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Street, Drainage and Building Act 1974, Local Government Act 1976, Town and Country Planning Act 1976 and Strata Titles Act 1985. Since these legislations are interconnected, amending the Strata Management Act 2013 (SMA 2013) requires a thorough understanding of these related laws. Amending SMA 2013 in isolation is unwise, as any changes should harmonize with the existing legal framework. Amendments should avoid overlapping or encroaching on the domains of other legislation to prevent complications.

For instance, the authority to issue demolition notices for illegal extensions within a strata scheme currently resides with the local authority. The COB (Commissioner of Buildings), JMB (Joint Management Body), or MC (Management Corporation) do not possess such powers. Overstepping or conflicting with these boundaries could have disastrous consequences.

As of this writing, the Strata Titles Act 1985 is also undergoing amendments, spearheaded by the Ministry of Natural Resources and Environmental Sustainability.

### Flow of events to complete a strata scheme

As of this writing, although the Strata Management Act 2013 (SMA 2013) does not specifically address the sale of parcels, it imposes a precondition requiring developers to file a schedule of parcels with the Commissioner of Buildings (COB) before any parcel can be sold. This requirement also applies to amended schedules of parcels in the case of phased developments.

As illustrated in Chart 2, the full lifecycle of a strata scheme intersects with multiple legislations and is governed by various ministries and authorities. Consequently, amendments to matters related solely to strata management—generally regarded as covering the period after vacant possession is delivered to purchasers—must be carefully coordinated. Broader amendments may require collaboration and approval from other ministries to ensure alignment with the existing legislative framework.

Having been tasked with reviewing these legislations, I find it essential to establish the parameters and principles that will guide our approach. Where necessary, I will provide explanations for the rationale behind specific provisions to ensure accurate messaging and to prevent fundamental misconceptions.

In interpreting the provisions

AS a backdrop, the current Strata Management Act 2013 (SMA 2013) came into force in most states in West Malaysia on June 1, 2015, and in Penang on June 12, 2015. Its accompanying regulations, the Strata Management (Maintenance and Management) Regulations 2015 (SMR 2015), were introduced on June 2, 2015.

Subsequently, on July 1, 2015, the Strata Management (Strata Management Tribunal) Regulations 2015 (SMTR 2015) came into force. Later, on May 2, 2019, the Strata Management (Compounding of Offences) Regulations 2019 was introduced.

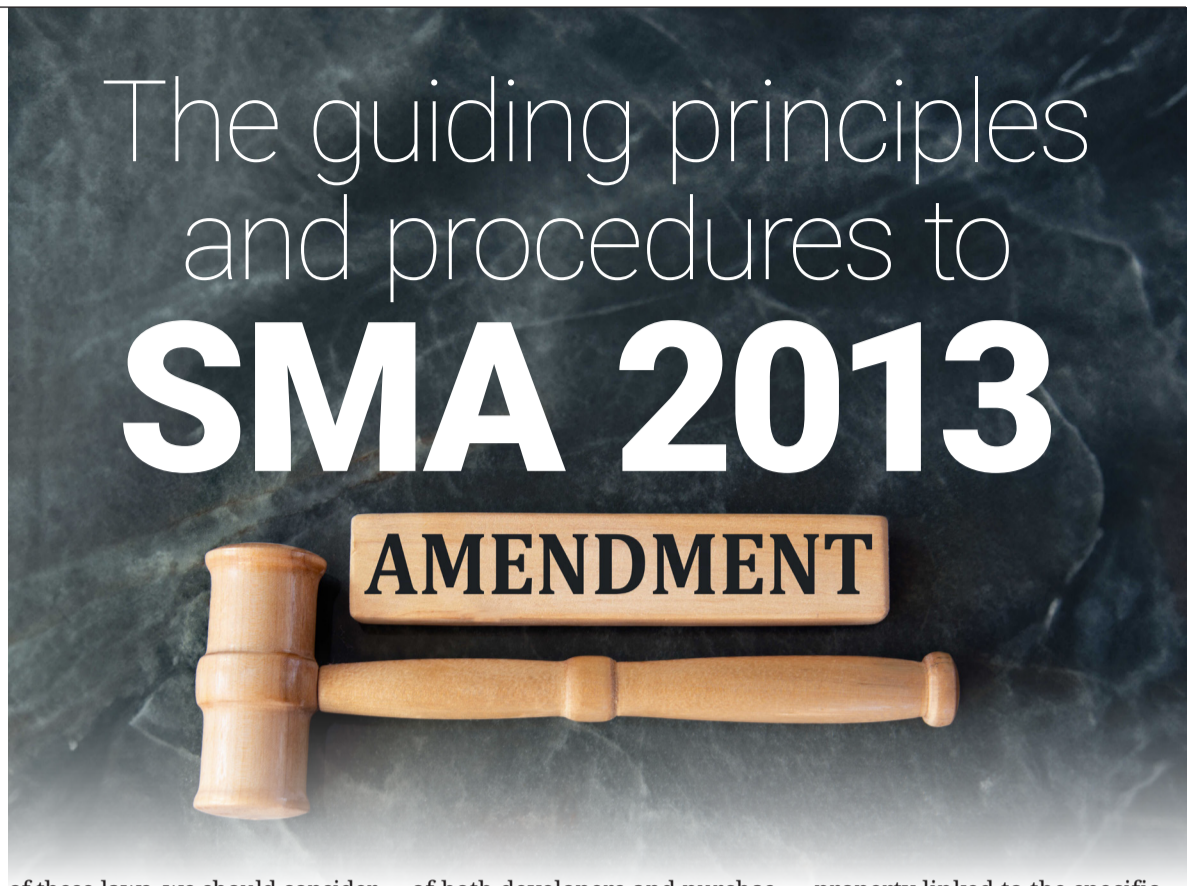
At the time of writing, Sarawak has similarly amended its Strata Titles Ordinance 1995, splitting it into two separate pieces of legislation: the Strata (Subsidiary) Ordinance 2019 and the Strata Management Ordinance 2022, both of which came into effect on March 1, 2022.

In Sabah, efforts are underway to draft the Building Management Enactment, and it is understood that the Bill may be ready by 2025.

### Relationship with other legislations

As mentioned in last week's article published in Star Biz7 on Jan 18, SMA 2013 is not a standalone piece of legislation. It has a close nexus with other legislations.

Chart 1 illustrates the connection among the National Land Code, Housing Development (Control and Licensing) Act 1966,



of these laws, we should consider whether a rigid or liberal approach is more appropriate, rather than relying solely on the Hansard, which often does not fully capture the legislative intent. This is not unusual, given the bureaucracy involved and the multiple layers of approvals required during the drafting and legislative process.

### Guiding principles for amendment

The guiding principles in the proposed amendments aim to establish a well-structured self-regulatory mechanism that strikes a balance between being overly prescriptive and allowing excessive leniency.

A pertinent example illustrates this balance: while we seek to encourage phased developments to flourish in the current climate, it is equally important to safeguard the interests

of both developers and purchasers. To achieve this, the following considerations will be explored:

**1. Transparent notification:** Ensuring that a complete set of the schedule of parcels is provided to purchasers before the sale of parcels begins.

**2. Flexibility in amendments:** Allowing a more adaptable approach to amending the legend and/or schedule of parcels for phased developments, accommodating changes while maintaining clarity and compliance.

**3. Equitable charges for provisional blocks:** Mandating that the proprietor of a provisional block contributes to the payment of charges, albeit at a discounted rate. This discount would reflect the key principle that charges must correspond to the actual or anticipated expenditures required to maintain and manage the common

property linked to the specific component.

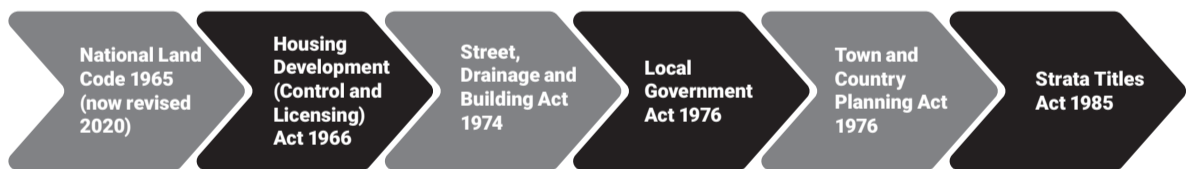
These principles aim to create a fair and sustainable framework that ensures mutual benefit for all stakeholders involved in the development and management of strata schemes.

### Parameters

When one mentions a strata scheme, one always views it as a high rise building seated on a piece of land. This generalisation is not wrong since it comprises the majority of the strata schemes in the peninsula Malaysia.

The reality however when proposing amendments needs to be able to cater to the multi-faceted types of developments such as government housing, low and mid cost, old scheme without share units, lease schemes and rent to own schemes.

**Chart 1**



### Procedures in amending

To provide an understanding of how the amendment process works, I have outlined the steps below:

- (a) Small group discussions**  
We have prepared targeted questions for specific stakeholders, identified as follows:  
COBs of DBKL  
Lembaga Perumahan

Hartanah Selangor

COBs across Selangor  
REHDA members

At the time of writing, we have conducted small group discussions with the above stakeholders. We plan to engage the remaining stakeholders by the first quarter of 2025.

These meetings are conducted exclusively with one stakeholder group at a time. The specific questions prepared are designed to elicit detailed views and an understanding of the underlying reasons behind their responses. This approach ensures a focused and in-depth exchange tailored to each stakeholder's expertise and perspective.

**(b) Focus group discussions**  
Focus group discussions will address specific subject matters in detail. These sessions will bring together multiple stakeholders involved in a particular issue to encourage dialogue between those with differing perspectives. This approach helps us gain a deeper understanding

of the dynamics and viewpoints of both supporters and dissenters on critical topics.

**(c) Working/technical committee**

Once all reports are compiled, they will be reviewed by the working/technical committee. This committee will analyse the findings in depth and deliberate on policy issues. It serves as an intermediary step to refine and shape the proposed amendments based on the collected feedback.

**(d) Steering committee**

At the top of the hierarchy is the steering committee, comprising policymakers from the Ministry of Housing and Local Government (KPKT). This committee has the ultimate authority to determine the policies, set the direction, and approve the amendments.

If you have any specific subject matter you feel strongly about which requires amendment, kindly email to [info@cheehoe.com](mailto:info@cheehoe.com) OR [izzah@kpkt.gov.my](mailto:izzah@kpkt.gov.my).

**Chart 2**

