21,00 (and in the case of a registered letter, the costs of the registration fee to be added).
1.(b)	Registered letter (section 57 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944)):	The amount as prescribed from time to time in item 8 of Annexure 2, Table A, Part II of the Rules Regulating the Conduct of the Proceedings of the Magistrates' Courts of South Africa.
1.(c)	Necessary electronic communication, other than facsimile or e-mail, (per electronic communication):	R3,00 (maximum of ten electronic communications per month).
2.	Necessary phone call, which is not a consultation (per call):	R21,00.
3.	Other necessary expenses not specifically provided for, a total amount of:	R21,00.
4.(a)	Acknowledgement of debt and undertaking to pay debt in terms of section 57 or section 58 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944) (including the necessary consultation with debtor):	The amount as prescribed from time to time in items 9 and 10 of Annexure 2, Table A, Part II of the Rules Regulating the Conduct of the Proceedings of the Magistrates' Courts of South Africa.
4.(b)	Original documents signed by the debtor under item 4(a) at the debtor's residence or place of work:	R210,00.
4.(c)	Necessary registered credit bureau search:	R14,00 (maximum of four searches per month).
5.	At the request of the debtor, the drawing up and furnishing of a settlement account, other than the six monthly settlement account:	R41,00.
6.	Correspondence received and attended to:	R11,00.
7.	Necessary consultation with debtor:	R52,00.
8.	Attending taxation:	R82,00.
9.	On receipt of an instalment (one or more) in redemption of the debt inclusive of instalments made directly to the client:	A fee of 10% of the instalment received, subject to a maximum amount of R509,00. No additional fee shall be charged for any attendance in connection with the receipt or payment of any instalment."

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