

SUBSIDIARY MANAGEMENT CORPORATION

ROLE OF MANAGEMENT CORPORATION (MC)

MC is a body corporate and it can sue or be sued in its name. MC does not need to be registered as a company organization registration.

The MC is required to convene the First Annual General Meeting (AGM) within a period of one after the expiry of the initial period or when 1/3 of the total share units have been held by the parcel buyers

MC has a common seal and has hereditary rights.

The MC must appoint a council to act for his rights. Members should be between 3-14 people.

If there is a termination of subdivision of the building due to the building being destroyed or demolished, the MC will be the trustee for the former parcel owners and if it is decided by unanimous resolution to sell the land then the MC will do so and distribute the proceeds of the sale of the land to the former parcel owners according to the quantum of the respective share units.

SUBSIDIARY MANAGEMENT CORPORATION

POWER OF MANAGEMENT CORPORATION (MC)

Repay loans and interest

Obtain donations from parcel owners

Borrow money as needed to carry out its duties

Managing building reversal works in strata scheme lots

- Take any necessary action against the owners and occupants of the parcel in carrying out their responsibilities.
- Purchase, rent or acquire movable property for use in connection with the Common property.

SUBSIDIARY MANAGEMENT CORPORATION

RESPONSIBILITY MANAGEMENT CORPORATION (MC)

○	NO. _____
○	<input type="checkbox"/> Manage and maintain Joint property. <input type="checkbox"/> Insuring buildings from fire and others.
○	<input type="checkbox"/> Pay insurance premiums, land tax and other rates. <input type="checkbox"/> Comply with the notice/instruction of the Authority to do something on the Common property. <input type="checkbox"/> Take Action against parcel owners if the owners fail to comply with the instructions within a certain period.
○	<input type="checkbox"/> Prepare and maintain a strata register for the building. <input type="checkbox"/> Pay annual land tax. <input type="checkbox"/> Manage building maintenance funds.
○	<input type="checkbox"/> Maintain a special account of the strata scheme

PROBLEMS FACED BY THE MANAGEMENT CORPORATION (MC)

- Collect contributions and arrears from parcel owners.
- The collection is not enough to pay for management expenses.
 - Having trouble appointing councilors.
- Problems in holding annual meetings due to insufficient quorum set.
 - Council members are not actual parcel owners.
- Contributions are collected pro rata and not according to the share unit rate.
- The strata scheme is broad, so MC members are too numerous and difficult to handle.

SUBSIDIARY MANAGEMENT CORPORATION

THE DUTIES AND RESPONSIBILITIES OF JMB, MC, SUB-MC

The duties and responsibilities of the JMB and MC are to maintain and manage the building and common property and facilities of the strata property within the power outlined under SMA



To determine and impose the necessary charges for the repair and maintenance of the Joint property properly.

To maintain the Joint property properly and keep the Joint property in good and usable condition.

To use the insurance money received to repair damage to a building or rebuild for a building.

To insure a building as much as the fiber value of the building against fire and any other risk.

SUBSIDIARY MANAGEMENT CORPORATION

RESPONSIBILITIES OF THE MANAGEMENT BODY

The developer and the MC are the two management bodies that manage and maintain a strata scheme.

Developer management will start after VP submission to the buyer of the plot.

A management corporation or MC exists automatically after the strata register book is opened. All strata ownership will be registered in the name of the developer as the original owner.

The developer is obliged to call the first AGM no later than one month after one-fourth (1/4) of the share units are transferred.

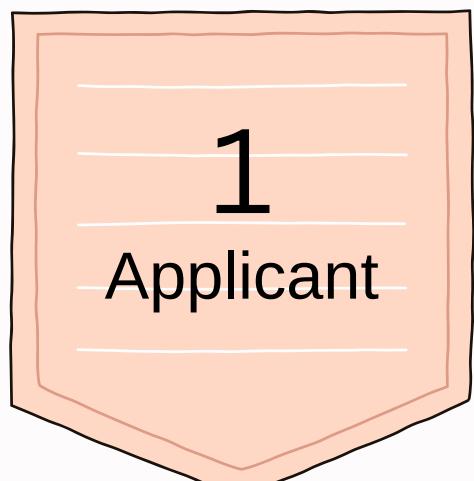
MC management begins after the MC AGM is conducted and members of the management committee are appointed.

The management is obliged to carry out the following obligations

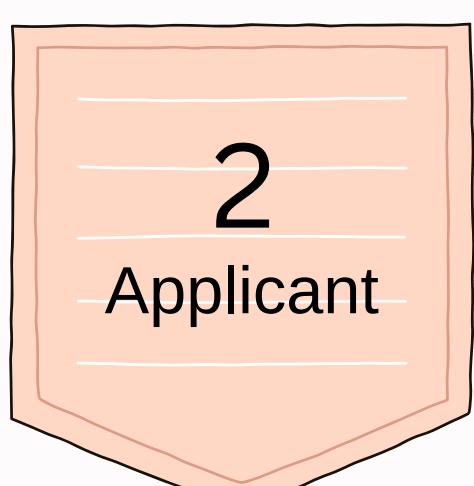
- Opening maintenance accounts and sinking fund accounts
- Determine the charge rate and sinking fund
- Take insurance
- Prepare and maintain a register of plot owners
- Comply with notices & instructions of PBT / public authorities
- Audit & maintain accounts
- Enforce by laws

SUBSIDIARY MANAGEMENT CORPORATION

Application process for issuance of SUB-MC certificate

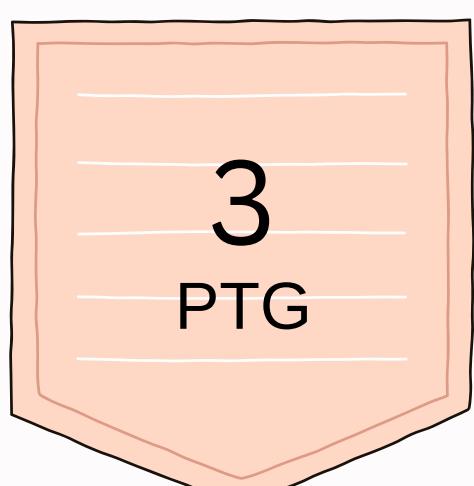


- MC obtain agreement to appoint LLS to prepare Special Plan with fee approved.
- Give 30 days notice to all parcel owners.
- LCP to be set through comprehensive resolution by MC.
- To file the comprehensive resolution to COB within 28 days.

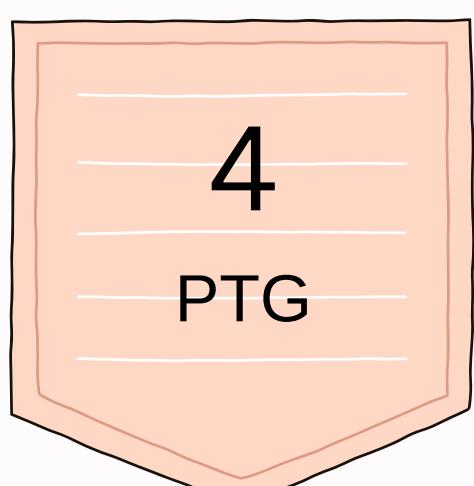


Application to PTG with Form 9

- Fee
- Copy of comprehensive resolution
- Special Plan
- Current quit rent
- Certification from MC

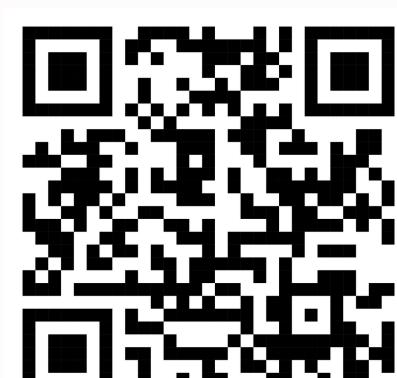


- PTG refer the application to Director of Survey
- Comment from Director of Survey
- Fee checking



- Application and documents in order
- Related fee
- Issue the certification of Sub-MC

MC is required to make application in accordance with section 17A STA 1985 using Form 9 after obtaining a comprehensive resolution for the approval of the Director of Lands and Mines Office (PTG) for the issuance of sub-MC certificates requested.



Form 9

SUBSIDIARY MANAGEMENT CORPORATION

Advantages and Disadvantages of Establish Subsidiary Management Corporation Sub-MC

ADVANTAGES	DISADVANTAGES
Clearly define the boundaries and rights so that subsidiary management corporation (Sub-MC) is insulated from the liabilities from other Sub-MC	More administrative works as there are more accounts and auditing, committee meetings and general meetings needed for management corporation
Sub-MC mitigates the impact of inequitable share units where certain owners do not have to pay the maintenance fees that did not enjoy by them. This is because some high costs facilities shared by two or more component but not all component under a strata scheme	Increases operational costs cause the increment of charges and sinking fund contributions
Sub-MC has independent management and maintenance their own limited common property under their subsidiary management committee and own general meetings	More volunteers needed as management committee for the subsidiary management corporation
Sub-MC could operate its own maintenance account and sinking fund account	Increased potential for conflict as more management body involved.
Sub-MC entitled to generate their income arising from own limited common property	
Sub-MC could make and enforce their own additional by-laws	
Sub-MC can institute own legal proceedings in court or Strata Management Tribunal	

